

FIRST CAPITAL REALTY ANNOUNCES FOURTH QUARTER AND 2017 ANNUAL RESULTS

Toronto, Ontario (February 13, 2018) - First Capital Realty Inc. ("First Capital Realty") (TSX: FCR), one of Canada's largest owners, developers and managers of grocery anchored, retail-focused urban properties, announced today financial results for the three months and year ended December 31, 2017.

SELECTED FINANCIAL INFORMATION

	Three months ended		Year ended	
	December 31		December 31	
	2017	2016	2017	2016
Operating FFO ⁽¹⁾ (\$ millions)	\$71.9	\$66.2	\$284.4	\$260.7
Operating FFO per diluted share ⁽¹⁾	\$0.29	\$0.27	\$1.16	\$1.10
FFO ⁽¹⁾ (\$ millions)	\$73.2	\$66.8	\$284.1	\$262.5
FFO per diluted share ⁽¹⁾	\$0.30	\$0.27	\$1.16	\$1.11
Weighted average diluted shares for FFO (000s)	245,422	244,554	245,153	236,243
Total Same Property NOI ⁽¹⁾ (\$ millions)	\$93.9	\$91.9	\$373.3	\$364.1
Total Same Property NOI growth ⁽¹⁾⁽²⁾	2.2%	2.2%	2.5%	1.1%
Total portfolio occupancy at December 31 ⁽³⁾	96.1%	94.9%		
Total Same Property occupancy at December 31 ⁽³⁾	97.0%	96.2%		
Net income attributable to common shareholders (\$ millions)	\$74.8	\$57.7	\$633.1	\$382.7
Net income attributable to common shareholders per diluted share	\$0.30	\$0.24	\$2.55	\$1.59
Weighted average diluted shares for net income (000s)	248,266	252,602	249,413	246,428

(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) Prior period restated to reflect occupancy at the Company's ownership interest.

QUARTERLY FINANCIAL AND OPERATIONAL HIGHLIGHTS

- **Operating FFO per Share:** Operating FFO per diluted share increased 8.1% to \$0.293 from \$0.271 in the same prior year period. Operating FFO in total dollars increased 8.5% or \$5.7 million to \$71.9 million vs. the same prior year period.
- **FFO per Share:** FFO per diluted share increased 9.2% to \$0.298 from \$0.273 in the same prior year period. FFO in total dollars increased 9.5% or \$6.4 million compared to the same prior year period.
- **Same Property NOI Growth:** Total Same Property NOI increased 2.2% compared to the same prior year period.
- **Portfolio Occupancy Rate:** Total portfolio occupancy increased 0.8% from September 30, 2017 to 96.1% at December 31, 2017. Occupancy at December 31, 2017 excluding vacant space held for development was 96.7%.

- **Lease Renewal Rate Increase:** Net rental rates for the quarter increased 6.7% per square foot on 582,000 square feet of lease renewals. The lease renewal rate increase for the Same Property portfolio was 6.8% on 551,000 square feet of renewals.
- **Growth in Average Net Rental Rate:** The average net rental rate increased by 1.1% or \$0.21 per square foot over the prior quarter to \$19.69 per square foot, primarily due to rent escalations.
- **Property Investments:** The Company invested \$43.7 million in development and redevelopment in the quarter, acquired three properties for \$260.6 million, including 1 Bloor St. East in Toronto. The Company also disposed of two properties and two land parcels for \$43.0 million.
- **Net Income Attributable to Common Shareholders:** Net income increased to \$74.8 million or \$0.30 per diluted share compared to \$57.7 million or \$0.24 per diluted share for the same prior year period. The increase was primarily due to higher NOI and a higher increase in the fair value of investment properties.

ANNUAL FINANCIAL AND OPERATIONAL HIGHLIGHTS

- **Operating FFO per Share:** Operating FFO per diluted share increased 5.1% to \$1.160 from \$1.104 in the prior year. Operating FFO in total dollars increased 9.1% or \$23.6 million to \$284.4 million vs. the prior year.
- **FFO per Share:** FFO per diluted share increased 4.3% to \$1.159 from \$1.111 in the prior year. FFO in total dollars increased 8.2% or \$21.6 million compared to the prior year.
- **Same Property NOI Growth:** Total Same Property NOI increased 2.5% compared to the prior year.
- **Portfolio Occupancy Rate:** Total portfolio occupancy increased 1.2% to 96.1% from December 31, 2016. Occupancy at December 31, 2017 and 2016 excluding vacant space held for development was 96.7% and 95.8%, respectively.
- **Lease Renewal Rate Increase:** Net rental rates for the year increased 6.3% per square foot on 1,712,000 square feet of lease renewals. The lease renewal rate increase for the Same Property portfolio was 6.8% on 1,479,000 square feet of renewals.
- **Growth in Average Net Rental Rate:** The average net rental rate increased by 2.0% or \$0.39 per square foot over the prior year to \$19.69 per square foot, primarily due to rent escalations.
- **Property Investments:** The Company invested \$157.7 million in development and redevelopment in the year, acquired six properties and increased its interest in two existing properties for \$287.2 million. The Company also disposed of interests in eight properties, three land parcels, and one surplus building for \$90.1 million.
- **Net Income Attributable to Common Shareholders:** Net income increased to \$633.1 million or \$2.55 per diluted share compared to \$382.7 million or \$1.59 per diluted share for the prior year. The increase was primarily due to a higher increase in the fair value of investment properties and higher NOI.

Adam Paul, President and CEO said: “The fourth quarter was one of our best ever. While we are proud of our cumulative double digit growth in OFFO, FFO and NAV per share over the last two years, our focus remains on executing our strategy which is carefully designed to be less sensitive to economic cycles and at the same time to continue delivering growth in an evolving retail environment.”

“Looking forward to 2018, we expect OFFO growth per share will continue to be in the mid-single digit range,” Mr. Paul concluded.

FINANCIAL HIGHLIGHTS

As at (\$ millions)	December 31	
	2017	2016
Total assets ⁽¹⁾	\$9,969	\$9,105
Unencumbered assets ⁽²⁾	\$7,374	\$6,627
Net debt to total assets ⁽²⁾	43.4%	42.6%
Weighted average term of fixed-rate debt (years) ⁽²⁾	5.4	5.3

⁽¹⁾ Presented in accordance with IFRS.

⁽²⁾ Reflects joint ventures proportionately consolidated.

DIVIDEND

The Company will pay a first quarter dividend of \$0.215 per common share on April 18, 2018 to shareholders of record on March 29, 2018.

SUBSEQUENT EVENTS

Redemption of Convertible Debenture

On January 25, 2018, the Company provided a notice of redemption to the holders of the remaining 4.45% Series J convertible debentures that the entire principal amount outstanding plus accrued interest would be redeemed in cash on February 28, 2018.

Disposition Activities

Subsequent to December 31, 2017 the Company entered into a definitive agreement to sell a 50.5% non-managing interest in six properties, or substantially all of its portfolio, in London, Ontario for \$66.0 million. In addition, MMUR, in which the Company has a joint venture interest, has entered into a definitive agreement to sell 13 properties for \$241.4 million. These transactions are expected to close before the end of the first quarter, subject to standard closing conditions.

MANAGEMENT CONFERENCE CALL AND WEBCAST

First Capital Realty invites you to participate at 2:00 p.m. (ET) on Wednesday, February 14, 2018, in a live conference call with senior management to discuss the Company's results for the three months and year ended December 31, 2017.

Teleconference

You can participate in the live conference by dialing 416-340-2217 or toll-free 866-696-5910 with access code 7973796. The call will be accessible for replay until February 28, 2018 by dialing 905-694-9451 or toll-free 800-408-3053 with access code 7046724.

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: [Q4 2017 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 managers of grocery anchored, retail-focused urban properties where people live and shop for everyday life. The Company currently owns interests in 161 properties, totaling approximately 25 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, Operating FFO and ACFO. These non-IFRS measures are further defined and discussed in First Capital Realty's MD&A for the year ended December 31, 2017, 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 growth expectations in OFFO per share, Same Property NOI, FFO and NAV, new projects and retail trends. 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 and property 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; the Company's ability to complete dispositions and the timing, terms and anticipated benefits of any such dispositions; in addition to those risks discussed in the Company's MD&A for the year ended December 31, 2017 and in its current Annual Information Form. 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.

* * * *

For further information:

Adam Paul
President & CEO
(416) 216-2081
adam.paul@fcr.ca

Kay Brekken
Executive Vice President & CFO
(416) 216-2051
kay.brekken@fcr.ca

www.fcr.ca
TSX: FCR