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## **GRANITE COMPLETES OFFERING OF \$400 MILLION 3.873% SENIOR DEBENTURES DUE 2023 AND REDEMPTION OF SENIOR DEBENTURES DUE 2018**

**December 21, 2016, Toronto, Ontario, Canada — Granite Real Estate Investment Trust (“Granite”) (TSX: GRT.UN; NYSE: GRP.U)** announced today that its wholly owned subsidiary Granite REIT Holdings Limited Partnership (“**Granite LP**”) completed its previously announced offering (the “**Offering**”) of \$400 million aggregate principal amount of 3.873% Series 3 Senior Debentures due 2023 (the “**Debentures**”) on December 20, 2016. The Debentures are guaranteed by Granite and Granite REIT Inc.

Through a cross currency swap, Granite LP has exchanged the Canadian dollar denominated principal and interest payments for euro denominated payments, resulting in an effective interest rate of 2.43% for the term of the Debentures.

Granite also announced today that with a portion of the net proceeds of the Offering, Granite LP has redeemed in full the \$200 million aggregate principal amount outstanding of Granite LP’s 4.613% Series 1 Senior Debentures due 2018 (the “**2018 Debentures**”), in accordance with the notice of redemption previously delivered to the registered holder of the 2018 Debentures.

Granite LP has also used a portion of the net proceeds of the Offering to repay its credit facility which, together with cash on hand, had provided bridge financing to repay approximately \$105 million of Granite’s mortgages and construction loans that were due to mature within the next 18 months. As a result, Granite’s entire property portfolio is now unencumbered.

This press release does not constitute an offer to sell or the solicitation of an offer to buy the Debentures in any jurisdiction. The Debentures have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), and accordingly may not be offered or sold in the United States or to or for the account or benefit of U.S. Persons (as such term is defined in Regulation S under the U.S. Securities Act) except in transactions exempt from the registration requirements of the U.S. Securities Act.

### **ABOUT GRANITE**

Granite is a Canadian-based REIT engaged in the ownership and management of predominantly industrial, warehouse and logistics properties in North America and Europe. Granite owns approximately 30 million square feet in over 90 rental income properties. Our tenant base currently includes Magna International Inc. and its operating subsidiaries as our largest tenants, together with tenants from other industries.

### **OTHER INFORMATION**

Copies of financial data and other publicly filed documents are available through the internet on the Canadian Securities Administrators’ System for Electronic Document Analysis and Retrieval (SEDAR) which can be accessed at [www.sedar.com](http://www.sedar.com) and on the United States Securities and Exchange Commission’s Electronic Data Gathering, Analysis and Retrieval System (EDGAR)

which can be accessed at [www.sec.gov](http://www.sec.gov). For further information, please contact Michael Forsayeth, Chief Executive Officer, at 647-925-7600 or Ilias Konstantopoulos, Chief Financial Officer, at 647-925-7540.

## **FORWARD-LOOKING STATEMENTS**

This press release may contain statements that, to the extent they are not recitations of historical fact, constitute “forward-looking statements” or “forward-looking information” within the meaning of applicable securities legislation, including the U.S. Securities Act, as amended, the United States Securities Exchange Act of 1934, as amended, and applicable Canadian securities legislation. Forward-looking statements and forward-looking information may include, among others, statements regarding Granite’s future plans, goals, strategies, intentions (including the intention to redeem the 2018 Debentures), beliefs, estimates, costs, objectives, economic performance, expectations, or foresight or the assumptions underlying any of the foregoing. Words such as “may”, “would”, “could”, “will”, “likely”, “expect”, “anticipate”, “believe”, “intend”, “plan”, “forecast”, “project”, “estimate”, “seek” and similar expressions are used to identify forward-looking statements and forward-looking information.

Forward-looking statements and forward-looking information should not be read as guarantees of future events, performance or results and will not necessarily be accurate indications of whether or the times at or by which such future events or performance will be achieved. Undue reliance should not be placed on such statements. Forward-looking statements and forward-looking information are based on information available at the time and/or management’s good faith assumptions and analyses made in light of its perception of historical trends, current conditions and expected future developments, as well as other factors management believes are appropriate in the circumstances, and are subject to known and unknown risks, uncertainties and other unpredictable factors, many of which are beyond Granite’s control, that could cause actual events or results to differ materially from such forward-looking statements and forward-looking information. Important factors that could cause such differences include, but are not limited to, economic, market and competitive conditions, including interest rates, pricing of comparable securities and Granite’s credit ratings; and the risks set forth in the annual information form of Granite and Granite REIT Inc. dated March 2, 2016 (the “**Annual Information Form**”). The “Risk Factors” section of the Annual Information Form also contains information about the material factors or assumptions underlying such forward-looking statements and forward-looking information. Forward-looking statements and forward-looking information speak only as of the date the statements and information were made and unless otherwise required by applicable securities laws, Granite expressly disclaims any intention and undertakes no obligation to update or revise any forward-looking statements or forward-looking information contained in this press release to reflect subsequent information, events or circumstances or otherwise.