



Press Release

FIRST CAPITAL REALTY ANNOUNCES STRONG Q3 2011 RESULTS

Toronto, Ontario (November 8, 2011) – First Capital Realty Inc. (“First Capital Realty”) (TSX: FCR) Canada’s leading owner, developer and operator of supermarket and drugstore anchored neighbourhood and community shopping centres located predominantly in growing metropolitan areas, announced today strong financial results for the three and nine months ended September 30, 2011.

NINE MONTHS HIGHLIGHTS

<i>Nine months ended September 30</i>	<i>\$ millions</i>	
	2011	2010 ⁽¹⁾
Enterprise value	\$ 5,964	\$ 5,246
Debt to total assets – IFRS basis	47.3%	49.4%
Debt to total market capitalization	45.0%	44.0%
Property rental revenue	\$ 390.2	\$ 352.5
Net operating income (NOI) ⁽²⁾	\$ 251.7	\$ 228.1

<i>Nine Months ended September 30</i>	<i>\$ millions</i>		<i>per share</i>	
	2011	2010 ⁽¹⁾	2011	2010 ⁽¹⁾
Funds from Operations (FFO) ⁽²⁾	\$ 117.8	\$ 108.8	\$ 0.71	\$ 0.69
Weighted average diluted shares for FFO (000’s)	167,081	158,607	-	-
Adjusted Funds from Operations (AFFO) ⁽²⁾	\$ 126.8	\$ 117.2	\$ 0.67	\$ 0.65
Weighted average diluted shares for AFFO (000’s)	188,165	179,837	-	-

(1) Restated for the adoption of International Financial Reporting Standards (IFRS), where applicable

(2) See “Non-IFRS Supplemental Financial Measures” section of this press release

- Invested \$415 million in acquisitions, development activities and property improvements;
- Added 1.7 million square feet of gross leasable area from acquisitions, development and redevelopment coming on line;
- Acquired five shopping centres, 12 properties adjacent to existing shopping centres and five development land parcels, adding 1.3 million square feet of gross leasable area and 4.7 acres of land for future development;
- 3.5% same property NOI growth; 3.1% excluding redevelopments and expansions;
- 11.1% rate per square foot increase on 1.2 million square feet of renewal leases;
- Occupancy of 96.3% compared to 96.4% at December 31, 2010 and September 30, 2010; occupancy was 96.5% excluding the effect of Blockbuster closings. Vacancy includes 0.4% of space held for redevelopment;
- Gross new leasing totalled 830,000 square feet including development and redevelopment coming on line; lease closures totalled 522,000 square feet and closures for redevelopment totalled 295,000 square feet;
- Completed new leasing on existing space totalling 473,000 square feet at an average rate of \$17.29 per square foot;
- Lease rates on openings and redevelopment coming on line increased by 26.0% versus all lease closures;
- Average lease rate per occupied square foot increased by 2.9% from September 30, 2010 to \$16.73 at September 30, 2011 including 2011 year-to-date acquisitions at an average lease rate of \$14.84.

THIRD QUARTER HIGHLIGHTS

Three months ended September 30	\$ millions		per share	
	2011	2010 ⁽¹⁾	2011	2010 ⁽¹⁾
Property rental revenue	\$ 131.4	\$ 118.4	-	-
Net operating (NOI) ⁽²⁾	\$ 86.5	\$ 78.4	-	-
FFO ⁽²⁾	\$ 40.4	\$ 37.4	\$ 0.24	\$ 0.23
Weighted average diluted shares for FFO (000's)	170,035	162,157	-	-
AFFO ⁽²⁾	\$ 45.1	\$ 39.7	\$ 0.24	\$ 0.22
Weighted average diluted shares for AFFO (000's)	191,166	183,760	-	-

1) Restated for the adoption of IFRS, where applicable

2) See "Non-IFRS Supplemental Financial Measures" section of this press release

- Invested \$183 million in acquisitions, development activities and property improvements;
- Added 716,000 square feet of gross leasable area from acquisitions, development and redevelopment coming on line;
- Acquired three shopping centres, four properties adjacent to existing shopping centres and two land parcels, adding a total of 575,000 square feet of gross leasable area and 1.5 acres of land for future development;
- 4.4% same property NOI growth; 3.4% excluding redevelopments and expansions;
- 14.6% rate per square foot increase on 352,000 square feet of renewal leases;
- Gross new leasing totalled 282,000 square feet including development and redevelopment coming on line; lease closures totalled 173,000 square feet and closures for redevelopment totalled 34,000 square feet;

- Completed new leasing on existing space totaling 164,000 square feet at an average rate of \$21.36 per square foot.

“We continue to be pleased with the underlying strength of our business on all fronts,” stated Dori J. Segal, President & CEO. “We believe that in the next year or so, the combination of our quality portfolio, focussed development activities and best-in-class operations will translate into more accelerated FFO growth.”

FFO AND AFFO

FFO increased to \$40.4 million or \$0.24 per share (diluted) in the third quarter of 2011 from \$37.4 million or \$0.23 per share (diluted) in the same prior year period. Year-to-date, FFO increased to \$117.8 million or \$0.71 per share (diluted) from \$108.8 million or \$0.69 per share (diluted). The increases are primarily due to the increase in NOI resulting from acquisitions, development and redevelopment projects coming on line, as well as same property NOI growth. The effects of the increases in NOI were partially offset by increases in interest expense and the weighted average number of common shares outstanding resulting from financing activities ahead of portfolio growth.

FFO for the third quarter of 2011 included net losses of \$1.5 million compared to net gains of \$0.1 million in the same prior year period. Year-to-date, FFO included net losses of \$1.2 million compared to net gains of \$2.6 million in the same prior year period.

AFFO increased to \$45.1 million or \$0.24 per share (diluted) in the third quarter of 2011 from \$39.7 million or \$0.22 per share (diluted) in the same prior year period. AFFO increased to \$126.8 million or \$0.67 per share (diluted) in the nine months ended September 30, 2011 from \$117.2 million or \$0.65 per share (diluted) in the same prior year period.

AFFO included \$1.0 million of net gains in the third quarter of 2011 compared to \$0.6 million of net gains for the same prior year period. AFFO included \$2.6 million of net gains in the nine months ended September 30, 2011 compared to \$5.7 million of net gains for the same prior year period.

Refer to the Funds from Operations, Other Gains (Losses) and (Expenses) and the Adjusted Funds from Operations sections in Management’s Discussion and Analysis for further information.

Net Income

	Three months ended Sept 30		Nine months ended Sept 30	
	2011	2010	2011	2010
<i>(\$ thousands, except per share amounts)</i>				
Net income attributable to common shareholders	\$ 92,062	\$ 139,048	\$ 292,740	\$ 203,204
Net income per share attributable to common shareholders (diluted)	\$ 0.51	\$ 0.78	\$ 1.63	\$ 1.19
Weighted average common shares - diluted ⁽¹⁾	191,166	183,760	188,165	179,837

1) Restated for the adoption of IFRS, where applicable

Net income attributable to common shareholders for the three months ended September 30, 2011 was \$92.1 million or \$0.51 per share (diluted) compared to \$139.0 million or \$0.78 per share (diluted) for the three months ended September 30, 2010. The decrease in net income is primarily due to the smaller increase in the value of investment properties (\$72.3 million for the three months ended September 30, 2011 as compared to \$139.0 million for the same prior year period), partially offset by increases in NOI resulting from acquisitions, development and redevelopment projects coming on line and same property NOI growth for the three months ended September 30, 2011. In addition, net income per share decreased due to increases in interest expense and the weighted average number of common shares outstanding resulting from financing activities.

Net income attributable to common shareholders for the nine months ended September 30, 2011 was \$292.7 million or \$1.63 per share (diluted) compared to \$203.2 million or \$1.19 per share (diluted) for the same prior year period. The increase in net income is primarily due to the increase in the value of investment properties (\$257.9 million for the nine months ended 2011 as compared to \$151.7 million for the same prior year period) as well as increases in NOI resulting from acquisitions, development and redevelopment projects coming on line and same property NOI growth. The effects of the increases in net income were partially offset by increases in interest expense and the weighted average number of common shares outstanding resulting from financing activities ahead of portfolio growth, as well as increased deferred income tax expense due to the growth in net income before tax.

Financing and Capital Markets

The Company completed the following debt and equity financing activities during the nine months ended September 30, 2011:

- Issued, in January, \$150 million principal amount senior unsecured debentures, Series L, with a coupon rate of 5.48%, maturing July 2019;
- Issued, in two tranches in March and June, \$175 million principal amount senior unsecured debentures, Series M, with a coupon rate of 5.60% maturing April 2020;
- Repaid, on maturity in March, \$99 million principal amount of senior unsecured debentures, Series B, with a coupon rate of 5.25%;
- Issued, in April, \$57.5 million principal amount of 5.40% convertible unsecured subordinated debentures, due January 2019, convertible at the holder's option at a price of \$22.62 per common share;
- Completed, in June, a two-year, \$250 million senior unsecured revolving credit facility with two Canadian chartered banks. In August, the Company increased this facility to \$425 million on the same terms. The Company's \$250 million syndicated secured facility, which was previously reduced to \$50 million, was concurrently terminated;
- In July, the Company received the approval to temporarily change the conversion privilege of the 5.50% debentures. The temporary change reduced the conversion price of the 5.50% debentures to \$16.25 from the original conversion price of \$16.425 for a 35-day period, ending on August 16, 2011. Pursuant to the temporary conversion privilege, a total of approximately \$84.7 million principal amount of 5.50% debentures was converted into 5.2 million common shares. In total, for the nine months ended September 30, 2011, convertible debentures aggregating \$98 million principal amount were converted into 6.0 million shares.
- Issued, in August, \$57.5 million principal amount of 5.25% convertible unsecured subordinated debentures, due January 2019, convertible at the holder's option at a price of \$23.77 per common share;
- In August and September, the Company commenced a normal course issuer bid for each series of its convertible unsecured subordinated debentures. As of September 30, 2011, the Company has

purchased for cancellation \$1.6 million principal amount of the 5.50%, 5.70% and \$6.25% convertible subordinated unsecured debentures;

- Issued 1.2 million common shares as payment-in-kind of the interest, in the aggregate amount of \$19.8 million, due to holders of the convertible debentures, consistent with existing practice;
- Issued 0.6 million common shares through the exercise of options for proceeds of \$8.0 million.

Consistent with existing practice, it is the Company's current intention to continue to satisfy its obligations of principal and interest payments in respect of all of its outstanding convertible debentures by the issuance of common shares.

Quarterly Dividend

The Company will pay a fourth quarter dividend of \$0.20 per common share on January 10, 2012 to shareholders of record on December 29, 2011.

Acquisition and Disposition Subsequent to September 30, 2011

On October 17, 2011, the Company acquired Hazelton Lanes shopping centre in Toronto, Ontario, for approximately \$110 million. The acquisition was satisfied with a combination of cash and the assumption of \$58 million of existing fixed rate debt with an annual interest rate of 5.62%, maturing in June 2016.

Subsequent to September 30, 2011, the Company entered into a binding agreement to sell Terminal Park Shopping Centre in Nanaimo, British Columbia for \$10.2 million. The sale is expected to close in November 2011.

OUTLOOK

Over the past several years, First Capital Realty has made significant progress in growing its business across the country, generating modest accretion in funds from operations while dramatically enhancing the quality of its portfolio.

The urban property acquisition environment remains competitive for assets of similar quality to those the Company owns. Both the equity and long-term debt markets are accessible but highly volatile from a price perspective. Relative to pricing currently being asked by vendors of high quality, well-located urban properties, the spreads also continue to be very tight. The Company will continue to selectively acquire high quality, well-located properties that add strategic value and/or operating synergies, provided that they will be accretive to FFO over the long term, and provided that equity and long-term debt capital can be priced and committed to maintain conservative leverage.

Development and redevelopment activities continue to provide the Company with opportunities to grow within its existing portfolio of assets. These activities typically generate higher returns on investment over the long term and improve the quality and growth of property rental income.

With respect to acquisitions of both income-producing and development properties, as well as in its existing portfolio, the Company will continue to focus on the quality, sustainability and growth potential of rental income. Consistent with First Capital Realty's past practices and the normal course of its business, First Capital Realty is engaged in discussions, and has various agreements, with respect to possible acquisitions of new properties and dispositions of existing properties in its portfolio. However, there can be no assurance that these discussions or agreements will result in acquisitions or dispositions, or if they do, what the final terms or timing of such acquisitions or dispositions would be. The Company

expects to continue current discussions and actively pursue other acquisition, investment and disposition opportunities.

With respect to financing activities, the Company will continue to focus on maintaining access to all sources of long-term capital at the lowest possible price. In particular, the Company is focussed on both extending the term and staggering the maturity of its debt.

Specifically, Management is focussed on the following six areas to achieve its objectives through to the end of 2012:

- continued focus on proactive asset management that results in higher rent growth;
- development, redevelopment and repositioning activities on existing and newly acquired properties;
- selective acquisitions of strategic assets and adjacent sites;
- densification activities in the existing portfolio;
- increasing efficiency and productivity of operations; and
- improving the cost of both debt and equity capital.

Overall, Management is confident that the quality of the Company's balance sheet and the defensive nature of its assets and operations will continue to serve it well in the current environment.

2011 GUIDANCE

<i>(per share amounts, except for projected FFO, AFFO and shares outstanding)</i>	2011 Guidance as at Q3		2011 Guidance as at Q2		Variance	
	<i>Low</i>	<i>High</i>	<i>Low</i>	<i>High</i>	<i>Low</i>	<i>High</i>
Projected diluted net income per share	\$ 1.92	\$ 1.95	\$ 1.56	\$ 1.59	\$ 0.36	\$ 0.36
Adjustments						
Projected fair value increase and deferred income taxes	(0.97)	(0.97)	(0.61)	(0.61)	0.36	0.36
Projected FFO per share	\$ 0.95	\$ 0.98	\$ 0.95	\$ 0.98	-	-
Projected FFO	\$ 160.2	\$ 165.4	\$ 160.6	\$ 165.8	\$ (0.4)	\$ (0.4)
Projected weighted average shares outstanding for per share FFO calculations	168.6		169.0		(0.4)	
Projected FFO	\$ 160.2	\$ 165.4	\$ 160.6	\$ 165.8	\$ (0.4)	\$ (0.4)
Projected weighted average shares outstanding for per share AFFO calculations (including conversion of convertible debentures)	189.6		188.0		1.6	
Projected FFO per share (using weighted average AFFO shares outstanding)	\$ 0.85	\$ 0.87	\$ 0.85	\$ 0.88	-	\$(0.01)
Projected revenue sustaining capital expenditures	(0.08)	(0.08)	(0.07)	(0.07)	(0.01)	(0.01)
Projected non-cash items, net	0.12	0.13	0.09	0.10	0.03	0.03
Projected AFFO per share	\$ 0.89	\$ 0.92	\$ 0.87	\$ 0.91	\$ 0.02	\$ 0.01

Projections involve numerous assumptions such as rental income (including assumptions on timing of lease-up, development coming on line and levels of percentage rent), interest rates, tenant defaults, corporate expenses, the level and timing of acquisitions of income-producing properties, investments in other real estate assets, the change in values of investment properties, the Company's capital structure and share price, the number of shares outstanding and numerous other factors. While these projections include year-to-date actual results through September 30, 2011, not all factors which affect our range of projected net income, funds from operations and adjusted funds from operations are determinable at this time; actual results may vary from the projected results in a material respect, and may be above or below the range presented in a material respect.

The variance in projected diluted net income per share from Q2 to Q3 guidance primarily represents the actual increase in the value of investment properties recorded in the third quarter results. No change in the value is included for the fourth quarter. This item is not included in FFO and AFFO measures.

Q3 2011 guidance is based on the following operating activity assumptions:

- Same property NOI growth of 3.0% to 3.5% (excluding redevelopment and expansion);
- Development, redevelopment and expansion coming on line of 400,000 to 500,000 square feet with approximate gross book value of \$150 to \$175 million;
- Redevelopment and income-producing property acquisitions totalling approximately \$360 - \$400 million for the year versus \$245 million completed through September 30, 2011;
- Disposition of one income-producing property totaling \$42 million in Q3;
- General and administrative expenses will be materially consistent with 2010;
- Revenue sustaining capital expenditures are expected to be approximately \$0.68 per square foot on average;
- Capital structure and leverage will be similar to September 30, 2011;
- Note that the Company does not forecast changes in capitalization rates used to value investment properties. These changes have the effect of increasing or decreasing net income but not FFO or AFFO.

The information above represents Management's best estimate of operating and financing activities for 2011 as of the date of this press release.

Readers should refer to the section below titled "Forward-Looking Statements" for important information on risk factors.

REGULATORY FILINGS AND OTHER INFORMATION

First Capital Realty's financial statements and MD&A for the three and nine months ended September 30, 2011 will be filed today on the Company's website at www.firstcapitalrealty.ca in the *Investors* section, and on the Canadian Securities Administrators' website at www.sedar.com. First Capital Realty's Corporate Presentation will also be available today on the *Home Page* on the Company's website.

MANAGEMENT CONFERENCE CALL AND WEBCAST

First Capital Realty invites you to participate in its live conference call with senior management announcing our third quarter results on Tuesday, November 8 at 2.00 p.m. E.T.

Teleconference:

You may participate in the live conference toll free at 866-299-6657 or at 416-641-6135. To ensure your participation, please dial-in five minutes prior to the scheduled start of the call. The call will be archived through November 22, 2011 and can be accessed by dialing toll free 800-408-3053 or 905-694-9451 with access code 4660641.

Management's presentation will be followed by a question and answer period. To ask a question, press '1' followed by '4' on a touch-tone phone. The conference call coordinator is immediately notified of all requests in the order in which they are made, and will introduce each questioner. To cancel your request, press '1' followed by '3'. If you hang up, you can reconnect by dialing 866-299-6657 or 416-641-6135. For assistance at any point during the call, press '*0'.

Webcast:

To access the webcast, go to First Capital Realty's website at www.firstcapitalrealty.ca and click on the link for the webcast on our *Home Page*. The webcast will be archived on our *Home Page* for 30 days and can be accessed thereafter in the *Investors* section of our website under *Conference Calls*.

ABOUT FIRST CAPITAL REALTY (TSX:FCR)

First Capital Realty is Canada's leading owner, developer and operator of supermarket and drugstore anchored neighbourhood and community shopping centres, located predominantly in growing metropolitan areas. The Company currently owns interests in 168 properties, including nine under development, totalling approximately 23.0 million square feet of gross leasable area and four sites in the planning stage for future retail development.

* * * * *

Non-IFRS Supplemental Financial Measures

First Capital Realty prepares and releases unaudited quarterly and audited consolidated annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"). In this and other earnings releases and investor conference calls, as a complement to results provided in accordance with IFRS, the Company also discloses and discusses certain non-IFRS financial measures, including NOI, FFO and AFFO. These non-IFRS measures are further defined and discussed in First Capital Realty's MD&A for the quarter ended September 30, 2011, which should be read in conjunction with this news release. Since NOI, FFO and AFFO do not have standardized meanings prescribed by IFRS, they may not be comparable to similar measures reported by other issuers. The Company uses and presents these non-IFRS measures as Management believes they are commonly accepted and meaningful financial measures of operating performance in the real estate industry. A reconciliation of net income and such non-IFRS measures is included in the Company's MD&A. These non-IFRS measures should not be construed as alternatives to net income or cash flow from operating activities determined in accordance with IFRS as measures of First Capital Realty's operating performance.

Forward-Looking Statements

This press release, and in particular the "Outlook" and "2011 Guidance" sections hereof, contains forward-looking statements and information within the meaning of applicable securities law. Forward-looking statements can generally be identified by the expressions "anticipate", "believe", "plan", "estimate", "project", "expect", "intend", "outlook", "objective", "may", "will", "should", "continue" and similar expressions. The forward-looking statements are not historical facts but, rather, reflect the Company's current expectations regarding future results or events and are based on information currently available to Management. Certain material factors and assumptions were applied in providing these forward-looking statements, including, without limitation, those set forth in the "2011 Guidance" section of this press release. Moreover, the assumptions underlying the Company's forward-looking statements contained in the "Outlook" and "2011 Guidance" sections of this press release also include that consumer demand will remain stable, demographic trends will continue and there will continue to be barriers to entry in the markets in which the Company operates.

Management believes that the expectations reflected in forward-looking statements are based upon reasonable assumptions; however, Management can give no assurance that actual results will be consistent with these forward-looking statements. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations, including the matters discussed under "Risks and Uncertainties" in the Company's Management's Discussion and Analysis and under "Risk Factors" in First Capital Realty's current Annual Information Form.

Factors that could cause actual results or events to differ materially from those expressed, implied or projected by forward-looking statements, in addition to those factors referenced above, include, but are not limited to, general economic conditions, the availability of new competitive supply of retail properties which may become available either through construction or sublease, First Capital Realty's ability to maintain occupancy and to lease or re-lease space at current or anticipated rents, the availability of debt and equity financing, changes in interest rates and credit spreads, tenant bankruptcies, the relative illiquidity of real property, unexpected costs or liabilities related to acquisitions, development and construction, environmental liability and compliance costs, legal matters, reliance on key personnel, tenant financial difficulties and defaults, changes in operating costs, changes in the US-Canadian foreign currency exchange rate and First Capital Realty's ability to obtain insurance coverage at a reasonable cost.

Readers, therefore, should not place undue reliance on any such forward-looking statements. Further, a forward-looking statement speaks only as of the date on which such statement is made. First Capital Realty undertakes no obligation to publicly update any such statement or to reflect new information or the occurrence of future events or circumstances except as required by applicable securities law. All forward-looking statements in this press release are made as of the date of this press release and are qualified by these cautionary statements.

For further information:

Dori J. Segal, President & CEO, or
Karen H. Weaver, Executive Vice President & CFO

First Capital Realty Inc.

85 Hanna Avenue, Suite 400

Toronto, Ontario, Canada M6K 3S3

Tel: (416) 504-4114

www.firstcapitalrealty.ca