



FIRST CAPITAL[®]

FIRST CAPITAL REALTY ANNOUNCES SECOND QUARTER 2019 RESULTS

Toronto, Ontario (July 31, 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 and six months ended June 30, 2019.

SELECTED FINANCIAL INFORMATION

(unaudited)	Three months ended June 30		Six months ended June 30	
	2019	2018	2019	2018
FFO ⁽¹⁾ (\$ millions)	\$70.2	\$79.1	\$145.9	\$153.1
FFO per diluted share ⁽¹⁾	\$0.31	\$0.32	\$0.61	\$0.62
Weighted average diluted shares for FFO (000s)	226,417	246,196	241,203	245,951
Total Same Property NOI ⁽¹⁾ (\$ millions)	\$92.9	\$91.2	\$186.3	\$180.0
Total Same Property NOI growth ⁽¹⁾⁽²⁾	1.9%	4.2%	3.5%	3.5%
Total portfolio occupancy ⁽³⁾	96.8%	96.3%		
Total Same Property occupancy ⁽¹⁾⁽³⁾	97.4%	97.0%		
Net income attributable to common shareholders (\$ millions)	\$81.2	\$81.9	\$143.4	\$147.9
Net income attributable to common shareholders per diluted share	\$0.36	\$0.33	\$0.59	\$0.60
Weighted average diluted shares for net income (000s)	226,417	246,196	241,203	246,611

(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 June 30.

SECOND QUARTER OPERATIONAL AND FINANCIAL HIGHLIGHTS

- **Same Property NOI Growth:** Total Same Property NOI increased 1.9% compared to the same prior year period.
- **Portfolio Occupancy Rate:** Total portfolio occupancy of 96.8% remained unchanged at June 30, 2019 compared to March 31, 2019. Total portfolio occupancy improved 0.5% from 96.3% at June 30, 2018 to 96.8% at June 30, 2019.
- **Lease Renewal Rate Increase:** Net rental rates for the quarter increased 11.9% on 590,000 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 14.6% 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 3.1% or \$0.62 per square foot over the same prior year period to \$20.58 per square foot, primarily due to renewal lifts, rent escalations, and new tenant openings in recently completed developments.
- **Property Investments:** The Company invested \$43.1 million in development and redevelopment in the quarter and acquired an interest in one property for \$6.1 million. The Company disposed of a 50% non-managing interest in a portfolio of five properties located in Ontario and Quebec, two income producing properties, air rights and one land parcel for \$194.8 million.
- **FFO per Share:** FFO per diluted share decreased 3.4% to \$0.310 primarily due to gains realized in the second quarter of 2018 that did not recur in 2019. These prior year gains included \$2.7 million of residential condo profits from the Company's joint venture interest in Main & Main Urban Realty and \$2.7 million of net gains on marketable securities. Excluding these gains, totaling \$5.4 million in 2018, FFO per diluted share for the second quarter increased 3.3%.
- **Net Income Attributable to Common Shareholders:** Net income per share attributable to common shareholders increased 3 cents to \$0.36 per diluted share from \$0.33 per diluted share over the same prior year period. This increase was primarily due to a reduction in the weighted average diluted shares outstanding for the quarter following the closing of the share repurchase in April 2019.

“Q2 was another very significant quarter for FCR. We closed on the share repurchase transaction which was immediately accretive to NAV” said Adam Paul, President and CEO. “Our dispositions program and our REIT conversion project progressed well. Additionally, we continued to invest in our super urban neighbourhoods and took important steps to surface the substantial value of our incremental density pipeline as part of our Super Urban strategy.”

FINANCIAL AND OTHER HIGHLIGHTS

As at (\$ millions)	June 30		December 31
	2019	2018	2018
Total assets ⁽¹⁾	\$10,375	\$10,070	\$10,453
Total assets held for sale	\$406	\$100	\$86
Unencumbered assets ⁽²⁾	\$6,956	\$7,332	\$7,270
Net Asset Value per share	\$22.88	\$22.21	\$22.59
Population Density ⁽³⁾	265,000	215,000	250,000
Net debt to total assets ⁽²⁾	48.9%	43.3%	42.1%
Weighted average term of fixed-rate debt (years) ⁽²⁾	5.3	5.2	5.5

⁽¹⁾ Presented in accordance with IFRS.

⁽²⁾ Reflects joint ventures proportionately consolidated

⁽³⁾ The portfolio's average population density within a five kilometre radius of its properties.

DIVIDEND

The Company will pay a third quarter dividend of \$0.215 per common share on October 17, 2019 to shareholders of record on September 27, 2019.

SUBSEQUENT EVENTS

The Board conditionally approves REIT Conversion

On July 9, 2019, the Company announced that its Board of Directors has approved the proposed reorganization of the Company into a real estate investment trust to be named *First Capital Real Estate Investment Trust*, subject to receipt of a fairness opinion from the Company's independent financial advisor. The proposed reorganization will be subject to shareholder approval at a special meeting expected to be held in early December 2019. Completion of the REIT conversion is expected to occur on or about December 30, 2019.

Senior Unsecured Debentures Issued

On July 22, 2019, the Company completed the issuance of \$200 million principal amount of Series V senior unsecured debentures due January 22, 2027. These debentures bear interest at a coupon rate of 3.456% per annum, payable semi-annually commencing January 22, 2020. The net proceeds of the offering were used to repay existing debt.

MANAGEMENT CONFERENCE CALL AND WEBCAST

First Capital Realty invites you to participate at 2:00 p.m. (ET) on Thursday, August 1, 2019, in a live conference call with senior management to discuss the Company's results for the three and six months ended June 30, 2019.

Teleconference

You can participate in the live conference by dialing 416-406-0743 or toll-free 800-806-5484 with access code 7052620. The call will be accessible for replay until August 22, 2019 by dialing 905-694-9451 or toll-free 800-408-3053 with access code 4822561.

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: [Q2 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. As at June 30, 2019, the Company owned interests in 165 properties, totaling approximately 25.3 million square feet of gross leasable area and total assets were \$10.4 billion.

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 six months ended June 30, 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 and surfacing value from our incremental density pipeline, 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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