



FIRST CAPITAL[®]

FIRST CAPITAL REALTY ANNOUNCES FIRST QUARTER 2019 RESULTS

Toronto, Ontario (May 7, 2019) - First Capital Realty Inc. ("First Capital Realty" or the "Company") (TSX: FCR), one of the largest owners, developers and operators of necessity-based real estate located in Canada's most densely populated urban centres, announced today financial results for the three months ended March 31, 2019.

SELECTED FINANCIAL INFORMATION

(unaudited)

Three months ended March 31

	2019	2018
FFO ⁽¹⁾ (\$ millions)	\$75.7	\$73.9
FFO per diluted share ⁽¹⁾	\$0.30	\$0.30
Weighted average diluted shares for FFO (000s)	256,178	245,717
Total Same Property NOI ⁽¹⁾ (\$ millions)	\$94.9	\$90.3
Total Same Property NOI growth ⁽¹⁾⁽²⁾	5.2%	2.6%
Total portfolio occupancy ⁽³⁾	96.8%	96.2%
Total Same Property occupancy ⁽¹⁾⁽³⁾	97.2%	97.0%
Net income attributable to common shareholders (\$ millions)	\$62.2	\$65.9
Net income attributable to common shareholders per diluted share	\$0.24	\$0.27
Weighted average diluted shares for net income (000s)	256,178	247,044

(1) Refer to "Non-IFRS Financial Measures" section of this press release.

(2) Prior periods as reported; not restated to reflect current period categories.

(3) As at March 31.

FIRST QUARTER OPERATIONAL AND FINANCIAL HIGHLIGHTS

- **Same Property NOI Growth:** Total Same Property NOI increased 5.2% compared to the same prior year period. Excluding lease surrender fees, Total Same Property NOI increased 2.2% compared to the same prior year period.
- **Portfolio Occupancy Rate:** Total portfolio occupancy improved 0.1% from 96.7% at December 31, 2018 to 96.8% at March 31, 2019. Total portfolio occupancy improved 0.6% from 96.2% at March 31, 2018 to 96.8% at March 31, 2019.
- **Lease Renewal Rate Increase:** Net rental rates for the quarter increased 10.6% on 612,000 square feet of lease renewals when comparing the rental rate in the last year of the expiring term versus the first year of the renewal term. Net rental rates increased 11.9% when comparing the rental rate in the last year of the expiring term versus the average rental rate over the renewal term.

Growth in Average Net Rental Rate: The average net rental rate increased by 2.7% or \$0.54 per square foot over the same prior year period to \$20.38 per square foot, primarily due to renewal lifts, rent escalations, and new tenant openings in recently completed developments.

Property Investments: The Company invested \$34.9 million in development and redevelopment in the quarter and acquired interests in one property and two land parcels for \$20.6 million. The Company disposed of its 100% interest in an income producing property in London, Ontario as well as two land parcels for \$23.2 million.

FFO per Share: FFO per diluted share decreased 2.0% to \$0.295 primarily as a result of transaction costs related to the secondary offering of the Company's common shares by a subsidiary of Gazit-Globe Ltd. ("Gazit") and REIT conversion costs incurred in the first quarter of 2019. Excluding these non-recurring costs totaling \$3.6 million, FFO per diluted share for the first quarter increased 3.0% to \$0.310. FFO in total dollars excluding the non-recurring items increased 7.2% or \$5.4 million compared to the same prior year period.

Net Income Attributable to Common Shareholders: Net income decreased to \$62.2 million or \$0.24 per diluted share compared to \$65.9 million or \$0.27 per diluted share for the same prior year period. The decrease was primarily due to a lower increase in the fair value of investment properties, higher other expenses as mentioned above, partially offset by higher interest and other income.

"We have made significant strides in the early part of 2019 including an evolved urban investment strategy, advanced planning for a REIT conversion, a strong first quarter and closing of the transformative Gazit transactions" said Adam Paul, President and CEO. "Our team is firmly focused on our plan to reduce leverage and we look forward to delivering our progress reports each quarter. Most importantly, our key operational metrics continue to be strong which is a result of the quality of our portfolio, our employees and our platform."

FINANCIAL HIGHLIGHTS

As at (\$ millions)	March 31		December 31
	2019	2018	2018
Total assets ⁽¹⁾	\$10,465	\$9,980	\$10,453
Unencumbered assets ⁽²⁾	\$7,283	\$7,347	\$7,270
Net debt to total assets ⁽²⁾	42.2%	43.6%	42.1%
Weighted average term of fixed-rate debt (years) ⁽²⁾	5.2	5.4	5.5

⁽¹⁾ Presented in accordance with IFRS.

⁽²⁾ Reflects joint ventures proportionately consolidated.

DIVIDEND

The Company will pay a second quarter dividend of \$0.215 per common share on July 18, 2019 to shareholders of record on June 28, 2019.

SUBSEQUENT EVENTS

The Company announced completion of \$453 million bought deal Secondary Offering by Gazit

On April 11, 2019, the Company reported the closing of the previously announced bought deal secondary offering of 22,000,000 of its common shares at a price of \$20.60 per share by a subsidiary of Gazit to a syndicate of underwriters for gross proceeds to Gazit of approximately \$453 million.

The Company announced completion of \$742 million Share Repurchase

On April 16, 2019, the Company reported the closing of its previously announced share repurchase of 36,000,000 common shares from Gazit at a price of \$20.60 per share for gross proceeds to Gazit of approximately \$742 million. The proceeds were funded with senior unsecured bank term loans with maturities ranging from 4 - 7 years. Concurrent with funding, the majority of the unsecured bank term loans were swapped to fixed rates bearing a weighted average interest rate of 3.3% with a weighted average term to maturity of 5.8 years. The remaining debt bears interest at a floating rate and can be repaid with disposition proceeds with no prepayment penalty. Gazit's ownership of the Company has been reduced from 31.2% to approximately 9.9% following the completion of the secondary offering and share repurchase transactions.

As a result of the debt-financed share repurchase transaction, both Moody's and DBRS downgraded the ratings of the Company's senior unsecured debentures by one notch to Baa3 (Moody's) and BBB (DBRS).

MANAGEMENT CONFERENCE CALL AND WEBCAST

First Capital Realty invites you to participate at 2:00 p.m. (ET) on Wednesday, May 8, 2019, in a live conference call with senior management to discuss the Company's results for the three months ended March 31, 2019.

Teleconference

You can participate in the live conference by dialing 416-695-6725 or toll-free 800-952-5114 with access code 8745708. The call will be accessible for replay until May 22, 2019 by dialing 905-694-9451 or toll-free 800-408-3053 with access code 8706912.

Webcast

To access the live audio webcast and conference call presentation, please go to First Capital Realty's website or click on the following link: [Q1 2019 Conference Call](#). The webcast will be accessible for replay in the 'Investors' section of the website, under 'Conference Calls'.

Management's presentation will be followed by a question and answer period. To ask a question, press '1' followed by '4' on a touch-tone phone. The conference call coordinator is immediately notified of all requests in the order in which they are made, and will introduce each questioner. To cancel your request, press '1' followed by '3'. For assistance at any point during the call, press '*0'.

ABOUT FIRST CAPITAL REALTY (TSX: FCR)

First Capital Realty is one of Canada's largest owners, developers and operators of necessity-based real estate located in Canada's most densely populated urban centres. The Company currently owns interests in 166 properties, totaling approximately 25.4 million square feet of gross leasable area.

Non-IFRS Financial Measures

First Capital Realty prepares and releases unaudited interim and audited annual consolidated financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”). As a complement to results provided in accordance with IFRS, the Company discloses certain non-IFRS financial measures, including but not limited to proportionate interest, NOI, Same Property NOI, FFO and ACFO. These non-IFRS measures are further defined and discussed in First Capital Realty’s MD&A for the three months ended March 31, 2019, which should be read in conjunction with this press release. Since these non-IFRS measures do not have standardized meanings prescribed by IFRS, they may not be comparable to similar measures reported by other issuers. The Company uses and presents the above non-IFRS measures as management believes they are commonly accepted and meaningful financial measures of operating performance. Reconciliations of certain non-IFRS measures to their nearest IFRS measures are included in the Company’s MD&A. These non-IFRS measures should not be construed as alternatives to net income or cash flow from operating activities determined in accordance with IFRS as measures of First Capital Realty’s operating performance.

Forward-looking Statement Advisory

This press release contains forward-looking statements and information within the meaning of applicable securities law, including statements regarding, our ability to maintain a certain financial position and post certain operating results, our ability to execute on our evolved urban investment strategy, including with respect to dispositions, our plan to reduce leverage and the pursuit of a REIT conversion. These forward-looking statements are not historical facts but, rather, reflect the Company’s current expectations and are subject to risks and uncertainties that could cause the outcome to differ materially from current expectations. Such risks and uncertainties include, among others, general economic conditions; tenant financial difficulties, defaults and bankruptcies; increases in operating costs, property taxes and income taxes; First Capital Realty’s ability to maintain occupancy and to lease or re-lease space at current or anticipated rents; development, intensification and acquisition activities; residential development, sales and leasing; risks in joint ventures; environmental liability and compliance costs and uninsured losses, in addition to those risks discussed in the Company’s MD&A for the year ended December 31, 2018 and in its current Annual Information Form. Furthermore, no formal determination to convert to a REIT has been made by the Company at this time and no assurance can be given as to whether such reorganization will be undertaken by the Company, or the timing, or impact of such reorganization, or its terms. Readers, therefore, should not place undue reliance on any such forward-looking statements. First Capital Realty undertakes no obligation to publicly update any such forward-looking statement or to reflect new information or the occurrence of future events or circumstances except as required by applicable securities law.

All forward-looking statements in this press release are made as of the date hereof and are qualified by these cautionary statements.

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