Financial and Operational Summary

As at or for the three months ended December 31 ($ thousands except where otherwise indicated) (unaudited)		**2017**		2016
Number of properties		**546**		535
Gross Leasable Area ("GLA") (in millions of square feet)		**44.1**		43.6
Occupancy		**98.9%**		98.9%
Rental revenue(i)	**$**	**211,025**	$	197,713
Net Operating Income ("NOI")(1)	**$**	**152,832**	$	139,745
Net Income(i)(ii)	**$**	**36,533**	$	255,574
Net Income(i)(ii) per unit diluted	**$**	**0.088**	$	0.621
Funds from Operations ("FFO")(1) per unit diluted	**$**	**0.282**	$	0.251
Adjusted Cash Flow from Operations ("ACFO")(1)	**$**	**102,565**	$	92,369
Adjusted Cash Flow from Operations(1) payout ratio		**74.4%**		78.9%
Distribution declared per unit	**$**	**0.1850**	$	0.1775
Total assets (in millions)	**$**	**9,924**	$	9,435
Debt to total assets(iii)		**44.3%**		44.5%
Debt service coverage(iii)		**3.7x**		3.5x

(i) GAAP measures of rental revenue and net income, for the three months ended December 31, 2017, include $930 attributable to non-controlling interests (2016 - nil).

(ii) Net income, for the three months ended December 31, 2017, included negative fair value adjustments of $19,026 and $2,504 for Exchangeable Units and Investment Properties, respectively. The quarter also included a positive fair value adjustment of $505 for investment property held in an equity accounted joint venture. Net income, for the three months ended December 31, 2016, included positive fair value adjustments of $107,800 and $101,661 for Exchangeable Units and investment properties, respectively. Net income before adjustments to fair value(1) was $57,558 and $46,113 for the three months ended December 31, 2017 and December 31, 2016, respectively.

(iii) Debt ratios include Class C LP Units but exclude Exchangeable Units. The ratios are non-GAAP financial measures calculated based on the Trust Indentures, as supplemented.

Financial Results for the Quarter:

- **Rental Revenue** - Fourth quarter rental revenue totaled $211.0 million, an increase of $13.3 million or 6.7% compared with $197.7 million in the fourth quarter of 2016. Properties owned throughout both comparative periods contributed $7.7 million to the increase. Rental revenue for the fourth quarter of 2017, included $5.6 million of lease surrender revenue, of which $0.9 million was attributable to non-controlling interests.
- **Net Operating Income**(1) - NOI(1) for the fourth quarter of 2017 was $152.8 million, an increase of $13.1 million, or 9.4%, compared with the fourth quarter of 2016, including an increase in NOI(1) of $4.3 million from properties acquired subsequent to December 31, 2016 and $1.9 million from new developments and $2.2 million from lease surrender revenue at a property under development. Excluding NOI(1) from acquisitions and developments, NOI(1) was $140.1 million, $4.7 million, or 3.4%, higher than the $135.4 million achieved in the fourth quarter of 2016. This improvement was primarily driven by rent steps in Loblaw leases and higher average rents per square foot on ancillary leases.
- **Net Income** - Net income for the fourth quarter of 2017 was $36.5 million compared to a net income of $255.6 million in the fourth quarter of 2016. Adjustments to fair value measures were the primary cause of the variance between these comparative periods.
- **Net Income before Adjustments to Fair Value**(1) - Fourth quarter net income before adjustments to fair value(1) of $57.6 million compared with $46.1 million reported in the fourth quarter of 2016. The increase was driven by an increase of net property income, including lease surrender revenue, and an increase in interest and other revenue, including a transactional fee of $2.0 million, partially offset by an increase to net interest expense and other financing charges, including distributions on Exchangeable Units.
- **Funds from Operations**(1) - FFO(1) for the fourth quarter of 2017 was $116.8 million or $0.282 per unit diluted, compared with $103.1 million or $0.251 per unit diluted in the fourth quarter of 2016. The year-over-year improvement in FFO(1) of $0.031 per unit diluted was primarily driven by growth in net property income and an increase in interest and other income, partially offset by higher net interest expense, excluding distributions on Exchangeable Units.
- **Adjusted Cash Flow from Operations**(1) - ACFO(1) for the fourth quarter of 2017 was $102.6 million, representing an excess of $26.2 million over distributions paid during the quarter, which is an increase of $6.7 million compared to an excess of $19.5 million in the fourth quarter of 2016. The year-over-year increase in ACFO(1) is driven by growth in net property income, including lease surrender, partially offset by fluctuations in the timing of cash flows from operating working capital.
- **Distributions** - Distributions per unit declared during the quarter totaled $0.1850, for an ACFO(1) payout ratio of 74.4% (2016 - $0.1775 and 78.9%, respectively).

See "Non-GAAP Financial Measures" beginning on page 5.

Operational Results for the Quarter:

- **Acquisitions** - In the fourth quarter of 2017, Choice Properties completed seven acquisitions, for a combined purchase price of $80.0 million. Two retail properties located in Mont-Saint Hilaire, and Marieville, Quebec, acquired from third-party vendors, added approximately 77,000 square feet of GLA, including one Loblaw lease of approximately 20,000 square feet, at an accretive weighted average capitalization rate of 6.2%. The remaining five properties were acquired from Loblaw, including three stand-alone retail properties which added approximately 244,000 square feet and two parcels of land acquired for development. The acquisition was immediately accretive with a weighted average capitalization rate of approximately 6.4% for the retail sites.
- **Development Progress -** In the fourth quarter of 2017, Choice Properties constructed 63,000 square feet for projects expected to be completed in 2018, delivering 19 new retail spaces for third-party tenants.
- **Leasing Activity -** In the fourth quarter of 2017, Choice Properties entered into leases for approximately 140,000 square feet of GLA with an average lease term of 8.8 years. This total included approximately 42,000 square feet of lease renewals, with an average increase over expiring base rent rates of 12.7%, and approximately 56,000 square feet for new developments at an average base rent per square foot of $27.96.
- **Occupancy -** At December 31, 2017, the Trust's portfolio occupancy rate was 98.9%, the same rate as at December 31, 2016.

Capital Structure:

- **Capacity to Invest for Further Growth -** As at December 31, 2017, the Trust's debt service coverage ratio[(2)] was 3.7 times. With stable cash flows from operations and access to several funding sources, including from our senior unsecured committed revolving credit facilities, the Trust believes it has the financial capacity to meet ongoing obligations and invest for further growth.
- As previously announced and subsequent to the fourth quarter, on January 12, 2018, Choice Properties issued $300 million and $350 million aggregate principal amount of Series I and J senior unsecured debentures due March 21, 2022 and January 10, 2025, respectively. The Series I unsecured debentures bear interest at a rate of 3.010% per annum and the Series J unsecured debentures bear interest at a rate of 3.546% per annum.
- On February 12, 2018, Choice Properties completed the early retirement of Series A senior unsecured debentures at a redemption price equal to $1,007.200 per $1,000 principal amount of Series A debentures, together with accrued and unpaid interest.

Outlook

Choice Properties continues to drive value creation through accretive acquisitions, strategic development and active management of its portfolio of properties. This strategy supports the Trust's goal to expand its asset base and increase monthly distributions to unitholders.

Choice Properties is well positioned to meet its current obligations and to invest for future growth. The Trust's competitive advantages include: a sizable asset base that is geographically diverse across Canada; long-term leases and a strategic alliance with Loblaw; and an existing development pipeline, supported by sound financial management focused on maintaining a solid balance sheet and its investment grade credit ratings. With these key differentiators, Choice Properties believes that it is well positioned to achieve its strategic goals within a potentially rising interest rate environment and despite an increasingly competitive landscape, underscored by ever changing square footage requirements in the retail industry.

For 2018, Choice Properties expects to:

- Acquire additional properties from Loblaw and third-party vendors on an accretive basis when opportunities arise;
- Invest approximately $198 million to complete developments coming online in 2018 and toward development projects, including mixed-use projects, targeted for completion in future years;
- Maintain a total occupancy rate of approximately 98%, with the occupancy rate for ancillary GLA in the 90% range; and
- Continue to align growth in distributions with stable, growing cash flows.

(1) See "Non-GAAP Financial Measures" beginning on page 5.
(2) Debt ratios include Class C LP Units but exclude Exchangeable Units. The ratios are non-GAAP financial measures calculated based on the Trust Indentures, as supplemented.

Forward-Looking Statements

This press release contains forward-looking statements about Choice Properties' objectives, outlook, plans, goals, aspirations, strategies, financial condition, results of operations, cash flows, performance, prospects, opportunities, and legal and regulatory matters. Specific statements with respect to anticipated future results can be found in various sections of this press release and in the MD&A of Choice Properties' 2017 Annual Report to Unitholders. Forward-looking statements are typically identified by words such as "expect", "anticipate", "believe", "foresee", "could", "estimate", "goal", "intend", "plan", "seek", "strive", "will", "may", "should" and similar expressions, as they relate to Choice Properties and its management.

Forward-looking statements reflect Choice Properties' current estimates, beliefs and assumptions, which are based on management's perception of historic trends, current conditions, outlook and expected future developments, as well as other factors it believes are appropriate in the circumstances. Choice Properties' expectation of operating and financial performance is based on certain assumptions, including assumptions about future growth potential, prospects and opportunities, industry trends, future levels of indebtedness, tax laws, economic conditions and competition. Management's estimates, beliefs and assumptions are inherently subject to significant business, economic, competitive and other uncertainties and contingencies regarding future events and as such, are subject to change. Choice Properties can give no assurance that such estimates, beliefs and assumptions will prove to be correct.

Numerous risks and uncertainties could cause Choice Properties' actual results to differ materially from those expressed, implied or projected in the forward-looking statements, including, those described in Section 12, "Enterprise Risks and Risk Management", in the MD&A of Choice Properties' 2017 Annual Report. Such risks and uncertainties include:

- changes in timing to obtain municipal approvals, development costs, and tenant leasing and occupancy of properties under development, redevelopment, or intensification;
- failure to manage its growth effectively in accordance with its growth strategy or acquire assets on an accretive basis;
- changes in economic conditions, including changes in interest rates and the rate of inflation;
- shifting consumer preferences toward electronic commerce may result in a decrease in demand for physical space by retail tenants;
- failure to realize benefits from investments in Choice Properties' new Information Technology ("IT") systems, the inability of Choice Properties' IT infrastructure to support the requirements of Choice Properties' business;
- changes in Choice Properties' competitiveness in the real estate market or the unavailability of desirable commercial real estate assets;
- failure of third-party vendors, developers, co-owners or strategic partners to provide adequate services at optimal rates, complete projects or fulfill contractual obligations;
- the inability of Choice Properties Limited Partnership to make distributions or other payments or advances;
- the inability of Choice Properties to obtain financing;
- the inability of Choice Properties to maintain and leverage its relationship with Loblaw Companies Limited ("Loblaw"), including in respect of: (i) Loblaw's retained interest in Choice Properties; (ii) the services to be provided to Choice Properties (whether directly or indirectly) by Loblaw; (iii) expected transactions to be entered into between Loblaw and Choice Properties (including Choice Properties' acquisition of certain properties held by Loblaw); and (iv) the Strategic Alliance Agreement between Choice Properties and Loblaw;
- changes in Loblaw's business, activities or circumstances which may impact Choice Properties, including Loblaw's inability to make rent payments or perform its obligations under its leases;
- changes in laws or regulatory regimes, which may affect Choice Properties, including changes in the tax treatment of the Trust and its distributions to Unitholders or the inability of the Trust to continue to qualify as a "mutual fund trust" and as a "real estate investment trust", as such terms are defined in the *Income Tax Act (Canada);*
- changes in Choice Properties' capital expenditure and fixed cost requirements; and
- changes in Choice Properties' degree of financial leverage.

This is not an exhaustive list of the factors that may affect Choice Properties' forward-looking statements. Other risks and uncertainties not presently known to Choice Properties could also cause actual results or events to differ materially from those expressed in its forward-looking statements. Additional risks and uncertainties are discussed in Choice Properties' materials filed with the Canadian securities regulatory authorities from time to time, including the Trust's 2017 Annual Information Form. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect Choice Properties' expectations only as of the date of this press release. Except as required by applicable law, Choice Properties does not undertake to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Non-GAAP Financial Measures

Choice Properties reports non-GAAP financial measures, including, but not limited to, Net Operating Income ("NOI"), Net Income before Adjustments to Fair Value, Funds from Operations ("FFO"), and Adjusted Cash Flow from Operations ("ACFO"). The Trust believes these non-GAAP financial measures provide useful information to both management and investors in measuring the financial performance and financial condition of the Trust for the reasons outlined below.

Management uses these and other non-GAAP financial measures to exclude the impact of certain expenses and income that must be recognized under IFRS when analyzing operating performance, as the excluded items are not necessarily reflective of Choice Properties' underlying operating performance or impact the comparability of financial performance between periods.

These measures do not have a standardized meaning prescribed by IFRS and therefore they may not be comparable to similarly titled measures presented by other publicly traded REITs, and should not be construed as an alternative to other financial measures determined in accordance with IFRS.

A comprehensive list of non-GAAP measures are defined and discussed in the Trust's 2017 Annual Report.

Same Properties Investment properties owned by the Trust during both the current and comparative periods.

Same Properties with the Same GLA Investment properties owned by the Trust during both the current and comparative periods excluding any development activities at the properties which increased GLA.

Net Operating Income NOI is defined as rental revenue, excluding straight-line rent, from investment properties less property operating costs and amounts attributable to non-controlling interests. NOI is a key performance indicator as it evaluates the operating performance of the portfolio and represents a measure over which management has control. It is also a key input in determining the fair value of the portfolio. The Trust's method of calculating NOI may differ from other issuers' methods and, accordingly, may not be comparable to NOI reported by other issuers.

Net Income before Adjustments to Fair Value Net Income (or net loss) as calculated under IFRS excluding adjustments to fair value of Exchangeable Units, investment properties and investment property held in equity-accounted joint venture.

Funds from Operations FFO is not a term defined under IFRS and may not be comparable to similar measures used by other real estate entities. Except as otherwise noted, Choice Properties calculates its FFO in accordance with the Real Property Association of Canada's *White Paper on Funds from Operations & Adjusted Funds from Operations for IFRS* issued in February 2017. The purpose of the White Paper was to provide reporting issuers and investors with greater guidance on the definition of FFO, and to help promote more consistent disclosure from reporting issuers.

Choice Properties calculates FFO by adjusting net income (or net loss) for items that do not arise from operating activities, such as adjustments to fair value.

Funds from Operations Payout Ratio FFO Payout ratio is calculated as the distributions declared per unit, divided by the FFO per unit diluted.

Adjusted Cash Flow from Operations ACFO is not a term defined under IFRS and may not be comparable to similar measures used by other real estate entities. Except as otherwise noted, Choice Properties calculates its ACFO in accordance with the Real Property Association of Canada's *White Paper on Adjusted Cashflow from Operations (ACFO) for IFRS* issued in February 2017. The purpose of the White Paper was to provide reporting issuers and investors with greater guidance on the definitions of ACFO and to help promote more consistent disclosure from reporting issuers.

Choice Properties considers ACFO an input to determining the appropriate level of distributions to Unitholders as it adjusts cash flows from operations for other sustainable economic cash flows.

Adjusted Cash Flow from Operations Payout Ratio ACFO Payout ratio is calculated as the total distributions declared, divided by the ACFO.

Choice Properties Real Estate Investment Trust

Calculation of Non-GAAP Financial Measures

For the periods ended December 31 (in thousands of Canadian dollars, except per unit amounts) (unaudited)	Three Months 2017	Three Months 2016	Year End 2017	Year End 2016
Rental Revenue	**$ 211,025**	$ 197,713	**$ 829,834**	$ 783,574
Reverse - Straight-line rental revenue	**(8,092)**	(9,159)	**(34,740)**	(36,582)
Revenue attributable to non-controlling interests	**(930)**	—	**(930)**	—
Property operating costs	**(49,171)**	(48,809)	**(209,474)**	(200,240)
Net Operating Income[(1)]	**152,832**	139,745	**584,690**	546,752
NOI[(1)] from property acquisition and disposition transactions	**(4,779)**	(430)	**(17,112)**	(11,308)
NOI[(1)] Same Properties	**148,053**	139,315	**567,578**	535,444
NOI[(1)] from developed GLA	**(5,780)**	(3,870)	**(20,218)**	(7,124)
NOI[(1)] from lease surrender on property under development	**(2,170)**	—	**(2,170)**	—
NOI[(1)] for Same Properties, with the same GLA	**$ 140,103**	$ 135,445	**$ 545,190**	$ 528,320
Net Income (Loss)	**$ 36,533**	$ 255,574	**$ 405,345**	$ (223,072)
Adjustment to fair value of Exchangeable Units	**19,026**	(107,800)	**(38,212)**	529,591
Adjustment to fair value of investment properties	**2,504**	(101,661)	**(160,254)**	(109,045)
Adjustment to fair value of investment property held in equity accounted joint venture	**(505)**	—	**745**	(13,640)
Net Income before Adjustments to Fair Value[(1)]	**57,558**	46,113	**207,624**	183,834
Net income attributable to non-controlling interests	**(930)**	—	**(930)**	—
Adjustment to fair value of unit-based compensation	**267**	(225)	**468**	4,309
Interest otherwise capitalized for development in equity accounted joint venture	**138**	84	**442**	324
Distributions on Exchangeable Units	**58,895**	56,444	**232,199**	218,961
Amortization of tenant improvement allowances	**206**	207	**796**	572
Internal expenses for leasing	**709**	518	**2,336**	2,135
Funds from Operations[(1)]	**$ 116,843**	$ 103,141	**$ 442,935**	$ 410,135
FFO[(1)] per unit - diluted	**$ 0.282**	$ 0.251	**$ 1.072**	$ 1.000
FFO[(1)] payout ratio - diluted	**65.6%**	70.8%	**68.1%**	69.0%
Distribution declared per unit	**$ 0.1850**	$ 0.1775	**$ 0.7300**	$ 0.6900
Weighted average Units outstanding - diluted	**414,285,762**	411,272,728	**413,208,961**	410,034,555

(1) See “Non-GAAP Financial Measures” beginning on page 5.

For the periods ended December 31 ($ thousands) (unaudited)	Three Months **2017**	 2016	Year End **2017**	 2016
Cash flows from operating activities	**$ 194,777**	$ 233,767	**$ 504,314**	$ 530,622
Interest paid	**(12,737)**	(13,893)	**(163,237)**	(156,297)
Cash flows from operating activities less interest paid	**182,040**	219,874	**341,077**	374,325
Add (deduct) impact of the following:				
Net income attributable to non-controlling interests	**(930)**	—	**(930)**	—
Net interest expense and other financing charges in excess of interest paid(1)	**(87,660)**	(83,135)	**(231,589)**	(216,545)
Distributions on Exchangeable Units included in net interest expense and other financing charges(2)	**58,895**	56,444	**232,199**	218,961
Gain on settlement of bond forward contracts	**—**	—	**—**	(2,682)
Interest and other income in excess of interest received(1)	**64**	573	**398**	2,207
Interest otherwise capitalized for development in equity accounted joint venture	**138**	84	**442**	324
Share of income from joint venture	**69**	80	**254**	80
Portion of internal expenses for leasing relating to development activity	**354**	259	**1,168**	1,068
Property capital expenditures - incurred	**(20,661)**	(16,343)	**(44,962)**	(42,192)
Property capital expenditures - normalized(3)	**9,449**	4,151	**—**	—
Leasing capital expenditures - incurred	**(973)**	(1,354)	**(4,416)**	(5,384)
Adjustment for changes in non-cash working capital items which are not indicative of sustainable operating cash flows(4)	**(38,220)**	(88,264)	**69,478**	8,990
Adjusted Cash Flow from Operations(5)	**$ 102,565**	$ 92,369	**$ 363,119**	$ 339,152
Total distributions declared	**$ 76,312**	$ 72,848	**$ 300,452**	$ 282,320
ACFO(5) payout ratio	**74.4%**	78.9%	**82.7%**	83.2%

(1) The timing of the recognition of interest expense and income differs from the payment and collection. The ACFO calculations for the periods ended December 31, 2017 and December 31, 2016 were adjusted for this factor to make the quarters more comparable.

(2) Although the add-back of distributions on Exchangeable Units is not specifically detailed in the Real Property Association of Canada's *White Paper on Adjusted Cashflow from Operations (ACFO) for IFRS* issued in February 2017, management includes the add-back because the distributions on the Exchangeable Units are included in the total distributions declared, which is consistent with the intent of the White Paper. Management considers the distributions on Exchangeable Units to be a financing activity, not an operating activity.

(3) Seasonality impacts the timing of capital expenditures. The ACFO calculations for the three months ended December 31, 2017 and December 31, 2016 were adjusted for this factor to make the quarters more comparable based on the annual anticipated spend of approximately $1.00 per square foot.

(4) ACFO is adjusted each quarter for fluctuations in non-cash working capital due to the timing of transactions for realty taxes prepaid or payable, and prepaid insurance. The payments for these operating expenses tend to have quarterly, seasonal fluctuations that even out on an annual basis. Also, variability in non-cash working capital was created, in the first quarter of 2017, when rental payments for January 2017, of $57,135, plus the related sales taxes payable, of $6,334, were received in advance from Loblaw. ACFO is also adjusted each quarter to remove fluctuations in non-cash working capital due to capital expenditure accruals, which are not related to sustainable operating activities.

(5) See "Non-GAAP Financial Measures" beginning on page 5.

Selected Financial Information

The following includes quarterly financial information prepared by management in accordance with IFRS and based on the Trust's 2017 Annual Report to Unitholders. This financial information does not contain all disclosures required by IFRS, and accordingly should be read in conjunction with the Trust's 2017 Annual Report, which is available in the Investor Relations section of the Trust's website at www.choicereit.ca.

Choice Properties Real Estate Investment Trust
Consolidated Balance Sheets

(in thousands of Canadian dollars)	**As at December 31, 2017**	As at December 31, 2016
Assets		
Non-current Assets		
Investment properties	**$ 9,551,000**	$ 9,098,000
Equity accounted joint venture	**32,339**	19,070
Accounts receivable and other assets	**5,565**	5,888
Notes receivable	**2,556**	2,360
	9,591,460	9,125,318
Current Assets		
Accounts receivable and other assets	**21,419**	14,882
Notes receivable	**304,225**	290,009
Cash and cash equivalents	**6,407**	5,113
	332,051	310,004
Total Assets	**$ 9,923,511**	$ 9,435,322
Liabilities and Unitholders' Equity		
Non-current Liabilities		
Long term debt and Class C LP Units	**$ 3,336,942**	$ 3,726,991
Credit facilities	**311,000**	172,000
Exchangeable Units	**4,259,724**	4,283,304
Trade payables and other liabilities	**2,713**	1,397
	7,910,379	8,183,692
Current Liabilities		
Long term debt and Class C LP Units	**400,088**	201,723
Credit facilities	**250,000**	—
Trade payables and other liabilities	**426,063**	472,762
	1,076,151	674,485
Total Liabilities	**8,986,530**	8,858,177
Equity		
Unitholders' equity	**928,280**	569,374
Non-controlling interests	**8,701**	7,771
Total Equity	**936,981**	577,145
Total Liabilities and Equity	**$ 9,923,511**	$ 9,435,322

Choice Properties Real Estate Investment Trust
Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)

(in thousands of Canadian dollars)	(unaudited) Three months ended December 31, 2017	Three months ended December 31, 2016	(audited) Year ended December 31, 2017	Year ended December 31, 2016
Net Property Income				
Rental revenue from investment properties	**$ 211,025**	$ 197,713	**$ 829,834**	$ 783,574
Property operating costs	**(49,171)**	(48,809)	**(209,474)**	(200,240)
	161,854	148,904	**620,360**	583,334
Other Income and Expenses				
General and administrative expenses	**(6,744)**	(6,387)	**(23,329)**	(28,857)
Property management and other administration fees charged to related party	**267**	191	**1,270**	740
Amortization of other assets	**(235)**	(233)	**(934)**	(930)
Net interest expense and other financing charges	**(100,397)**	(97,028)	**(394,826)**	(372,842)
Interest and other income	**2,744**	586	**4,829**	2,309
Share of income (loss) from joint venture	**574**	80	**(491)**	13,720
Adjustment to fair value of Exchangeable Units(1)	**(19,026)**	107,800	**38,212**	(529,591)
Adjustment to fair value of investment properties	**(2,504)**	101,661	**160,254**	109,045
Net Income (Loss) and Comprehensive Income (Loss)	**$ 36,533**	$ 255,574	**$ 405,345**	$ (223,072)
Net Income (Loss) and Comprehensive Income (Loss) attributable to:				
Choice Properties' Unitholders	**$ 35,603**	$ 255,574	**$ 404,415**	$ (223,072)
Non-controlling interests	**930**	—	**930**	—
	$ 36,533	$ 255,574	**$ 405,345**	$ (223,072)

(1) The Class B LP Units of the Trust's subsidiary, Choice Properties Limited Partnership, are exchangeable into Trust Units at the option of the holder. Loblaw holds all of the Exchangeable Units. These Exchangeable Units are considered puttable instruments and are required to be classified as financial liabilities at fair value through profit or loss. The distributions paid on the Exchangeable Units are accounted for as interest expense.

Choice Properties Real Estate Investment Trust
Consolidated Statements of Cash Flows

	(unaudited)		(audited)	
(in thousands of Canadian dollars)	**Three months ended December 31, 2017**	Three months ended December 31, 2016	**Year ended December 31, 2017**	Year ended December 31, 2016
Operating Activities				
Net income (loss)	**$ 36,533**	$ 255,574	**$ 405,345**	$ (223,072)
Straight-line rental revenue	**(8,092)**	(9,159)	**(34,740)**	(36,582)
Amortization of tenant improvement allowances	**206**	207	**796**	572
Amortization of other assets	**235**	233	**934**	930
Net interest expense and other financing charges	**100,397**	97,028	**394,826**	372,842
Interest and other income	**(2,744)**	(586)	**(4,829)**	(2,309)
Value of unit-based compensation granted	**1,427**	634	**4,261**	7,461
Share of loss (income) from joint venture	**(574)**	(80)	**491**	(13,720)
Adjustment to fair value of Exchangeable Units	**19,026**	(107,800)	**(38,212)**	529,591
Adjustment to fair value of investment properties	**2,504**	(101,661)	**(160,254)**	(109,045)
Interest and other income received	**2,680**	13	**4,431**	102
Net change in non-cash working capital	**43,179**	99,364	**(68,735)**	3,852
Cash Flows from Operating Activities	**194,777**	233,767	**504,314**	530,622
Investing Activities				
Acquisitions of investment properties	**(59,797)**	(43,873)	**(107,013)**	(183,688)
Additions to investment properties	**(67,414)**	(62,522)	**(166,272)**	(193,120)
Additions to fixtures and equipment	**(492)**	(46)	**(638)**	(384)
Equity investment distribution (contribution)	**(9,800)**	—	**(13,760)**	4,000
Proceeds of disposition	**3,434**	—	**38,179**	—
Cash Flows used in Investing Activities	**(134,069)**	(106,441)	**(249,504)**	(373,192)
Financing Activities				
Long term debt				
Issued - Senior unsecured debentures, net of debt placement costs	**—**	(140)	**—**	347,714
Principal repayments - Senior unsecured debentures	**—**	—	**(200,000)**	(300,000)
Principal repayments - Mortgage	**(244)**	(311)	**(1,208)**	(1,212)
Gain on settlement of bond forward contracts	**—**	—	**—**	2,682
Credit facilities				
Net advances	**41,000**	(31,000)	**389,000**	172,000
Debt placement costs	**—**	—	**(275)**	(275)
Change in bank indebtedness	**(269)**	—	**—**	—
Notes receivable				
Issued to related party	**(70,391)**	(67,954)	**(277,588)**	(263,574)
Repaid by related party	**—**	—	**263,574**	248,463
Trust Unit issuance costs	**—**	133	**—**	—
Cash received on exercise of options	**210**	—	**235**	732
Cash paid on vesting of restricted units	**(19)**	—	**(1,161)**	(1,493)
Interest paid	**(12,737)**	(13,893)	**(163,237)**	(156,297)
Distributions paid on Exchangeable Units	**—**	—	**(217,324)**	(202,204)
Distributions paid to Unitholders	**(11,851)**	(10,847)	**(45,532)**	(43,222)
Contribution from non-controlling interests	**—**	15	**—**	15
Cash Flows used in Financing Activities	**(54,301)**	(123,997)	**(253,516)**	(196,671)
Change in cash and cash equivalents	**6,407**	3,329	**1,294**	(39,241)
Cash and cash equivalents, beginning of year	**—**	1,784	**5,113**	44,354
Cash and Cash Equivalents, end of year	**$ 6,407**	$ 5,113	**$ 6,407**	$ 5,113

Management Discussion and Analysis and Consolidated Financial Statements and Notes

Information appearing in this news release is a consolidated select summary of results. This news release should be read in conjunction with Choice Properties' 2017 Annual Report to Unitholders, which includes the consolidated financial statements and MD&A for the Trust and is available at www.choicereit.ca and on SEDAR at www.sedar.com.

Conference Call and Webcast

Senior management will host a conference call to discuss the results on February 14, 2018 at 10:00AM (ET). To access via teleconference, please dial (647) 427-7450. A playback will be made available two hours after the event at (416) 849-0833, access code: 82552274. To access the conference call via webcast, a link is available at www.choicereit.ca in the "Events and Webcast" section under "News and Events".

About Choice Properties Real Estate Investment Trust

Choice Properties Real Estate Investment Trust is an owner, manager and developer of well-located retail and other commercial real estate across Canada. Choice Properties' portfolio spans approximately 44.1 million square feet of gross leasable area and consists of 546 properties primarily focused on supermarket and drug store anchored shopping centres and stand-alone supermarkets and drug stores. Choice Properties' strategy is to create value by enhancing and optimizing its portfolio through accretive acquisitions, strategic development and active property management. Choice Properties' principal tenant and largest Unitholder is Loblaw Companies Limited, Canada's largest retailer. Choice Properties' strong alliance with Loblaw positions it well for future growth. For more information, visit Choice Properties' website at www.choicereit.ca and Choice Properties' issuer profile at www.sedar.com.

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