Leon's Furniture Acquires Eight Prime Retail Locations

Both Leon's and The Brick banners to have stores coast-to-coast

TORONTO, ONTARIO February 23, 2016 – Leon's Furniture Limited ("**Leon's**" or the "**Company**") (**TSX: LNF**), today announced that it had assumed eight leases from Sears Canada Inc. (TSX: SCC) (NASDAQ: SRSC), including four in British Columbia. This represents the first time in the Company's history that the value proposition of the Leon's banner will be available to customers in British Columbia. The Company already has 27 of The Brick showrooms in the province, which have been successfully operating for nearly thirty years. Leon's is also adding one location in Moncton, which will be the first corporate-owned Brick store in New Brunswick. In addition, as part of this transaction, Leon's is acquiring three locations in the Greater Toronto Area ("GTA"), to augment the Leon's banner's success in the province of Ontario.

"This transaction represents a significant opportunity for Leon's to strengthen its leading position in existing markets around the GTA as well as to enter highly desirable locations in Greater Vancouver," said Edward Leon, President and Chief Operating Officer of Leon's. "This is a unique opportunity for us to expand our market share and lay the groundwork for continued growth. This move brings the Leon's banner within reach of Canadians coast-to-coast for the first time ever. Our Leon's and The Brick banners serve distinct customer segments and we are confident that by expanding both banners in a measurable fashion, we will continue to drive significant value creation for shareholders over time. The locations we are assuming, have been carefully selected to fulfill Leon's strategic mandate to have a meaningful presence in all key areas of the country."

The eight locations feature an average of 43,000 square feet of selling space and Leon's estimates that each will require capital expenditures of approximately $300,000 to $500,000. The Company will assume seven of the leases on June 1, 2016 and the remaining lease on July 1, 2016. Leon's expects to have the stores open by late September, 2016.

Leon's has entered into an agreement to acquire 75,000 square feet of warehouse space from another party in British Columbia to support the short-term needs of the new Leon's stores in that province. By August, 2017, the Company expects to complete the construction of a state-of-the-art 434,000 square foot distribution centre to support both Leon's and The Brick stores in British Columbia.

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