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CALLOWAY REIT ANNOUNCES CLOSING OF ITS ACQUISITION OF THE SMARTCENTRES PLATFORM FROM MITCHELL GOLDHAR AS PART OF A TRANSFORMATIONAL $1.16 BILLION TRANSACTION

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Toronto, Ontario (May 28, 2015) - Calloway Real Estate Investment Trust ("Calloway" or the "REIT") (TSX: CWT.UN) today announced that it has closed the previously announced transaction to acquire the SmartCentres platform from Mitchell Goldhar ("Goldhar") as part of a $1.16 billion transaction that will make Calloway a fully integrated real estate developer and operator by adding SmartCentres' platform of development, leasing, planning, engineering, architecture, and construction capabilities (the "Platform").

The transaction includes the purchase, for $1.1 billion, of interests in a portfolio of 24 properties located principally in Ontario and Quebec, including 20 open format Walmart Supercentre anchored or shadow-anchored shopping centres owned by Goldhar and joint venture partners, principally Wal-Mart Canada Realty Inc., (the "Properties"), collectively with the Platform (the "Transaction").

Calloway is changing its name to SmartREIT and its ticker symbol to SRU.UN to reflect its enhanced capabilities and the considerable brand recognition of SmartCentres and its iconic trademark Penguins, which will remain the core branding on its shopping centres. The ticker symbol change is expected to be made on or before June 12, 2015, and an announcement will be forthcoming on the date that this change becomes effective. In the interim, Calloway will continue to trade on the TSX under the name Calloway -- symbol CWT.UN until the name change and its new trading symbol is instituted on the TSX trading system.

The Transaction was overwhelmingly approved by the non-related party unit holders at the Special Meeting of unit holders held on May 26, 2015.

"I am delighted by the exceptional support we have received from unit holders," said Huw Thomas, President and CEO, Calloway. "Our significantly enhanced portfolio of assets coupled with the internalization of capabilities from the acquisition of the Platform will help position us for the long-term. Since the transaction was announced on April 16, 2015, all of our meetings with investors and industry analysts have provided overwhelming support and approval for our strategic direction and the exceptional capabilities we are building with this purchase," Thomas added. "I am also pleased Mitchell Goldhar elected to increase the number of units he received as consideration as part of the sale by approximately ten percent (in lieu of cash). This represents the maximum amount he was permitted to receive in the form of Calloway securities under our agreements with him, reflecting his continued commitment to our business."

Transaction Highlights

- **Large, High Quality Real Estate Portfolio** - Interests in 24 properties, including 22 shopping centres and two development properties. Of the shopping centres, 20 are anchored or shadow-anchored by Walmart, together with a mix of high quality national tenants consistent with Calloway's existing tenant mix. The Properties, at Calloway's share collectively, will add 3.6 million square feet of leased retail area to the REIT's current 27.3 million square feet of largely open format shopping centre space, are 99.7% occupied, and have a weighted average lease term to maturity of 12.6 years.

- **Creates a Fully Integrated Retail Real Estate Platform** - Will allow Calloway to integrate all aspects of real estate development, leasing and operations into one business by acquiring the SmartCentres' Platform of intellectual property, contracts, and development and leasing expertise for $55 million. The Proposed Transaction will also enhance Calloway's existing strategic relationship with Walmart Canada, building upon the 20 year relationship between Walmart Canada and SmartCentres.

- **Enhanced Growth Opportunities** - The Properties include retail development potential of approximately 1.9 million square feet of gross leasable area, and internal capabilities acquired through the Platform that will allow Calloway to pursue a range of opportunities including greenfield developments and site intensification.

- **Accretive Transaction** - The Proposed Transaction is expected to be accretive to Funds From Operations ("FFO")* per unit and Adjusted Funds from Operations ("AFFO")* per unit excluding one-time transaction and integration costs.

* FFO and AFFO are non-IFRS defined measures. See disclosure relating to these measures at the end of this press release.

Funding

Calloway funded the acquisition purchase price through the application of the following:

- Approximately $628 million of assumed debt at a weighted average interest rate of 2.6%.

- Net proceeds from the sale of approximately $220 million of Calloway units issued via a public offering of subscription receipts, completed in April 2015.

- The issuance of approximately $174 million in Class B LP Units of subsidiary Calloway Limited Partnerships to Mitchell Goldhar and certain of the other vendors at $28.70 per exchangeable Class B LP Unit, equal to the price for the Subscription Receipt; (increased by approximately $14 million as permitted under the agreements (in lieu of cash), and

- Approximately $110 million of cash on hand (reduced from an anticipated $124 million due to the election of Mr. Goldhar and certain of the vendors to take additional Calloway securities).

Subscription Receipts

As a result of the completion of the Transaction, each outstanding subscription receipt of Calloway has automatically been exchanged for one unit of Calloway and a cash distribution equivalent payment of CDN $0.1334 per subscription receipt (being equal to the aggregate amount of distributions paid by Calloway per unit for which record dates have occurred since the issuance of the subscription receipts), less any applicable withholding taxes. Trading in the subscription receipts has been halted on the Toronto Stock Exchange ("TSX") and Calloway expects the units issued in exchange for the subscription receipts will immediately commence trading on the TSX. Calloway further expects that holders of subscription receipts will receive within the next 3 business days the distribution equivalent payment to which they are entitled.

Non-IFRS Measures

Certain terms in this release, such as FFO and AFFO, are not generally accepted accounting principles (GAAP) defined under International Financial Reporting Standards (IFRS). However these are measures sometimes used by Canadian real estate income trusts (REITs) as indicators of financial performance. Calloway uses these measures to analyze operating performance. As one of the factors that may be considered relevant by prospective investors is the cash distributed by Calloway relative to the price of the units, management believes these measures are a useful supplemental measure that may assist prospective investors in assessing an investment in units. Calloway analyzes its cash distributions against these measures to assess the stability of the monthly cash distributions to Unit holders. As these measures are not standardized, as prescribed by IFRS, they may not be comparable to similar measures presented by other REITs. These measures are not intended to represent operating profits for the period nor should they be viewed as an alternative to net income, cash flow from operating activities or other measures of financial performance calculated in accordance with IFRS. A full definition of FFO and AFFO and examples of reconciliations of FFO and AFFO to the most directly comparable measure calculated in accordance with IFRS are provided in Calloway's most recent MD&A for the year ending December 31, 2014.

Forward-looking information

This press release may contain forward-looking statements. In some cases, forward-looking statements can be identified by the use of words such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue" and by discussions of strategies that involve risks and uncertainties. The forward-looking statements are based on certain key expectations and assumptions made by Calloway regarding, among other things, expected performance of the acquired properties and platform, the existence of further profitable development opportunities, the level of Walmart development opportunities, and moderate increases in interest rates. By their nature, forward-looking statements and valuations involve numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and various future events will not occur. Although management believes that the expectations reflected in the forward-looking statements and valuations are reasonable, there can be no assurance that future results, levels of activity, performance or achievements will occur as anticipated. Neither Calloway nor any other person assumes responsibility for the accuracy and completeness of any forward-looking statements, and no one has any obligation to update or revise any forward-looking statement, whether as a result of new information, future events or such other factors which affect this information, except as required by law.

Non-solicitation

The securities offered pursuant to the Offering have not and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered, sold or delivered in the United States absent registration or an applicable exemption from the registration requirements of U.S. securities laws. This news release shall not constitute an offer to sell or the solicitation of an offer to buy, which may be made only by means of a prospectus, the securities in any jurisdiction.

About Calloway

Calloway is one of Canada's largest real estate investment trusts with an enterprise value which has now grown to approximately $8.3 billion. As a result of the Transaction, it owns and manages approximately 31 million square feet in value-oriented principally Walmart anchored retail centres having the strongest national and regional retailers, as well as strong neighbourhood merchants. In addition, Calloway is a joint-venture partner in the Toronto and Montreal Premium Outlets. Calloway's core vision is to provide a value-oriented shopping experience to Canadian consumers and over time create high quality office environments as part of mixed use developments in urban settings. For more information on Calloway, visit www.callowayreit.com.

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