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SmartCentres Announces \$200 Million Bought Deal Offering of Trust Units

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Toronto, Ontario (January 14, 2019) – SmartCentres Real Estate Investment Trust (“SmartCentres” or the “REIT”) (TSX: SRU.UN) announced today that it has entered into an agreement to sell 6,400,000 variable voting units (“Trust Units”) on a bought deal basis at a price of \$31.25 per Trust Unit (the “Offer Price”) to a syndicate of underwriters co-led by CIBC Capital Markets, BMO Capital Markets, RBC Capital Markets, Scotiabank and TD Securities with CIBC Capital Markets acting as sole bookrunner, for gross proceeds of approximately \$200 million (the “Offering”).

In addition, SmartCentres has granted the underwriting syndicate an over-allotment option, exercisable in whole or in part at any time up to 30 days after closing, to purchase up to an additional 960,000 Trust Units at the Offer Price, which if exercised in full, would increase the gross size of the Offering to approximately \$230 million.

SmartCentres intends to use the net proceeds from the Offering to partially repay amounts currently drawn on its credit facilities which will then be available to be redrawn by the REIT to fund, in part, its previously announced development programs with respect to the Vaughan Metropolitan Centre, seniors housing, self-storage, multi-family residential, retail and other initiatives. The REIT may also use any remaining proceeds for future acquisitions, developments, capital expenditures and for general trust purposes.

Upon closing of the Offering and the partial repayment of the currently drawn credit facility with the net proceeds of the Offering, SmartCentres’ total debt to aggregate assets will be reduced to 42% from 44%, as at September 30, 2018.

Mitchell Goldhar, Executive Chairman, of SmartCentres, added, “This equity offering will provide SmartCentres with additional financing capacity to capitalize on our strong development pipeline, including Vaughan Metropolitan Centre, seniors housing, multi-family residential, retail and self-storage. The offering will also contribute to lowering SmartCentres’ already conservative leverage metrics.”

The Offering is scheduled to close on or about, January 23, 2019, subject to the REIT obtaining all regulatory approvals. The Offering is being made by way of a prospectus supplement to SmartCentres’ existing short form base shelf prospectus dated February 1, 2018 and filed with the securities regulators in all provinces of Canada.

The terms of the Offering will be described in a prospectus supplement to be filed with securities regulators in all provinces of Canada and may also be offered by way of private placement in the United States.

This press release shall not constitute an offer to sell, or the solicitation of an offer to buy, any securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The securities being offered have not been and will not be registered under the U.S. Securities Act of 1933 as amended and may not be offered or sold in the United States absent registration or pursuant to applicable exemption from registration.



About SmartCentres

SmartCentres is one of Canada's largest real estate investment trusts with total assets of approximately \$9.4 billion. It owns and manages 34 million square feet of retail space in value-oriented, principally Walmart-anchored retail centres, having the strongest national and regional retailers as well as strong neighbourhood merchants. The retail centres continue to experience industry-leading occupancy levels of 98%. In addition, SmartCentres is a joint venture partner in the Premium Outlets locations in Toronto and Montreal with Simon Property Group.

SmartCentres is expanding the breadth of its portfolio to include residential (single-family, condominium and rental), retirement homes, office, and self-storage, either on its large urban properties such as the Vaughan Metropolitan Centre or as an adjunct to its well-located existing shopping centres. For more information on SmartCentres, visit www.smartcentres.com.

Certain statements in this Press Release are "forward-looking statements" that reflect management's expectations regarding future events including but not limited to the use of proceeds of the Offering, the date the Offering is expected to close, future debt levels and the REIT's future business prospects and opportunities. More specifically, certain statements contained in this Press Release, including statements that contain words such as "will", "may" and similar expressions and statements relating to matters that are not historical facts, constitute "forward-looking statements". Such forward-looking statements reflect management's current beliefs and are based on information currently available to management. However, such forward-looking statements involve significant risks and uncertainties including those discussed under the heading "Risk Factors" in the prospectus supplement and under the heading "Risk Factors" in the Annual Information Form for the year ended December 31, 2017. A number of factors could cause actual results and events to differ materially from the events discussed in the forward-looking statements. Although the forward-looking statements contained in this Press Release are based on what management believes to be reasonable assumptions, the REIT cannot assure investors that actual results and events will be consistent with these forward-looking statements. The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. These forward-looking statements are made as at the date of this Press Release and the REIT assumes no obligation to update or revise them to reflect new events or circumstances unless otherwise required by applicable securities legislation.

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