Creating Canada's Premier Diversified REIT

February 15, 2018
Non-GAAP Measures
This press release uses the following non-GAAP measures: NOI (Net Operating Income) and FFO (Funds from Operations). Choice Properties and CREIT believe these non-GAAP financial measures provide useful information to both management and investors in measuring financial performance. NOI is a supplemental measure of operating performance widely used in the real estate industry. Choice Properties calculates NOI as rental revenue, excluding straight-line rent, from investment properties less property operating costs. NOI is a key performance indicator, as it evaluates the results 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. Choice Properties calculates 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 1998. FFO is intended to be used as a sustainable, economic earnings metric.

These measures do not have a standard meaning prescribed by GAAP and therefore they may not be comparable to similarly titled measures presented by other publicly traded companies, and should not be construed as an alternative to other financial measures determined in accordance with GAAP. More information regarding these non-GAAP measures and a reconciliation of each to the nearest IFRS financial measure is available in Choice Properties’ most recent management’s discussion and analysis filed on SEDAR (www.sedar.com).

Forward-Looking Statements
This press release for Choice Properties and CREIT contains forward-looking statements about the proposed acquisition by Choice Properties of CREIT. Forward-looking statements are typically identified by words such as “expect”, “anticipate”, “believe”, “foresee”, “could”, “estimate”, “goal”, “intend”, “plan”, “seek”, “strive”, “will”, “may” and “should” and similar expressions. Forward-looking statements reflect current estimates, beliefs and assumptions, which are based on Choice Properties’ and CREIT’s perception of historical trends, current conditions and expected future developments, as well as other factors management believes are appropriate in the circumstances. Choice Properties’ and CREIT’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 and CREIT can give no assurance that such estimates, beliefs and assumptions will prove to be correct.

This press release contains forward-looking statements concerning: the combined entity’s financial position; growth prospects of the combined entity; certain strategic benefits of the transaction; intensification and development opportunities; management and governance of the combined entity; conversion of Loblaw’s Class C LP units into Class B LP units on closing and related matters; the timing of the CREIT’s unitholders’ meeting and publication of related unitholder materials; the timing of publication of Choice Properties’ information statement; the expected completion date of the proposed transaction; the anticipated tax treatment of the proposed transaction for CREIT unitholders; leverage of the combined entity following closing of the transaction; and the combined entity’s anticipated future results and development opportunities. The pro forma financial information set forth in this press release should not be considered to be what the actual financial position or other results of operations would have necessarily been had Choice Properties and CREIT operated as a single combined entity as, at, or for the periods stated.

Numerous risks and uncertainties could cause the combined entity’s actual results to differ materially from the estimates, beliefs and assumptions expressed or implied in the forward-looking statements, including, but not limited to: failure to realize anticipated results and strategic benefits; general economic conditions, including changes in interest rates and the rate of inflation; failure of the combined entity to manage growth effectively in accordance with its growth strategy or acquire assets on an accretive basis; changes in timing to obtain municipal approvals, development costs, and tenant leasing and occupancy of properties under development, redevelopment or intensification; changes in competitiveness in the real estate market or the unavailability of desirable commercial real estate assets; the ability to maintain occupancy and to timely lease or re-lease space at current or anticipated rents; tenant bankruptcies, tenant defaults, joint venture and/or co-ownership partner defaults; changes in operating costs and capital expenditures; lack of liquidity of real property and the availability of financing; the inability to make distributions or other payments or advances; the inability of Choice Properties to maintain and leverage its relationship with 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 dated July 5, 2013; 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; and changes in laws or regulatory regimes which may affect the combined entity, including changes in their tax treatment and distributions to unitholders, or the inability of the combined entity 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).

Readers are cautioned that the foregoing list of factors is not exhaustive. Other risks and uncertainties not presently known to Choice Properties and CREIT or that Choice Properties and CREIT presently believe are not material could also cause actual results or events to differ materially from those expressed in its forward-looking statements. Additional information on these and other factors that could affect the operations or financial results of Choice Properties, CREIT or the combined entity are included in reports filed by Choice Properties and CREIT with applicable securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com).

There can be no assurance that the proposed transaction will occur or that the anticipated strategic benefits will be realized. The proposed transaction is subject to various regulatory approvals, including approvals under the Competition Act and by the TSX, and the fulfillment of certain conditions, and there can be no assurance that any such approvals will be obtained and/or any such conditions will be met. The proposed transaction could be modified, restructured or terminated.

Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect Choice Properties’ and CREIT’s expectations only as of the date of this release. Choice Properties and CREIT disclaim any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Disclaimer
Participants

**Galen G. Weston**  
Chairman and CEO  
George Weston Limited and  
Loblaw Companies Limited

**Stephen Johnson**  
Chief Executive Officer  
Canadian Real Estate Investment Trust

**John Morrison**  
President and CEO  
Choice Properties

**Richard Dufresne**  
President and CFO  
George Weston Limited
Strategic Combination of Two of Canada's Best REITs

Canada's Leading Necessity Based Retail REIT

- Canada’s 3rd largest REIT with 91% exposure to necessity based retail and 88% of base rent from Loblaw
- Long-term strategic relationship with Loblaw, Canada’s largest retailer
- 82% owned by Loblaw; 6% owned by George Weston Limited ("GWL"); 12% owned publicly

<table>
<thead>
<tr>
<th># of Properties</th>
<th>GLA (sq. ft.)</th>
<th>Enterprise Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>546</td>
<td>44.1M</td>
<td>$9.5B</td>
</tr>
</tbody>
</table>

| Market Capitalization | $5.2B |

Canada’s Premier Diversified REIT

- Canada's oldest public REIT, listed on the TSX in 1993
- Owner, developer, manager of a high-quality real estate portfolio that is diversified by asset class, tenant mix and geography
- Strong management and leasing platforms in retail, industrial and office asset classes, with a growing residential presence

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| Market Capitalization | $3.2B |

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| Market Capitalization | $3.2B |
One of the Strongest Management Teams in Canadian Real Estate

John Morrison  
Vice-Chairman of the Board  
Currently the President and CEO of Choice Properties, Mr. Morrison has lead that organisation since its creation in 2013. Over that time he has grown the business to 44.1 million square feet and built an outstanding team of professionals who will continue to propel it forward.

Stephen Johnson  
President and CEO  
Currently CEO of Canadian Real Estate Investment Trust (CREIT), Stephen has over 40 years of real estate industry experience, 22 of which have been with CREIT. He has extensive expertise in real estate and corporate finance, property management, leasing, real estate valuation, and property development.

Rael Diamond  
Chief Operating Officer  
Mr. Diamond is currently the President and COO of CREIT, responsible for all operational aspects including leasing, property operations, acquisitions, dispositions and development. He has also served as an SVP, Finance with Brookfield Asset Management.

Mario Barrafato  
Chief Financial Officer  
Mr. Barrafato is currently the EVP and CFO of CREIT, and has more than 20 years of senior management experience in the areas of financial reporting, corporate finance, mergers and acquisitions and capital markets.
## Creating Canada’s Largest REIT

### Significant Size, Scale and Reach

<table>
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<tr>
<th>Canada’s Largest REIT</th>
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<tbody>
<tr>
<td>- Canada’s largest REIT with a proforma market capitalization in excess of $8B and enterprise value of ~$16B</td>
</tr>
<tr>
<td>- Significant growth in key financial metrics with NOI increasing to $889M and FFO increasing to $689M on a proforma basis for 2017</td>
</tr>
</tbody>
</table>

### National Footprint Concentrated in Canada’s Largest Markets

| - Expanded portfolio of 752 properties comprising 69M square feet of GLA creates Canada’s premier diversified REIT(1) |
| - Significant exposure to Canada’s largest and fastest growing, urban markets (63% of NOI)(2) |

### Improved Stability Through Enhanced Diversification

| - Consolidated portfolio offers asset class, geographic and tenant diversification providing balance and stability |
| - Strong composition of national tenants, with 58% exposure to Canada’s largest food retailer |

### Continued Strategic Relationship with Loblaw

| - Committed and long-term support from GWL and Loblaw with pro forma combined ownership of ~65% |
| - Strategic relationship with Loblaw, facilitating development growth with a high-quality anchor tenant and access to a sizeable pipeline of vend-in opportunities |

(1) At ownership
(2) Metropolitan areas with a population greater than 500,000
## Strong Development Potential Backed by a Robust Operating Platform

**Established Operating Platform with a Proven Track Record of Success**
- Integrated national leasing, property and asset management capabilities in all key real estate sectors, positions the combined entity to actively manage best-in-class properties
- Proven track record of success with attractive realized yields on completed developments

**Transformational Development Pipeline**
- Significant intensification and redevelopment opportunities providing strong long-term value creation potential and growth for unitholders
- Long-term pipeline of over 60 properties in core urban markets (most on major transit hubs), prime for creating exciting residential-focused mixed-use projects

## Well Positioned Portfolio Supported by Prudent Capital Structure

**Well Positioned to Navigate the Changing Retail Landscape**
- Retail portfolio primarily focused on necessity-based retailers and well insulated from e-commerce disruptions (85% of retail rental revenue)
- Top-quality industrial portfolio primarily focused on warehouse and distribution space, strategically positioned within the e-commerce landscape (92% of industrial GLA)

**Financial Strength and Improved Trading Attributes**
- Committed to investment grade ("BBB") credit rating supported by prudent balance sheet and leverage metrics
- Public unitholder float increases to approximately 35% creating increased trading liquidity and potential inclusion in relevant indices
### Unmatched Size, Scale and Reach

<table>
<thead>
<tr>
<th>Market Cap ($B)</th>
<th>Enterprise Value ($B)</th>
<th>2017 NOI ($M)(^{(1)})</th>
<th>2017 FFO ($M)(^{(2)})</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pro Forma</strong></td>
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<td><strong>Pro Forma</strong></td>
</tr>
<tr>
<td>Pro Forma</td>
<td>$8.2</td>
<td>$15.6</td>
<td>$889</td>
</tr>
<tr>
<td>RioCan</td>
<td>$7.7</td>
<td>$13.4</td>
<td>$745</td>
</tr>
<tr>
<td>H&amp;R</td>
<td>$6.2</td>
<td>$12.3</td>
<td>$719</td>
</tr>
<tr>
<td><strong>Choice Properties</strong></td>
<td>$5.2</td>
<td>$9.5</td>
<td>$585</td>
</tr>
<tr>
<td>CAPREIT</td>
<td>$5.1</td>
<td>$9.1</td>
<td>$469</td>
</tr>
<tr>
<td>FCR</td>
<td>$4.7</td>
<td>$9.1</td>
<td>$435</td>
</tr>
<tr>
<td>SmartREIT</td>
<td>$4.7</td>
<td>$8.9</td>
<td>$434</td>
</tr>
<tr>
<td>Allied</td>
<td>$3.7</td>
<td>$5.7</td>
<td>$391</td>
</tr>
<tr>
<td>Chartwell</td>
<td>$3.2</td>
<td>$5.7</td>
<td>$329</td>
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<tr>
<td>CT REIT (^{(3)})</td>
<td>$2.8</td>
<td>$5.3</td>
<td>$304</td>
</tr>
<tr>
<td>CREIT (^{(3)})</td>
<td>$3.2</td>
<td>$5.3</td>
<td>$246</td>
</tr>
<tr>
<td>CT REIT</td>
<td>$2.8</td>
<td>$5.3</td>
<td>$246</td>
</tr>
<tr>
<td>Artis</td>
<td></td>
<td></td>
<td>$236</td>
</tr>
</tbody>
</table>

Note: Market data as at February 14, 2018

Note: Financial information as of Q3 2017, except Choice and CREIT, which are as of Q4 2017

\(^{(1)}\) YTD Q3 2017 NOI Annualized, except Choice and CREIT, which are fiscal year 2017 NOI, at proportionate share

\(^{(2)}\) YTD Q3 2017 FFO Annualized, except Choice and CREIT, which are fiscal year 2017 FFO
With Proven Track Records of Value Creation

FFOPU Growth Since IPO

CAGR 4.8%

$0.89
2013

$1.07
2017

Proven ability to deliver substantial FFOPU growth to unitholders

Annualized
National Footprint Concentrated in Canada's Largest Markets

Note: Map based on NOI. Breakdown by NOI. Primary markets defined as metropolitan areas with a population greater than 500,000.
Improved Stability Through Enhanced Diversification

**Asset Class Diversification\(^{(1)}\)**

- Retail: 89%
- Industrial: 9%
- Office: 2%

**Tenant Mix Diversification\(^{(2)}\)**

- Loblaw: 88%
- Other: 12%

**Primary Market Exposure\(^{(1),(3)}\)**

- Primary Markets: 55%
- Other: 45%

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**Increased asset class diversification, including recent exposure to residential, creates stability in the portfolio**

**Anchored by Canada's largest retailer with increased exposure to national, investment grade tenants**

**Significantly improved exposure to Canada's largest and fastest growing urban markets**

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(1) Breakdown by NOI
(2) Breakdown by rental revenue. Assumed rental revenue breakdown to be the same as base rent
(3) Metropolitan areas with a population greater than 500,000
Continued Strategic Relationship with Canada's Largest Retailer

- Canada’s #1 food and pharmacy retailer
  - ~2,400 stores across Canada
  - ~$47B in revenue and ~$4B in EBITDA
  - Operates 5 divisions covering grocery, pharmacy, financial services and fashion

- Principal tenant anchors portfolio
  - 58% of rental revenue
  - 10.3 years of remaining lease term

- Strong balance sheet and long history of investment grade credit ratings
  - “BBB” rated by S&P and DBRS

- Mutually beneficial business relationship
  - Strategic Alliance Agreement
  - Significant remaining vend-in portfolio
Well Positioned for Growth

- **85%** of retail in necessity based and e-commerce proof sectors
- **92%** of industrial in distribution / warehouse facilities
- **60+ sites** located in urban areas (mainly located adjacent to transit) with substantial mixed-use development / intensification potential
- **88%** of development pipeline in VECTOM markets

![Retail Portfolio Composition](image)

- Grocery Stores
- Pharmacies
- Financial Services
- Restaurants / Cafes
- Fitness Centres
- Personal Services

(1) Breakdown by rental revenue. Assumed rental revenue breakdown to be the same as base rent.
(2) Vancouver, Edmonton, Calgary, Toronto, Ottawa, Montreal
Transformational Development Pipeline Providing Long Term Growth and Value Creation

Golden Mile, Scarborough, ON

The modernization of a traditional suburban shopping centre into a transit-oriented mixed-use community that benefits from government investment in building Toronto’s Eglinton Crosstown LRT

2280 Dundas St. W, Toronto, ON

The development of a complete community in an established transit hub, providing a vibrant place to live, work, play and shop with an integrated connection to Union-Pearson Express, West Toronto Railpath, TTC subway and easy access to streetcars and buses

390 Dufferin St., Toronto, ON

1.7 acre mixed-use development project containing 397 purpose-built rental residential units and 60,000 square feet of commercial GLA in Toronto’s rapidly growing West Queen West neighbourhood

1050 Sheppard Ave. W, Toronto, ON

0.5 acre site directly adjacent to the Sheppard West subway station, which was acquired in Q3 2017 with plans in place to begin development on a mixed-use project containing 199 residential rental units and 172 parking stalls
Established Operating Platform with a Proven Track Record of Success

- Fully integrated operating platform
- Internalized property and asset management
- National leasing team
- In-house development capabilities
- Expertise across all asset classes
- Growing exposure to newly built multi-residential

Track Record of Success

+11% Non-Loblaw occupancy

+40% Non-Loblaw rental rate

+13% Total return CAGR

+8% FFO per Unit CAGR

1.2M Completed development GLA

7.9% Realized development yield

+38% Value creation on completed development

8 Active residential properties

+120 New employees

$1.3B Completed acquisitions

16 Yrs Consecutive distribution increases

+3% Distribution CAGR

Best-in-class operating platform with expertise across the entire value creation chain

(1) Since Choice IPO
(2) Since 2014
(3) Last 20 years as of December 31, 2017
(4) Since CREIT IPO
(5) On completed developments since 2008
(6) Last 16 years as of December 31, 2017
Significant Growth in Pro Forma Financials

$889M in NOI

$689M in FFO

$569M in AFFO

Note: All metrics pro forma 2017
Transaction Overview

**Purchase Price**

- **$53.61** per CREIT unit\(^1\)
  - $22.50 in cash\(^2\); and
  - 2.4904 Choice units\(^2\)

**Equity Value**

- **~$3.9 billion**
  - ~$1.7B Cash
  - ~$2.3B Unit Consideration
  - Tax-deferred rollover available

**Premium / Distribution**

- **23.1%** to 1-day
- **20.9%** to 20-day VWAP
- **+70%** Distribution increase to CREIT unitholders\(^3\)

**Pro Forma Ownership**\(^4\)

- 62% Loblaw
- 4% GWL
- 27% CREIT Unitholders
- 7% Choice Unitholders

**Public Float**

- **$2.9 billion**
  - Anticipated inclusion in S&P/TSX Composite Index, REIT Index

**Transaction Support**

- Unanimous support from both boards
- Loblaw and GWL will vote CHP units in favor of transaction

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\(^1\) Based on Choice’s closing unit price on February 14, 2018 of $12.49
\(^2\) Breakdown between cash and units is on a fully prorated basis
\(^3\) Based on unit election
\(^4\) Ownership figures are approximate
Financing Structure

$2.1B of committed financing
- $850M Bridge Loan – 1 year term, to be repaid with unsecured debentures
- $1.25B Term Loan – 3, 4 and 5 year terms, to be repaid with unsecured debentures over time

$1.3B available liquidity
- $1.5B Revolving Credit Facility – 5 year term

Conservative leverage profile
- 45–46% Debt / GBV
- 3.3x Interest Coverage
- 8.1x Debt / EBITDA
- $11.3B Unencumbered Assets

Sources ($M)
- Choice Units Issued to CREIT Unitholders  $2,283
- Assumed CREIT Debt:
  - Mortgage Debt  $1,492
  - Unsecured Debentures  450
- Acquisition Facility:
  - Term Loan  $1,250
  - Bridge Loan  850
- Cash on Hand  36

Total Sources  $6,362

Uses ($M)
- Cash Consideration  42%  $1,652
- Unit Consideration  58%  2,283

Equity Value  100%  $3,935

- Assumed CREIT Debt  $1,942
- Partial Repayment of Choice Credit Facility  144
- Repayment of CREIT Credit Facilities  166
- Other  175

Total Uses  $6,362
Transaction Timeline

- Announcement Date: February 15, 2018
- Mailing of MIC: Mid-March
- CREIT Unitholder Vote: Mid-April
- Transaction Closing: April-May
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<table>
<thead>
<tr>
<th>CREATION OF THE LARGEST CANADIAN REIT</th>
<th>ATTRACTION RETAIL PORTFOLIO WITH BLUE-CHIP SPONSORSHIP</th>
<th>LEADING DEVELOPMENT PIPELINE</th>
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<tr>
<td>~$16B Enterprise Value</td>
<td>78% / 14% / 8% Retail / Industrial / Office (% of total NOI)</td>
<td>60+ # of Potential Mixed-Use Properties</td>
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<td>69M GLA (sq. ft.)</td>
<td>85% Necessity Based (% of Retail)</td>
<td>88% % of Development Pipeline in VECTOM Markets (1)</td>
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<td>$889M Total 2017 NOI</td>
<td>58% Loblaw (Pro Forma Rental Revenue)</td>
<td>Robust retail, industrial and mixed-use development pipeline</td>
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<td>$689M Total 2017 FFO</td>
<td>Continued strategic relationship with Canada’s largest retailer</td>
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Best in-class operating team and management platform

Continued strategic relationship with Canada’s largest retailer

(1) Vancouver, Edmonton, Calgary, Toronto, Ottawa, Montreal