

PRESS RELEASE

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RETROCOM MID-MARKET REIT ANNOUNCES FIRST QUARTER RESULTS

Toronto, Ontario – May 13, 2005 – (TSX – RMM.UN) - Retrocom Mid-Market Real Estate Investment Trust (REIT) announced today its financial results for the three months ended March 31, 2005.

Distributable income in the period was \$2.88 million or \$0.24 per unit. The REIT declared \$3.12 million or \$0.26 per unit in cash distributions for the period. As at March 31, 2005, there were 12.18 million units issued and outstanding.

Consolidated gross revenue for the period was approximately \$11.23 million. Operating expenses were \$5.20 million while general, administrative and trust expenses were \$0.58 million. The REIT generated a net loss of \$1.49 million (\$0.12 per unit) after debt service of \$2.46 million and depreciation and amortization of \$4.48 million for the period. The net loss is primarily the result of depreciation and amortization (non cash items). Net income before depreciation and amortization was \$2.99 million. Effective January 1, 2004 new accounting policies adopted by all Canadian real estate companies required the REIT to depreciate its income producing properties faster than similar entities which held real estate prior to that time.

The REIT's EBITDA (defined as earnings before interest, incomes taxes, depreciation and amortization,) was \$5.45 million. EBITDA is not a recognized measure under GAAP. However, management believes EBITDA is a useful supplemental measure to net earnings as it provides investors with an indication of cash available for distribution prior to debt service, capital expenditures and depreciation and amortization.

Cash provided by operating activities in the period amounted to \$2.17 million. Funds from operations provided \$2.74 million, and \$0.57 million was used by working capital items. Financing activities utilized cash of \$2.36 million, which was primarily related to the distributions and offset by net proceeds from financing, and investing activities used \$0.16 million.

Financial Highlights (financial statements attached):

		in \$000's
		Actual Three Months Ended March 31, 2005 (1) (unaudited)
Rental Revenue and Other Income		\$ 11,232
Expenses		
Operating		5,204
Trust Expenses		575
		5,779
Income before Interest, depreciation & amortization		5,453
Less:	Interest	(2,460)
	Depreciation & amortization	(4,479)
(Loss)		(1,486)
Add Back:		
Depreciation & amortization		4,383
Adjustment of debt		(21)
Distributable Income (2)		\$ 2,876
Distributable Income per Unit:		
Basic		\$ 0.24
Fully Diluted		\$ 0.23
Total payout to Unitholders		\$ 3,119
Payout Ratio		108%
Weighted average units outstanding		
Basic		12,176,000
Fully Diluted		12,588,500

Notes

- 1 Based on the unaudited financial statements for the three months ended March 31, 2005.
- 2 Distributable Income is not a measure recognized under GAAP and does not have a standardized meaning prescribed by GAAP. Distributable Income is presented to reflect the ability of the Trust to earn income and to make distributions of cash to unitholders and therefore is considered a measure of cash available for distribution. Distributable Income as computed by the Trust may differ from similar computations as reported by other real estate investment trusts and accordingly may not be comparable to distributable income reported by other such issuers. Generally, Distributable Income differs from Net Income, a GAAP measure, in that for any period, Net Income is adjusted for depreciation and amortization and other non-cash operating expenses and non-recurring items.

Retrocom Mid-Market REIT is an Ontario unincorporated open-end real estate investment trust that focuses on owning and acquiring mid-market commercial properties in primary and secondary cities across Canada with the objective of producing a geographically diversified portfolio of properties with stable and growing cash flows.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy, which may be made only by means of a prospectus, nor shall there be any sale of the Units in any state, province or other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under securities laws of any such state, province or other jurisdiction. The Units of the Retrocom Mid-Market REIT have not been, and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered, sold or delivered in the United States absent registration or an application for exemption from the registration requirements of U.S. securities laws.

Certain statements contained in this news release may include forward-looking information with respect to Retrocom Mid-Market Real Estate Investment Trust's operations and future financial results. Such statements are based on current expectations, are subject to a number of uncertainties and risks, and actual results may differ materially from those contained in such statements. These uncertainties and risks include, but are not limited to, availability of resources, competitive pressures, changes in market activity and regulatory requirements. Further information can be found in the disclosure documents filed by Retrocom Mid-Market Real Estate Investment Trust with the securities regulatory authorities, available at www.sedar.com.

FOR MORE INFORMATION:

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