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SMARTCENTRES REAL ESTATE INVESTMENT TRUST RELEASES FIRST QUARTER RESULTS FOR 2019

TORONTO, ONTARIO - (May 8, 2019) SmartCentres Real Estate Investment Trust ("SmartCentres" or the "Trust") (TSX: SRU.UN) is pleased to report its financial and operating results for the three months ended March 31, 2019.

“The Trust provided strong and stable performance in the quarter, while growing our excellent development platform.” said President & CEO Peter Forde. “Our core 34 million square foot retail portfolio continued its 98% occupancy and increased its ACFO with one time adjustments. We also strengthened our balance sheet by completing several significant debt and equity offerings that were well received by the capital markets. On the development front, we entered into a number of major agreements that will result in growth of both NAV and FFO per unit”.

Key business development highlights for the three months ended March 31, 2019 include the following:

Operational

- The new 144,000 square foot expansion of the Toronto Premium Outlets, (which the Trust shares ownership with Simon Properties) is now substantively fully leased. Rolling 12 month sales revenue per square foot is expected to exceed $1,150.00 per square foot in 2019, which ranks this in the top tier of retail centres in Canada.

- Renewed 76.1% of expiring 2019 lease maturities with a net rental rate increase of 5.2% (net of anchor tenants).

- Rentals from investment properties and other was $206.4 million, as compared to $198.4 million in the same period in 2018, representing an increase of $8.0 million or 4.0%.(1)

- ACFO with one time adjustment exceeded both distributions declared and distributions paid by $7.2 million and $24.2 million, respectively.(2)

- Net income and comprehensive income was $80.0 million, as compared to $100.5 million in the same period in 2018, representing a decrease of $20.5 million or 20.4%.(1) This decrease of $20.5 million was primarily due to IFRS fair value adjustments on financial instruments resulting from the Trust's unit price increase as compared to the same period in 2018.

Financial

- The Trust closed an 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 Trust redeemed $150.0 million aggregate principal amount of 4.05% Series H senior unsecured debentures due in July 2020 (the “Series H Debentures”), constituting all of the Series H Debentures outstanding. Concurrent with the redemption of the Series H Debentures, the Trust arranged a new $150 million 7 year, 3.59% fixed rate loan with a major Canadian bank, the proceeds from which were used to repay the Series H Debentures.

- The Trust closed on a $350.0 million aggregate principal amount issuance of Series T senior unsecured debentures that carry an annual coupon rate of 2.757% and will mature in June 2021 with the proceeds used to repay outstanding variable rate mortgage debt to fortify the balance sheet for future development projects.

- Cash flows provided by operating activities was $56.8 million, as compared to $44.1 million in the same period in 2018, representing an increase of $12.7 million or 28.8%.(1)

- Net income excluding loss on disposition and fair value adjustments was $82.8 million, as compared to $84.8 million in the same period in 2018, representing a decrease of $2.0 million or 2.4%. (2)

- FFO with one time adjustment and before Transactional FFO increased by $2.5 million or 2.8% to $91.8 million, and decreased by $0.01 or 1.8% to $0.55 on a per Unit basis, compared to the same period in 2018. The reduction in FFO per unit resulted from the dilution associated with the $230.0 million equity offering in January 2019.(2)

- The weighted average stabilized capitalization rate for the Trust's investment property portfolio was 5.90% (December 31, 2018 – 5.92%).(2)

- The Trust's unencumbered pool of high-quality assets increased by $927.1 million or 26.3% to $4.5 billion compared to March 31, 2018.(2)

- Same properties' NOI decreased by $0.2 million or 0.2% compared to the same period in 2018.(2)

Development and Intensification

- The Trust and Penguin entered into another joint venture with CentreCourt, to develop two additional Transit City Condo towers in SmartCentres Place at the Vaughan Metropolitan Centre ("VMC"). These two towers, Towers 4 and 5, will complement Towers 1, 2 and 3, the three 55-storey towers which were strongly received by the market in May 2017. SmartCentres and Penguin alone will also develop a sixth tower as a purpose-built rental apartment. The three new towers total approximately 1,600 units, contributing to the burgeoning downtown core in Vaughan that Penguin and SmartCentres are actively developing. Towers 4 and 5 will be 45 and 50 storeys, respectively, while the apartment building will be 35 storeys. The three towers, designed by Diamond Schmitt Architects, will be located adjacent to the TTC subway station connecting SmartCentres Place directly to downtown Toronto. This phase includes expansive open green spaces designed by Claude Cormier & Associates. The open spaces are an integral part of the master plan at SmartCentres Place. Demand for Towers 4 and 5 has been exceptional as evidenced by their recent sales success whereby substantively all of the approximately 1,000 units have been pre-sold.

- The Trust, Penguin, and Revera Inc., executed an overall agreement to develop and own new retirement living residences across Canada. In addition, the Trust and Revera have executed specific site agreements to proceed with the first three projects in the Greater Toronto Area. The projects will include 536 units, consisting of seniors' apartments and retirement residences in Vaughan and Oakville. The Trust's share of the total initial investment will be approximately $150.0 million. It is expected that construction on all three projects will start in spring 2020, subject to municipal approvals.

- The Trust announced that it has executed agreements for two additional self-storage locations in its joint venture arrangement with SmartStop Asset Management, LLC ("SmartStop"). This brings the total number of SmartStop joint venture locations to six.

Subsequent to Quarter End:

- On May 6, 2019, the Trust and Penguin announced that Transit City Condo Towers 4 and 5 in SmartCentres Place at the VMC in Vaughan, Ontario, were substantially sold out and actual sales figure result in the Trust projecting a return on costs in excess of 20%.

(1) Represents a GAAP measure.
(2) Represents a non-GAAP measure. See "Presentation of Non-GAAP Measures" in the MD&A.

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 MD&A for details, and represents key operational and financial information for the three months ended March 31, 2019, December 31, 2018 and March 31, 2018.

(in thousands of dollars, except per Unit and other non-financial data)	**March 31, 2019**	December 31, 2018	March 31, 2018
Operational Information			
Number of retail and other properties	**152**	152	153
Number of properties under development	**7**	7	7
Number of office properties	**1**	1	1
Number of mixed-use properties	**4**	4	2
Total number of properties with an ownership interest	**164**	164	163
Gross leasable area (in thousands of sq. ft.)	**34,326**	34,379	34,158
Future estimated retail development area (in thousands of sq. ft.)	**3,228**	3,214	3,961
Lands under Mezzanine Financing (in thousands of sq. ft.)	**615**	615	615
Committed occupancy rate	**98.0%**	98.1%	98.1%
In-place occupancy rate	**97.8%**	98.0%	98.0%
Average lease term to maturity	**5.3 years**	5.4 years	5.7 years
Net rental rate (per occupied sq. ft.)	**$15.41**	$15.38	$15.29
Net rental rate excluding Anchors (per occupied sq. ft.)	**$21.99**	$21.82	$21.67
Financial Information			
Investment properties(2)(3)	**9,196,055**	9,155,173	8,984,949
Total assets(1)	**9,608,647**	9,459,632	9,416,938
Total unencumbered assets(2)	**4,451,600**	4,250,800	3,524,500
Debt(2)(3)	**4,139,682**	4,236,364	4,269,593
Debt to Aggregate Assets(2)(3)	**42.2%**	43.9%	45.0%
Adjusted Debt to Adjusted Aggregate Assets(2)(3)	**41.7%**	43.9%	45.0%
Debt to Gross Book Value(2)(3)	**49.0%**	51.1%	51.8%
Interest Coverage(2)(3)	**3.3X**	3.3X	3.1X
Interest coverage (net of capitalized interest expense)(2)(3)	**3.8X**	3.8X	3.6X
Debt to Adjusted EBITDA(2)(3)	**8.0X**	8.2X	8.5X
Equity (book value)(1)	**5,250,361**	5,008,331	4,871,886

(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 the MD&A.

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

The following table represents key financial, per Unit, and payout ratio information for the three months ended March 31, 2019 and March 31, 2018:

(in thousands of dollars, except per Unit information)	**March 31, 2019**	March 31, 2018	Variance
Financial Information			
Rentals from investment properties and other[1]	**206,433**	198,433	8,000
Net income and comprehensive income[1]	**79,973**	100,466	(20,493)
Cash flows provided by operating activities[1]	**56,768**	44,063	12,705
Net income and comprehensive income excluding loss on disposition and fair value adjustments[2][3]	**82,751**	84,815	(2,064)
NOI[2][3]	**125,934**	122,839	3,095
FFO[2][3][4][5]	**88,296**	89,287	(991)
FFO with one time adjustment and before Transactional FFO[2][3][4]	**91,821**	89,287	2,534
FFO with one time adjustment and Transactional FFO[2][3][4]	**91,821**	89,777	2,044
ACFO[2][3][4][5]	**80,375**	81,808	(1,433)
ACFO with one time adjustment[2][3][4]	**83,900**	81,808	2,092
Distributions declared	**76,716**	70,408	6,308
Surplus of ACFO with one time adjustment over distributions declared[2]	**7,184**	11,400	(4,216)
Surplus of ACFO with one time adjustment over distributions paid[2]	**24,178**	24,794	(616)
Units outstanding[6]	**169,609,625**	160,173,698	9,435,927
Weighted average – basic	**167,541,581**	159,943,580	7,598,001
Weighted average – diluted[7]	**168,448,169**	160,687,906	7,760,263
Per Unit Information (Basic/Diluted)			
Net income and comprehensive income	**$0.48/$0.47**	$0.63/$0.63	$-0.15/$-0.16
Net income and comprehensive income excluding loss on disposition and fair value adjustments	**$0.49/$0.49**	$0.53/$0.53	$-0.04/$-0.04
FFO[2][3][4][5]	**$0.53/$0.52**	$0.56/$0.56	$-0.03/$-0.04
FFO with one time adjustment and before Transactional FFO[2][3][4]	**$0.55/$0.55**	$0.56/$0.56	$-0.01/$-0.01
FFO with one time adjustment and Transactional FFO[2][3][4]	**$0.55/$0.55**	$0.56/$0.56	$-0.01/$-0.01
Distributions declared	**$0.450**	$0.437	$0.013
Payout Ratio Information			
Payout ratio to FFO[2][3][4][5]	**85.8%**	78.7%	7.1%
Payout ratio to FFO with one time adjustment and before Transactional FFO[2][3][4]	**82.6%**	78.7%	3.9%
Payout ratio to FFO with one time adjustment and Transactional FFO[2][3][4]	**82.6%**	78.3%	4.3%
Payout ratio to ACFO[2][3][4][5]	**95.4%**	86.1%	9.3%
Payout ratio to ACFO with one time adjustment[2][3][4]	**91.4%**	86.1%	5.3%

(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 the MD&A.

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

(4) See "Other Measures of Performance" in the MD&A for a reconciliation of these measures to the nearest consolidated financial statement measure.

(5) The calculation of the Trust's FFO and ACFO and related payout ratios, including comparative amounts, are financial metrics that were determined based on the February 2019 REALpac White Paper on FFO and ACFO, respectively. Comparison with other reporting issuers may not be appropriate. The payout ratio to FFO and the payout ratio to ACFO are calculated as declared distributions divided by FFO and ACFO, respectively.

(6) Total Units outstanding include Trust Units and LP Units, including Units classified as liabilities. LP Units classified as equity in the unaudited interim condensed consolidated financial statements are presented as non-controlling interests.

(7) The diluted weighted average includes the vested portion of the deferred unit plan.

Operational Highlights

For the three months ended March 31, 2019, net income and comprehensive income decreased by $20.5 million or 20.4% compared to the same period in 2018. This decrease was primarily attributed to the following:

- $17.6 million decrease in fair value adjustments on financial instruments principally due to the Trust's unit price increase as compared to the same period in 2018 (as financial instruments are fair valued at the balance sheet date);
- $3.0 million decrease in fair value adjustments on revaluation of investment properties;
- $3.5 million increase in yield maintenance on redemption of unsecured debentures and related write-off of unamortized financing costs; and
- $1.0 million increase in general and administrative expenses, principally resulting from both higher LTIP and DUP costs that are tied directly to the Trust's Unit price;

Partially offset by:

- $3.1 million increase in NOI;
- $1.0 million increase in gain on sale of investment properties; and
- $0.5 million increase in interest income.

For the three months ended March 31, 2019, NOI increased by $3.1 million or 2.5% compared to the same period in 2018. This increase was primarily attributed to the following:

- $1.6 million increase in rental income attributed to Toronto Premium Outlets' expansion and other Earnouts and Developments;
- $1.3 million increase in lease termination fees; and
- $0.7 million increase in percentage rent and other miscellaneous revenue;

Partially offset by:

- $0.5 million net decrease in CAM and realty tax recoveries primarily due to higher vacancy.

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 95.9% and 95.4%, respectively, of total recoverable expenses during the three months ended March 31, 2019, compared to 96.5% and 96.5%, respectively, in the same quarter in 2018.

FFO Highlights

For the three months ended March 31, 2019, FFO with one time adjustment and before Transactional FFO increased by $2.5 million or 2.8% to $91.8 million, and decreased by $0.01 or 1.8% to $0.55 on a per Unit basis, compared to the same period in 2018. This increase was primarily attributed to: i) a $3.1 million increase in NOI, ii) a $0.5 million increase in interest income, and partially offset by iii) a $1.4 million increase in general and administrative expense. The per unit decrease resulted primarily because of dilution associated with the additional units issued in the January 2019 equity offering.

ACFO Highlights

For the three months ended March 31, 2019, ACFO with one time adjustment increased by $2.1 million or 2.6% to $83.9 million compared to the same quarter in 2018, which was primarily due to items previously identified (see Operational Highlights section above).

The Payout Ratio relating to ACFO with one time adjustment for the three months ended March 31, 2019 increased by 5.3% to 91.4% compared to the same quarter last year, primarily due to the dilutive impact of the $230.0 million equity offering in January 2019 and higher spending on capital expenditures during the three months ended March 31, 2019.

Development and Intensification Summary

Collectively, the various new mixed-use initiatives that the Trust is planning, will create substantial opportunities for inherent growth in both NAV and FFO per unit. In addition, these initiatives are consistent with the Trust's diversification strategy that will enable SmartCentres to substantially add to and expand its retail platform. As outlined below, these new mixed-use initiatives will provide investors with a much larger, and more sustainable NOI that is unique in Canada. Currently, 168 intensification initiatives have been identified to commence over the next five years on 76 of the 164 properties owned by SmartCentres. In addition, the

Trust continues to assess each of our existing properties to identify additional opportunities for mixed use development. The table below identifies the current status of the 168 identified initiatives.

Description	# Projects Underway	# Projects In Active Planning	# Projects Identified for Future (Minimum)	Total Minimum # Projects Currently Underway, In Active Planning and Identified for Future
Apartment Rentals	9	7	22	38
Residential Condominiums	7	9	13	29
Residential Townhomes	1	4	10	15
Seniors' Residences	2	13	30	45
Office	1	2	—	3
Self-Storage	13	14	11	38
Total	33	49	86	168

These various initiatives will be developed primarily on sites that are in the Trust's existing portfolio of properties across Canada. Accordingly, SmartCentres will not be required to purchase expensive development land. In addition to improving a project's economic returns, because most of these initiatives are being planned on properties that the Trust has owned for many years and have previously developed, for each of these respective properties, the Trust has an enormous competitive advantage. In this regard, SmartCentres is familiar with: i) the needs and concerns of the communities and their municipal administrations, ii) the existing complement of services and any proposed future improvements to infrastructure and services, iii) any geo-technical and environmental constraints, and iv) the realistic timeframes expected for rezoning and similar entitlements. The financial benefits associated with these various development initiatives will soon begin to manifest in the Trust's operating results.

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 three months ended March 31, 2019, available on SEDAR at www.sedar.com.

Full reports of the financial results of the Trust for the three months ended March 31, 2019 are outlined in the unaudited interim condensed 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, May 8, 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, May 8, 2019 beginning at 8:30 p.m. (ET) through to 8:30 p.m. (ET) on Wednesday, May 15, 2019. To access the recording, please call 1-888-203-1112 and enter the Replay Passcode 6867110#.

About SmartCentres

SmartCentres is one of Canada's largest real estate investment trusts with total assets of approximately $9.6 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 three months ended March 31, 2019. 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 three months ended March 31, 2019 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.