

## **Choice Properties Real Estate Investment Trust Files Preliminary Prospectuses for Initial Public Offering of Trust Units and Senior Unsecured Debentures**

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Brampton, May 24, 2013 /CNW/ - Loblaw Companies Limited ("Loblaw" or the "Company") (TSX: L) and Choice Properties Real Estate Investment Trust (the "REIT") announced today that the REIT has filed and obtained receipts for two preliminary prospectuses in respect of its initial public offering of trust units (the "Units") and a concurrent public offering of two series of senior unsecured debentures (the "Debentures") with the securities regulatory authorities of all provinces and territories in Canada.

Loblaw has taken the initiative in creating the REIT in order to optimize the value of the Company's real estate portfolio over time, lower the cost of capital for real estate, and increase the speed of development of new retail sites.

The portfolio of properties to be acquired by the REIT from Loblaw on closing will consist of 425 properties totaling 35.3 million square feet of gross leasable area ("GLA"), comprising 415 retail properties, one office complex and nine warehouse properties ("the Initial Properties").

### **Overview**

- The Initial Properties represent approximately 75% of Loblaw's owned real estate.
- The aggregate purchase price for the Initial Properties to be acquired from Loblaw will be determined in connection with the pricing of the Units.
- Loblaw will be the REIT's most significant tenant for the foreseeable future, representing approximately 91% of its annual base minimum rent and 88% of its GLA on closing.
- As of closing, the REIT's leases with Loblaw will have a weighted average remaining lease term of 14 years, with a range of 10 to 18 years.
- In addition to the offering of Units to the public, George Weston Limited, the parent of Loblaw, will acquire \$200 million of Units on closing.
- The offering of Units is being joint bookrun by CIBC, RBC Capital Markets and TD Securities Inc.
- Concurrent with the initial public offering of Units, the REIT will also offer two classes of senior unsecured debentures. The proceeds from this issuance of debt by the REIT will be used to repay indebtedness owing to Loblaw.
- The closing of the offering of Units is not conditional upon the closing of the offering of the Debentures.

- The public offering of the Debentures will be sold on an agency basis being joint bookrun by CIBC, RBC Capital Markets, TD Securities Inc. and BMO Capital Markets.

Management expects that S&P and DBRS will provide the REIT with a provisional issuer credit rating of “BBB” with a “stable” outlook, and each series of Debentures with a provisional rating of “BBB” with a “stable” outlook. Loblaw expects that both rating agencies will confirm Loblaw’s credit ratings at “BBB” with a “stable” outlook.

The preliminary prospectuses have not yet become final for the purpose of a distribution of securities to the public. This press release does not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale or any acceptance of an offer to buy these securities in any province or territory of Canada prior to the time a receipt for the final prospectuses or other authorization is obtained from the securities commission or similar regulatory authority in such province or territory. Copies of the preliminary prospectuses are available on SEDAR at [www.sedar.com](http://www.sedar.com).

Completion of the initial public offerings of securities are subject to and conditional upon the receipt of all necessary approvals, including regulatory approvals.

The Units and the Debentures have not been, nor will they be, registered under the U.S. Securities Act of 1933, as amended, and may not be offered, sold or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S under the United States Securities Act of 1933, as amended) except pursuant to certain exemptions. This press release does not constitute an offer to sell or a solicitation of an offer to buy any of the Units or the Debentures in the United States or to, or for the account or benefit of, U.S. persons.

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

Choice Properties Real Estate Investment Trust is an unincorporated, open-ended real estate investment trust primarily focused on managing and acquiring supermarket-anchored shopping centres, stand-alone supermarkets and other retail properties. Its portfolio will represent 35.3 million square feet of gross leasable area in markets across Canada. Loblaw is the REIT’s most significant tenant.

#### **About Loblaw Companies Limited**

Loblaw Companies Limited, a subsidiary of George Weston Limited, is Canada's largest food retailer and a leading provider of drugstore, general merchandise and financial products and services. Loblaw is one of the largest private sector employers in Canada. With more than 1,000 corporate and franchised stores from coast to coast, Loblaw and its franchisees employ approximately 134,000 full-time and part-time employees. Through its portfolio of store formats, Loblaw is committed to providing Canadians with a wide, growing and successful range of products and services to meet the everyday household demands of Canadian consumers. Loblaw is known for the quality, innovation and value of its food offering. It offers Canada's strongest control (private) label program, including the unique President's Choice®, no name® and Joe Fresh® brands. In addition, the Company makes available to consumers President's

Choice® financial services and offers the PC® points and PC Plus™ loyalty program. For more information, visit Loblaw's website at [www.loblaw.ca](http://www.loblaw.ca) and Loblaw's issuer profile at [www.sedar.com](http://www.sedar.com).

### **Forward –Looking Statements**

*This press release may contain forward-looking information within the meaning of applicable securities legislation, which reflects Loblaw's and the REIT's current expectations regarding future events. Forward-looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond Loblaw's or the REIT's control, that could cause actual results and events to differ materially from those that are disclosed in or implied by such forward-looking information. Such risks and uncertainties include, but are not limited to, failure to complete the initial public offering of Units and Debentures of the REIT and related transactions, and the factors discussed under "Risk Factors" in the preliminary prospectus of the REIT dated May 24, 2013 with respect to the Units and the preliminary prospectus of the REIT dated May 24, 2013 with respect to the Debentures. Neither Loblaw nor the REIT undertake any obligation to update such forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required by applicable law.*

#### **For further information:**

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