



**FIRST CAPITAL REALTY ANNOUNCES COMPLETION OF \$742 MILLION SHARE REPURCHASE  
AND CHANGES TO ITS BOARD OF DIRECTORS**

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TORONTO, Ontario, April 16, 2019 – First Capital Realty Inc. (“FCR” 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 the completion of the previously announced share repurchase transaction and changes to its board of directors (the “Board”).

**Share Repurchase Transaction Closing**

The Company has completed the previously announced share repurchase transaction between FCR and a subsidiary of Gazit-Globe Ltd. (together with its affiliates, “Gazit”) pursuant to which FCR has purchased for cancellation 36,000,000 common shares of FCR (the “Repurchased Shares”) at a price of \$20.60 per Repurchased Share, for gross proceeds to Gazit of approximately \$742 million (the “Share Repurchase Transaction”).

As previously announced, Gazit recently completed the sale of 22,000,000 common shares of FCR (the “Offered Shares”) on a bought deal basis to a syndicate of underwriters led by RBC Capital Markets (“RBC”) at a price of \$20.60 per Offered Share on April 11, 2019 (the “Secondary Offering Closing Date”), of which \$10.30 per Offered Share was paid on the Secondary Offering Closing Date to Gazit for gross proceeds to Gazit of approximately \$226 million (the “First Instalment Proceeds”). The First Instalment Proceeds were placed into escrow and released to Gazit (net of the applicable underwriting fee) upon closing of the Share Repurchase Transaction today. The Offered Shares were sold by Gazit on an instalment receipt (the “Instalment Receipts”) basis. The previously announced use of due bills in connection with trades of Instalment Receipts through the facilities of the Toronto Stock Exchange is expected to terminate following the close of trading on April 22, 2019.

As a result of these transactions, Gazit’s ownership of FCR (on a non-diluted basis) has been reduced from 31.3% to approximately 9.9%. Gazit’s retained interest in FCR’s common shares is subject to a one year lock-up, subject to customary exceptions and subject to (i) consent of RBC, on behalf of the underwriters, and the Company for the first 180 days and (ii) consent of the Company for the remainder of the one year period.

**Transaction Financing Update**

FCR previously indicated it would fund the \$742 million Share Repurchase Transaction with a mix of secured and unsecured debt. Due to the favourable response from the bank lending market, FCR is funding the entire Share Repurchase Transaction with senior unsecured bank term loans with maturities ranging from 4-7

years. FCR intends to de-lever back to similar debt levels as at December 31, 2018 over the next 24 months by disposing of selected assets that are deemed to be inconsistent with its previously announced evolved urban investment strategy. The group of properties considered for full or partial disposition is between 10-15% of FCR's portfolio.

Adam Paul, President and CEO of FCR, said, "The completion of these transactions represents a very significant milestone in the Company's evolution. As we have previously outlined, they are expected to deliver a number of meaningful benefits to shareholders. We are now very focused on our current top priority of de-leveraging the balance sheet through dispositions of properties that are inconsistent with our evolved urban investment strategy. I am pleased with the progress we are making on several potential disposition transactions."

### **Changes to Board of Directors**

Pursuant to the definitive agreement in respect of the Share Repurchase Transaction, Gazit is entitled to have one representative serving on the Board of the Company following closing of the Share Repurchase Transaction. Accordingly, Chaim Katzman and Jeffrey Mooallem have each resigned from the Board effective immediately. Dori Segal will remain on the Board but will step down as Chairman on or before the Company's annual meeting of shareholders scheduled for June 4, 2019 to enable the Company to appoint an independent chair in accordance with best governance practices. Mr. Segal served as the Company's founding President and CEO from 1997 to 2015 and as Chairman of the Board since 2015.

Adam Paul, President and CEO of FCR, said, "There are no words that can fully reflect Dori's contributions and devotion to the Company since 1997. His passionate, entrepreneurial, innovative and forward-thinking approach to the business positioned First Capital as a well-respected leader in the Canadian real estate industry. Whether it was the Company's early focus on urban markets, recognizing the benefits of uses such as medical services, fitness centres and day cares before others, or deeply engraining sustainability into FCR's platform, many of Dori's contributions to First Capital will be everlasting. I am delighted that Dori will continue to serve as a Board member and be an investor in the Company."

Bernard McDonell, the Company's lead independent director ("Lead Director"), has been appointed by the Board as the new independent Chairman, effective upon Mr. Segal stepping down from the role, on or before the Company's annual meeting of shareholders scheduled for June 4, 2019. As Chairman, Mr. McDonell will provide strong continuity and leadership for the Board. He has served as a director since 2007 and as Lead Director since 2011. Mr. McDonell's in-depth knowledge of FCR and his background working in the most senior executive positions in real estate, retail and with other boards will ensure the Board continues to be extremely well positioned. Mr. McDonell will work over the coming weeks with Mr. Segal to ensure a seamless transition.

Dori Segal, Chairman of FCR, said, "Chaim Katzman and I founded First Capital in 1997 with the vision of creating a high quality, necessity-driven shopping centre company. Our focus on urban markets over the years created what I believe is one of the best entrepreneurial covered land play businesses in North America, as reflected in our superior demographics. First Capital has wonderful people, an exceptional management team, led by a bright and talented CEO, and I look forward to contributing to its future success

as a director, as I did as Chairman. I thank Bernie and the Board for the many years of advice and support and wish him much success in his new role as Chairman.”

The Company expects to nominate nine directors to its Board at its annual general meeting of shareholders scheduled for June 4, 2019, the details of which will be included in a management information circular to be delivered to shareholders entitled to vote at the meeting, a copy of which will be filed on SEDAR at [www.sedar.com](http://www.sedar.com).

### **About FCR (TSX: FCR)**

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

### **Forward-looking Statement Advisory**

This press release contains forward-looking statements and information within the meaning of applicable securities law. Forward-looking statements can be identified by the expressions “expects”, “believes”, “will” and similar expressions. The forward-looking statements are not historical facts but, rather, reflect the Company’s current expectations regarding future results or events and are based on information currently available to Management. Certain material factors and assumptions were applied in providing these forward-looking statements.

Management believes that the expectations reflected in forward-looking statements are based upon reasonable assumptions; however, Management can give no assurance that the actual results or developments will be consistent with these forward-looking statements. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations, including the matters discussed under “Risks and Uncertainties” in FCR’s Management’s Discussion and Analysis for the year ended December 31, 2018 and under “Risk Factors” in its current Annual Information Form. Readers, therefore, should not place undue reliance on any such forward-looking statements. Further, a forward-looking statement speaks only as of the date on which such statement is made. FCR undertakes no obligation to publicly update any such 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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