



**CHOICE PROPERTIES REAL ESTATE INVESTMENT TRUST REPORTS RESULTS FOR THE FIRST QUARTER OF 2019**

**Toronto, April 25, 2019 /CNW/** - Choice Properties Real Estate Investment Trust (“Choice Properties” or the “Trust”) (TSX: CHP.UN) today announced its consolidated financial results for the first quarter ended March 31, 2019. The 2019 First Quarter Report to Unitholders is available in the Investor Relations section of the Trust’s website at [www.choicereit.ca](http://www.choicereit.ca), and also has been filed with SEDAR and is available at [www.sedar.com](http://www.sedar.com).

“We are pleased to report a positive start to 2019 with in-line financial results for the first quarter and strong operational results,” said Stephen Johnson, President and Chief Executive Officer. Mr. Johnson added, “From an operational perspective, same-asset net operating income on a cash basis increased by 2.4% compared to the first quarter of 2018, and period end occupancy remained solid at 97.4%. Investment activity during the quarter included the transfer of \$168.7 million of properties under development to income producing status representing approximately 807,000 square feet of new leasable area. We also acquired two high quality grocery anchored retail properties, and a major residential development site in downtown Toronto, for a total investment of \$56.1 million.”

**Summary of Financial Results:**

For the three months ended March 31  
(\$ thousands)  
(unaudited)

	2019	2018
<b>GAAP basis</b>		
Net income (loss)	\$ (902,132)	\$ 626,991
Net income (loss) per unit diluted	(1,346)	1.513
Rental revenue	322,973	215,248
Cash flow from operating activities	192,768	127,828
Adjustment to fair value of investment properties	(3,455)	33,039
<b>Proportionate share basis<sup>(1)</sup></b>		
Rental revenue <sup>(1)</sup>	339,600	215,248
Net Operating Income (“NOI”) <sup>(1)</sup> , cash basis	232,609	150,004
Same-Asset NOI, cash basis <sup>(1)</sup>	140,017	136,725
Adjustment to fair value of investment properties <sup>(1)</sup>	5,478	33,039
Funds from operations (“FFO”) <sup>(2)</sup>	169,260	105,685
FFO <sup>(2)</sup> per unit diluted	0.252	0.255
Adjusted funds from operations (“AFFO”) <sup>(2)</sup>	154,673	95,360
AFFO <sup>(2)</sup> per unit diluted	0.231	0.230
AFFO <sup>(2)</sup> payout ratio - diluted	80.0 %	80.2 %
Distributions declared	123,745	76,486
Weighted average Units outstanding - diluted	670,451,259	414,441,099

1. A non-GAAP measurement which includes amounts from directly held properties and equity accounted joint ventures.  
2. A non-GAAP measurement.

**Quarterly Results:**

- **Net Income (Loss)** - Net loss for the first quarter of 2019 was \$902.1 million compared to net income of \$627.0 million in the first quarter of 2018. The decrease is primarily the result of adverse fair value adjustments for the Exchangeable Units as a result of the significant increase in the unit price during the quarter. The remaining change resulted from an increase of net operating income associated with the acquisition of Canadian Real Estate Investment Trust (“CREIT”), partially offset by higher net interest expense, mainly attributable to the additional debt financing incurred to facilitate the acquisition, as well as acquisition transaction costs and other related expenses.

- **Funds from Operations** - FFO, a non-GAAP measure, for the first quarter of 2019 was \$169.3 million or \$0.252 per unit diluted, compared with \$105.7 million or \$0.255 per unit diluted in the first quarter of 2018. The year-over-year decrease in FFO of \$0.003 per unit diluted was primarily due to the higher weighted average number of units outstanding on a diluted basis and higher net interest expense related to the additional financing incurred to facilitate the acquisition of CREIT, partially offset by growth in net operating income attributable to the portfolio acquired, and a non-recurring expense in the comparative period from a \$2.9 million call premium for the early repayment of the Series A senior unsecured debentures.

## **Management's Discussion and Analysis and Consolidated Financial Statements and Notes**

Information appearing in this news release is a select summary of results. This news release should be read in conjunction with Choice Properties' 2019 First Quarter Report to Unitholders, which includes the unaudited interim period condensed consolidated financial statements and MD&A for the Trust, and is available at [www.choicereit.ca](http://www.choicereit.ca) and on SEDAR at [www.sedar.com](http://www.sedar.com).

## **Conference Call and Webcast**

Management will host a conference call on Friday, April 26, 2019 at 11:00AM (ET) with a simultaneous audio webcast. To access via teleconference, please dial (647) 427-7450 or (888) 231-8191 toll free. A playback will be made available two hours after the event at (416) 849-0833, access code: 1686167. The link to the audio webcast will be available on [www.choicereit.ca](http://www.choicereit.ca) in the "Events and Webcast" section under "News and Events".

## **About Choice Properties Real Estate Investment Trust**

Choice Properties, Canada's preeminent diversified real estate investment trust, is the owner, manager and developer of a high quality portfolio comprising 756 properties totaling 67.7 million square feet of gross leasable area. The portfolio is comprised of retail properties, predominantly leased to necessity-based tenants, industrial, office and residential assets concentrated in attractive markets and offers an unmatched development pipeline. Choice Properties' strategic alliance with its principal tenant, Loblaw Companies Limited, the country's leading retailer, is a key competitive advantage providing long-term growth opportunities. For more information, visit Choice Properties' website at [www.choicereit.ca](http://www.choicereit.ca) and Choice Properties' issuer profile at [www.sedar.com](http://www.sedar.com).

## **Non-GAAP Financial Measures and Additional Financial Information**

In addition to using performance measures determined in accordance with International Financial Reporting Standards ("IFRS" or "GAAP"), Choice Properties also measures its performance using certain non-GAAP measures, and provides these measures in this press release so that investors may do the same. Such measures and related per-unit amounts are not defined by IFRS and therefore should not be construed as alternatives to net income or cash flow from operating activities determined in accordance with IFRS. Furthermore, the supplemental measures used by management may not be comparable to similar measures presented by other real estate investment trusts or enterprises. These terms, which include the proportionate share basis of accounting, net operating income ("NOI"), funds from operations ("FFO") and adjusted funds from operations ("AFFO"), are defined in Section 15, "Non-GAAP Financial Measures", of the Choice Properties MD&A for the three months ended March 31, 2019, and are reconciled to the most comparable IFRS measure.

Choice Properties' unaudited interim period condensed consolidated financial statements and MD&A for the three months ended March 31, 2019 are available on Choice Properties' website at [www.choicereit.ca](http://www.choicereit.ca). Readers are directed to these documents for financial details and a fulsome discussion on Choice Properties' results.

## **Cautionary Statements Regarding Forward-looking Statements**

This news release contains forward-looking statements relating to Choice Properties' operations and the environment in which the Trust operates, which are based on management's expectations, estimates, forecasts and projections. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. Therefore, actual outcomes and results may differ materially from those expressed in these forward-looking statements. 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. Management undertakes no obligation to publicly update any such statement, to reflect new information or the occurrence of future events or circumstances, except as required by law.

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