SMARTCENTRES®

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SMARTCENTRES REAL ESTATE INVESTMENT TRUST RELEASES FOURTH QUARTER AND YEAR END RESULTS FOR 2018

TORONTO, ONTARIO - (February 13, 2019) SmartCentres Real Estate Investment Trust ("SmartCentres" or the "Trust") (TSX: SRU.UN) is pleased to report positive financial and operating results for the fourth quarter and year ended December 31, 2018.

"2018 was a pivotal year for SmartCentres" said President & CEO Peter Forde, "Our national shopping centre portfolio performed well, with 98% occupancy and continued strong contributions in FFO and ACFO. Our development properties are now bearing fruit and we expect these initiatives to grow our FFO per unit by over 10% in 2020. In addition, our development team is actively pursuing a transformative mixed use development portfolio that now covers five different real estate sectors in addition to retail. This growing program currently totals 168 projects on 76 of the Trust's properties and will continue to grow in value for our unitholders, and based on recent cost estimates and pro forma information, over the next five years we expect to commence development on projects whose aggregate costs will exceed $9 billion, of which our share will approximate $3 billion."

Key business development highlights for the year ended December 31, 2018 include the following:

- Together with its partners Penguin and CentreCourt, began construction on the three Transit City Condo towers located in SmartCentres Place consisting of three towers of 55 storeys each, totalling over 1,700 units. All the units in each of the three towers are substantially sold out and financing is also in place. The Trust also recently announced a separate joint venture to develop two more condominium towers and its first residential rental building at SmartCentres Place totalling another 1600 units (approximately), which are expected to be marketed later this year.

- Entered into a joint venture with Revera Inc., a leading owner, operator and investor in the senior living sector to jointly develop new retirement living residences across Canada and the Trust recently announced three initial projects (one in Oakville and two in Vaughan) that will be moving forward with Revera Inc.

- Together with its partner Simon Properties, officially opened the new 144,000 square foot expansion of the Toronto Premium Outlets, which is fully leased, including some very exciting brand names such as Gucci, Prada, Montblanc, and Zadig & Voltaire. Initial sales results have exceeded expectations.

- Together with SmartStop, commenced construction of a self-storage facility in Toronto (Leaside). Subsequent to year end, announced the commencement of development of several additional self-storage facilities in Scarborough, Oshawa, Vaughan and two in Brampton. This brings to 6 the number of self-storage facilities under development with SmartStop.

- Formed a 50:50 joint venture with Jadco (a Montreal based residential development company) known as Laval Centre Apartments Limited Partnership, into which the Trust contributed development lands located in Laval, Quebec. Construction has commenced with the first phase expected to be substantially completed later in 2019.

- Completed and transferred approximately 265,000 square feet of retail and office tenancies via Earnouts and Developments providing an average unleveraged yield of 6.6%.

Financial and operational highlights for the year ended December 31, 2018 include the following:

- Net income and comprehensive income increased to $402.9 million, as compared to $355.9 million in the prior year, representing an increase of $47.0 million or 13.2%.(1)

- Rentals from investment properties and other increased to $790.2 million, as compared to $747.2 million in the prior year, representing an increase of $43.0 million or 5.7%.(1)

- As at year end, committed and in-place occupancy rates were 98.1% and 98.0% respectively.

- FFO with one time adjustment and before Transactional FFO increased by $21.0 million or 6.0% to $368.3 million and by $0.08 or 3.6% to $2.28 on a per Unit basis (see "Other Measures of Performance" for details).(2)

- ACFO with one time adjustment increased by $12.6 million or 3.8% to $343.4 million compared to the prior year (see "Other Measures of Performance" for details).(2)

- The Trust's unencumbered pool of high-quality assets increased by $863.8 million or 25.5% to $4.3 billion.

- The Board of Trustees approved an increase of $0.05 per Unit (2.9%) in annual distributions to $1.80 per Unit effective October 2018.

Development and Intensification Highlights:

"Our multiple development initiatives have allowed SmartCentres to make significant advances to the traditional retail REIT model" said Executive Chairman Mitchell Goldhar. "First, we are building out a full range of mixed use development projects on our national land base, which will provide us with a significant new revenue stream. It also works well for our tenants who will benefit from having an additional captive audience living on or near our centres."

Mr. Goldhar further added, "In addition, we are introducing a host of new 'Smart' technology services to attract shoppers to our centres, such as wifi networks, automobile charging stations, digital signage and Penguin Pick-Up locations. Our goal is to constantly innovate our centres to ensure they remain vital, alive and go-to destinations for our communities."

- The Trust, together with its partner, Penguin, advanced its flagship SmartCentres Place property by: i) completing the leasing of office space in the KPMG Tower, ii) progressing on the construction phase of the second office building and both PWC and the YMCA are expected to be opening their respective premises later this year, iii) together with partner CentreCourt, began construction on the three 55-storey Transit City Condo towers, totalling over 1,700 pre-sold units, iv) together with partner CentreCourt, recently announced a separate joint venture to develop Phases 4 and 5 of Transit City Condos which are expected to be 50 and 45 storeys respectively, and v) recently announcing the commencement of development of the first purpose built rental building at SmartCentres Place which is expected to be 35 storeys (once complete, these three additional towers are expected to add approximately 1,600 residential units to SmartCentres Place).

- Expanded the Trust's development properties to include 168 mixed use projects covering retirement homes, self-storage, office towers, residential rental units, condominiums and town homes to be developed on 76 of the Trust's properties.

- Completed approximately 144,000 square feet of new leases in the expanded Toronto Premium Outlets, the lease up of office space in the KPMG tower, and the lease up of the principal tenant in the PwC tower which will open later in 2019.

(1) Represents a GAAP measure.
(2) Represents a non-GAAP measure. See "Presentation of Non-GAAP Measures".

Subsequent to Year End:

- In January 2019, the Trust completed a very successful equity offering of 7,360,000 Trust Units at a price of $31.25 per Trust Unit for gross proceeds of $230.0 million, including the exercise, in full, of the over-allotment option granted to the underwriters. The proceeds of this equity offering were primarily used to repay existing indebtedness.

- In February 2019, the Trust announced the early redemption of its 4.05% Series H Senior Unsecured Debentures totalling $150.0 million due July 27, 2020 to be redeemed on March 8, 2019. The Trust has arranged a $150.0 million unsecured seven-year fixed rate bank loan to fund these redemption requirements.

Selected Consolidated Financial and Operational Information:

The consolidated financial and operational information shown in the table below includes the Trust's share of equity accounted investments, see the "Equity Accounted Investments" section in the Trust's MD&A for details, and represents key financial and operational information for the years ended December 31, 2018 and December 31, 2017.

(in thousands of dollars, except per Unit and other non-financial data)	**2018**	2017
Operational Information		
Number of retail and other properties	**152**	154
Number of properties under development	**7**	7
Number of office properties	**1**	1
Number of mixed-use properties	**4**	1
Total number of properties with an ownership interest	**164**	163
Gross leasable area (in thousands of sq. ft.)	**34,379**	34,157
Future estimated retail development area (in thousands of sq. ft.)	**3,214**	4,038
Lands under Mezzanine Financing (in thousands of sq. ft.)	**615**	614
Committed occupancy rate	**98.1%**	98.3%
In-place occupancy rate	**98.0%**	98.2%
Average lease term to maturity	**5.4 years**	5.8 years
Net rental rate (per occupied sq. ft.)	**$15.38**	$15.28
Net rental rate excluding Anchors (per occupied sq. ft.)	**$21.82**	$21.61
Financial Information		
Investment properties(2)(3)	**9,155,174**	8,952,467
Total assets(1)	**9,459,632**	9,380,232
Total unencumbered assets(2)	**4,250,800**	3,387,000
Debt(2)(3)	**4,236,364**	4,318,330
Debt to Aggregate Assets(2)(3)(4)	**43.9%**	45.4%
Debt to Gross Book Value(2)(3)	**51.1%**	52.3%
Interest Coverage(2)(3)(4)	**3.3X**	3.2X
Debt to Adjusted EBITDA(2)(3)(4)	**8.2X**	8.2X
Equity (book value)(1)	**5,008,331**	4,827,457

(1) Represents a GAAP measure.

(2) Represents a non-GAAP measure. The Trust's method of calculating non-GAAP measures may differ from other reporting issuers' methods and accordingly may not be comparable. For definitions and basis of presentation of the Trust's non-GAAP measures, refer to the "Presentation of Non-GAAP Measures" section in this MD&A.

(3) Includes the Trust's share of equity accounted investments.

(4) Proforma for the recent equity issuance that occurred subsequent to year end in January 2019, results in the following adjusted ratios: Debt to Aggregate Assets of 41.5%, Interest Coverage of 3.5X, and Debt to Adjusted EBITDA of 8.0X.

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The following table represents key financial, per Unit, and payout ratio information for the years ended December 31, 2018 and December 31, 2017:

(in thousands of dollars, except per Unit information)	**2018**	2017	Variance
Financial Information			
Rentals from investment properties and other(1)	**790,178**	747,248	42,930
Net income and comprehensive income(1)	**402,947**	355,926	47,021
Cash flows provided by operating activities(1)	**351,254**	353,082	(1,828)
Net income and comprehensive income excluding loss on disposition and fair value adjustments(2)	**352,825**	340,528	12,297
NOI(2)(3)	**505,413**	477,528	27,885
FFO(2)(3)(4)	**367,186**	344,651	22,535
FFO with one time adjustment and before Transactional FFO(2)(3)(4)	**368,340**	347,372	20,968
FFO with one time adjustment and Transactional FFO(2)(3)(4)	**371,304**	351,441	19,863
ACFO(2)(3)(4)(5)	**342,199**	328,076	14,123
ACFO with one time adjustment(2)(3)(4)	**343,353**	330,797	12,556
Distributions declared	**285,082**	270,665	14,417
Surplus of ACFO with one time adjustment over distributions declared(2)	**58,271**	60,132	(1,861)
Surplus of ACFO with one time adjustment over distributions paid(2)	**115,384**	111,803	3,581
Units outstanding(6)	**161,716,843**	159,720,126	1,996,717
Weighted average – basic	**160,700,157**	157,058,690	3,641,467
Weighted average – diluted(7)	**161,507,550**	157,722,407	3,785,143
Per Unit Information (Basic/Diluted)			
Net income and comprehensive income	**$2.51/$2.49**	$2.27/$2.26	$0.24/$0.23
Net income and comprehensive income excluding loss on disposition and fair value adjustments	**$2.20/$2.18**	$2.17/$2.16	$0.03/$0.02
FFO(2)(3)(4)	**$2.28/$2.27**	$2.19/$2.19	$0.09/$0.08
FFO with one time adjustment and before Transactional FFO(2)(3)(4)	**$2.29/$2.28**	$2.21/$2.20	$0.08/$0.08
FFO with one time adjustment and Transactional FFO(2)(3)(4)	**$2.31/$2.30**	$2.24/$2.23	$0.07/$0.07
Distributions declared	**$1.763**	$1.713	$0.050
Payout Ratio Information			
Payout ratio to FFO(2)(3)(4)	**77.5%**	78.2%	(0.7)%
Payout ratio to FFO with one time adjustment and before Transactional FFO(2)(3)(4)	**77.3%**	77.9%	(0.6)%
Payout ratio to FFO with one time adjustment and Transactional FFO(2)(3)(4)	**76.7%**	76.8%	(10.0)%
Payout ratio to ACFO(2)(3)(4)(5)	**83.3%**	82.5%	0.8%
Payout ratio to ACFO with one time adjustment(2)(3)(4)	**83.0%**	81.8%	1.2%

(1) Represents a GAAP measure.
(2) Represents a non-GAAP measure. The Trust's method of calculating non-GAAP measures may differ from other reporting issuers' methods and accordingly may not be comparable. For definitions and basis of presentation of the Trust's non-GAAP measures, refer to the "Presentation of Non-GAAP Measures" section in this MD&A.
(3) Includes the Trust's share of equity accounted investments.
(4) See "Other Measures of Performance" for a reconciliation of these measures to the nearest consolidated financial statement measure.
(5) The calculation of the Trust's ACFO and related ACFO payout ratio, including comparative amounts, is a new financial metric pursuant to the February 2018 REALpac White Paper on ACFO. Comparison with other reporting issuers may not be appropriate. Payout ratio is calculated as declared distributions divided by ACFO.
(6) Total Units outstanding include Trust Units and LP Units, including Units classified as liabilities. LP Units classified as equity in the consolidated financial statements are presented as non-controlling interests.
(7) The diluted weighted average includes the vested portion of the deferred unit plan.

4th Quarter and 12 Month Operational Highlights

For the three months ended December 31, 2018, net income and comprehensive income increased by $0.7 million or 0.7% compared to the same quarter in 2017, which was primarily attributed to the following:

- $12.3 million increase in fair value adjustments on revaluation of investment properties principally due to changes in lease and NOI assumptions relating to the Trust's portfolio;
- $2.8 million increase in earnings from equity accounted investments;
- $2.5 million increase in the fair value adjustment on financial instruments principally due to the fluctuation in the Trust's unit price as compared to the same quarter in 2017 (as financial instruments are fair valued at the balance sheet date);
- $0.9 million increase in rental income and other due to the growth of the portfolio;
- $0.8 million increase in property operating cost recoveries; and
- $0.3 million increase in interest income;

Partially offset by the following:
- $18.9 million decrease in acquisition related gain, net, pursuant to the Arrangement.

For the year ended December 31, 2018, net income and comprehensive income increased by $47.0 million or 13.2% compared to the same period in 2017, which was primarily attributed to:

- $35.7 million increase in fair value adjustments on revaluation of investment properties which includes: (i) a fair value increase of $23.6 million for the Toronto Premium Outlets' expansion, (ii) a fair value increase of $26.6 million for both the Toronto and Montreal Premium Outlets resulting from increases in step rents, offset by (iii) a net fair value decrease of $14.5 million principally due to changes in lease, NOI and assumptions relating to the Trust's other investment properties;
- $23.5 million increase in rental income attributed to the properties acquired pursuant to the Arrangement, Toronto Premium Outlets' expansion, and other Earnouts and Developments;
- $12.2 million increase in earnings from equity accounted investments, primarily due to both a fair value increase and an increase in rental revenues from an Investment Property (Creekside Crossing) acquired pursuant to the Arrangement; and
- $2.2 million increase in lease termination fees;

Partially offset by the following:
- $18.1 million decrease in acquisition related gain, net, pursuant to the Arrangement;
- $5.1 million increase in net interest expense principally due to the debt assumed as part of the Arrangement;
- $1.5 million increase in bad debt;
- $1.1 million increase in general and administrative expense, net attributed primarily to increases in both legal and professional fees;
- $0.5 million decrease in the fair value adjustment on financial instruments principally due to the fluctuation in the Trust's unit price as compared to the prior year (as financial instruments are fair valued at the balance sheet date); and
- $0.3 million increase in loss on sale of investment properties.

With respect to the total recovery ratio (including the Trust's share of equity accounted investments), both including and excluding prior year adjustments, the Trust recovered 97.4% and 96.8%, respectively, of total recoverable expenses during the year ended December 31, 2018, compared to 97.0% and 96.7%, respectively, in the prior year.

FFO Highlights

For the three months ended December 31, 2018, FFO with one time adjustment and before Transactional FFO increased by $2.7 million or 3.0% to $92.8 million, and by $0.01 or 1.8% to $0.57 on a per Unit basis, which was primarily due to: (i) a $1.6 million increase in NOI, (ii) a $0.4 million increase in FFO add back for the salaries and related costs attributed to leasing activities, (iii) a $0.3 million increase in interest income, and (iv) a $0.2 million decrease in interest expense, partially offset by (v) a $0.4 million increase in general and administrative expense.

For the year ended December 31, 2018, FFO with one time adjustment and before Transactional FFO increased by $21.0 million or 6.0% to $368.3 million, and by $0.08 or 3.6% to $2.28 on a per Unit basis. This increase was primarily attributed to the following:

- $27.9 million increase in NOI attributed to the properties acquired pursuant to the Arrangement, Toronto Premium Outlets' expansion, and other Earnouts and Developments; and
- $1.7 million increase in interest income resulting from both additional loans (net) that were provided during the year, and higher interest rates as compared to the prior year; and
- $1.2 million increase in FFO with one time adjustment;

Partially offset by the following:

- $5.7 million increase in interest expense principally due to the additional debt assumed and LP Units issued which are classified as liabilities as part of the Arrangement;
- $2.7 million decrease in yield maintenance costs on redemption of unsecured debentures;
- $0.8 million decrease in FFO add back for indirect interest with respect to the development portion relating to equity accounted investment;
- $0.4 million increase in general and administrative expense; and
- $0.2 million decrease in FFO add back for salaries and related costs attributed to leasing activities.

ACFO Highlights

For the three months ended December 31, 2018, ACFO with one time adjustment decreased by $1.2 million or 1.3% to $85.9 million compared to the same quarter in 2017, which was primarily due to the following:

- $6.0 million decrease in cash flows provided by operating activities;
- $3.1 million decrease in adjustments to working capital items that are not indicative of sustainable cash available for distribution;
- $0.9 million decrease in gain on sale of land to co-owners; and
- $0.4 million decrease in indirect interest with respect to the development portion relating to equity accounted investment;

Partially offset by the following:

- $6.1 million decrease in net actual sustaining leasing commission, tenant improvements and capital expenditures;
- $2.8 million increase in non-cash interest expense; and
- $0.3 million increase in non-cash interest income.

The Payout Ratio relating to ACFO with one time adjustment for the three months ended December 31, 2018 increased by 4.6% to 85.2% compared to the same quarter last year, primarily due to the reasons noted above, coupled with additional distributions declared in 2017 and 2018.

For the year ended December 31, 2018, ACFO with one time adjustment increased by $12.6 million to $343.4 million compared to the year ended December 31, 2017, which was primarily due to the following:

- $7.9 million increase in adjustments to working capital items that are not indicative of sustainable cash available for distribution;
- $6.9 million decrease in net actual sustaining leasing commission, tenant improvements and capital expenditures;
- $2.2 million increase in non-cash interest expense;
- $1.2 million increase in interest income; and
- $1.2 million increase in ACFO add back of CEO transaction and related costs;

Partially offset by the following:

- $2.7 million decrease in yield maintenance costs related to the redemption of unsecured debentures in 2017;
- $1.8 million decrease in cash flows provided by operating activities;
- $1.5 million decrease in gain on sale of land to co-owners; and
- $0.8 million decrease in indirect interest with respect to the development portion relating to equity accounted investment.

The Payout Ratio relating to ACFO with one time adjustment for the year ended December 31, 2018 increased by 1.2% to 83.0% compared to the year ended December 31, 2017, primarily due to the reasons noted above, coupled with additional distributions declared in 2017 and 2018.

Non-GAAP Measures

The non-GAAP measures used in this Press Release, including FFO, Transactional FFO, ACFO, NOI, Same Property NOI, average yield rates, and payout ratio do not have any standardized meaning prescribed by International Financial Reporting Standards ("IFRS") and are therefore unlikely to be comparable to similar measures presented by other issuers. These non-GAAP measures are more fully defined and discussed in the 'Management Discussion and Analysis' ("MD&A") of the Trust for the year ended December 31, 2018, available on SEDAR at www.sedar.com.

Full reports of the financial results of the Trust for the year ended December 31, 2018 are outlined in the consolidated financial statements and the related MD&A of the Trust, which are available on SEDAR at www.sedar.com. In addition, supplemental information is available on the Trust's website at www.smartcentres.com.

Conference Call

SmartCentres will hold a conference call on Wednesday, February 13, 2019 at 5:30 p.m. (ET). Participating on the call will be members of SmartCentres' senior management.

Investors are invited to access the call by dialing 1-800-458-4121. You will be required to identify yourself and the organization on whose behalf you are participating. A recording of this call will be made available Wednesday, February 13, 2019 beginning at 8:30 p.m. (ET) through to 8:30 p.m. (ET) on Wednesday, February 20, 2019. To access the recording, please call 1-888-203-1112 and enter the Replay Passcode 4326129#.

About SmartCentres

SmartCentres is one of Canada's largest real estate investment trusts with total assets of approximately $9.5 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. 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 the Trust's future growth, results of operations, performance and business prospects and opportunities as further outlined under the headings "Business Overview and Strategic Direction", "Other Measures of Performance" and "Outlook" in the Trust's Management's Discussion & Analysis for the year ended December 31, 2018. More specifically, certain statements contained in this Press Release, including statements related to the Trust's maintenance of productive capacity, estimated future development plans and costs, view of term mortgage renewals including rates and upfinancing amounts, timing of future payments of obligations, intentions to secure additional financing and potential financing sources, and vacancy and leasing assumptions, and statements that contain words such as "could", "should", "can", "anticipate", "expect", "believe", "will", "may" and similar expressions and statements relating to matters that are not historical facts, constitute "forward-looking statements". These forward-looking statements are presented for the purpose of assisting the Trust's Unitholders and financial analysts in understanding the Trust's operating environment, and may not be appropriate for other purposes. 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 "Risks and Uncertainties" and elsewhere in the Trust's Management's Discussion & Analysis for the year ended December 31, 2018 and under the heading "Risk Factors" in its Annual Information Form for the year ended December 31, 2018. A number of factors could cause actual results to differ materially from the results 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 Trust cannot assure investors that actual results *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 Trust 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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The Toronto Stock Exchange neither approves nor disapproves of the contents of this Press Release.