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Press Release

FIRST CAPITAL REALTY ANNOUNCES 2009 YEAR END RESULTS
Strong Core Operating Performance; Completed Dividend-in-kind

Toronto, Ontario (March 11, 2010) – 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 year ended December 31, 2009.

YEAR HIGHLIGHTS

<i>Year Ended December 31</i>	<i>\$ millions</i>	
	2009	2008
Enterprise value	\$ 4,508	\$ 4,111
Debt to aggregate assets	50.3%	53.5%
Debt to total market capitalization	45.9%	52.6%
Property rental revenue	\$ 442.1	\$ 410.2
Net operating income (NOI)	\$ 285.2	\$ 261.0

<i>Year Ended December 31</i>	<i>\$ millions</i>		<i>per share</i>	
	2009	2008	2009	2008
Funds from operations (FFO) – Core Operations	\$ 144.4	\$ 133.3	\$ 1.54	\$ 1.53
FFO – EQY and Other Non-Recurring Items ⁽¹⁾	\$ 7.6	\$ 12.6	\$ 0.08	\$ 0.14
Total FFO	\$ 152.0	\$ 145.9	\$ 1.62	\$ 1.67
Weighted average diluted shares for FFO (000’s)	93,869	87,260		
Adjusted funds from operations (AFFO) – Core Operations	\$ 143.4	\$ 132.3	\$ 1.40	\$ 1.38
AFFO – EQY and Other Non-Recurring Items ⁽¹⁾	\$ 8.4	\$ 8.4	\$ 0.08	\$ 0.09
Total AFFO	\$ 151.8	\$ 140.7	\$ 1.48	\$ 1.47
Weighted average diluted shares for AFFO (000’s)	102,935	95,587		

⁽¹⁾ Excludes the Company’s share of Equity One’s non cash impairment loss and dilution gain (losses). See Funds from Operations section of this press release.

2009 HIGHLIGHTS

- Invested \$285 million in development activities, property improvements and acquisitions
- Added 1.0 million square feet of gross leasable area from development and redevelopment coming on line, and acquisitions
- Acquired five income-producing properties totalling 225,000 square feet, two properties adjacent to existing shopping centres totalling 31,000 square feet, one land site and four land parcels adjacent to existing properties comprising a total of 9.7 acres
- 6.8% same property NOI growth; 2.7% excluding redevelopment and expansion space
- 13.1% increase on rate per square foot on 1.2 million square feet of renewal leases
- Occupancy of 96.2% compares to 96.0% at September 30, 2009 and 96.4% at December 31, 2008. Vacancy includes 0.7% of space held for redevelopment
- Gross new leasing totalled 1.2 million square feet including development and redevelopment coming on line; lease closures totalled 632,000 square feet and closures for redevelopment totalled 174,000 square feet
- Average lease rate per occupied square foot increased by 3.6% from December 31, 2008 to \$15.71 at December 31, 2009
- Completed new leasing on existing space totalling 493,000 square feet at an average rate of \$18.89 per square foot, representing a 20.4% increase over expiring rates
- Completed approximately \$1.1 billion of financing activities
- Completed dividend-in-kind transaction resulting in the Company no longer having an ownership interest in Equity One effective August 14, 2009

FOURTH QUARTER HIGHLIGHTS

<i>Three months ended December 31</i>	<i>\$ millions</i>		<i>per share</i>	
	2009	2008	2009	2008
Property rental revenue	\$ 113.2	\$ 105.7		
Net operating income (NOI)	\$ 73.7	\$ 67.9		
FFO – Core Operations	\$ 36.7	\$ 35.9	\$ 0.38	\$ 0.40
FFO – EQY and Other Non-Recurring Items ⁽¹⁾	\$ (0.5)	\$ 2.1	\$ (0.01)	\$ 0.02
Total FFO	\$ 36.2	\$ 38.0	\$ 0.37	\$ 0.42
Weighted average diluted shares for FFO (000's)	97,007	90,424		
AFFO – Core Operations	\$ 35.0	\$ 34.5	\$ 0.33	\$ 0.35
AFFO – EQY and Other Non-Recurring Items ⁽¹⁾	\$ 3.7	\$ 3.2	\$ 0.03	\$ 0.03
Total AFFO	\$ 38.7	\$ 37.7	\$ 0.36	\$ 0.38
Weighted average diluted shares for AFFO (000's)	108,947	99,053		

⁽¹⁾ Excludes the Company's share of Equity One's non cash impairment loss and dilution gain on Equity One investment. See Funds from Operations section of this press release.

FOURTH QUARTER 2009 OPERATING HIGHLIGHTS

- Invested \$88 million in development activities, property improvements and acquisitions
- Added 271,000 square feet of gross leasable area from development and redevelopment coming on line and acquisitions
- Acquired one income-producing property totalling 80,000 square feet, two properties adjacent to existing shopping centres totalling 31,000 square feet and two land parcels adjacent to existing properties for future development
- 5.9% same property NOI growth; 3.2% excluding redevelopment and expansion space
- 17.7% increase on 382,000 square feet of renewal leases
- Gross new leasing totalled 266,000 square feet including development and redevelopment coming on line; lease closures totalled 81,000 square feet and closures for redevelopment totalled 49,000 square feet

"I am very pleased with where our business is and where its headed coming out of 2009," said Dori J. Segal, President & CEO, "Our overall results reflect continued good core operating performance and gains on securities offset by the impact of the dividend-in-kind, higher debt and equity financing costs and certain one-time charges."

FINANCING AND CAPITAL MARKET HIGHLIGHTS

The Company completed the following financing activities in the twelve months ended December 31, 2009:

- \$450 million secured revolving credit facility maturing March 2012 with a syndicate of ten banks jointly led by RBC Capital Markets, TD Securities, and BMO Capital Markets. The new facility was used to replace the Company's existing three year \$350 million senior unsecured revolving credit facility, which had a maturity date of March 2010.
- \$75 million secured revolving credit facility with the Bank of Nova Scotia maturing January 2012.
- \$187.3 million from thirteen secured financing transactions at a weighted average interest rate of 6.21% and a weighted average term to maturity of 8.5 years.
- \$75 million principal amount of 6.25% cashless convertible unsecured subordinated debentures maturing December 2016 at a conversion price of \$22.90 per common share. The Company's convertible debentures are considered to be cashless as it is the current intention of the Company to satisfy its obligations to pay principal and interest on its convertible debentures by the issuance of common shares.
- \$125 million principal amount senior unsecured debentures, Series G, with 5.95% interest rate maturing June, 2015. The Company subsequently reduced the availability of the syndicated secured revolving credit facility to \$375 million and unwound \$20 million notional principle amount of hedges.
- \$50 million principal amount of 5.70% cashless convertible unsecured subordinated debentures maturing June 2017 at a conversion price of \$30.00 per common share. The Company's convertible debentures are considered to be cashless as it is the current intention of the Company to satisfy its obligations to pay principal and interest on its convertible debentures by the issuance of common shares. The Company further reduced the availability of the syndicated secured revolving credit facility to \$285 million.
- \$1.5 million of unamortized deferred financing costs were recorded as a loss on settlement of debt in Q4, 2009 as a result of the reductions of the syndicated revolving credit facility. The Company also recorded a net loss on the settlement of hedges totalling \$1.2 million.

- Subsequent to year end, the Company completed \$125 million principal amount senior unsecured debentures, Series H, with 5.85% interest rate maturing January, 2017. The Company further reduced the availability of the syndicated secured revolving credit facility to \$250 million. The Company also reduced its \$75 million secured revolving credit facility to \$50 million.
- \$0.5 million of unamortized deferred financing costs will be recorded as a loss on settlement of debt in Q1, 2010 as a result of the reductions of the revolving credit facilities.

In addition, the Company completed the following equity issuances in the twelve months ended December 31, 2009:

- On February 17, 2009 the Company issued 1.4 million common shares to acquire 1.8 million shares of Allied Properties REIT at a ratio of 0.81 First Capital Realty shares per Allied Properties REIT Trust Unit.
- The Company issued 772,000 common shares as payment of the interest due to holders of the 5.50% cashless convertible debentures.
- Convertible debentures totalling \$6.3 million in principal were converted at the option of the holder at a conversion price of \$27.00 per common share resulting in the issuance of approximately 231,000 common shares.
- In 2009, the Company raised gross proceeds of \$59 million of equity issuing 3.45 million common shares (including 2.3 million warrants) through an equity offering at an average gross price of \$17.10 per share

On August 14, 2009, First Capital Realty completed the dividend-in-kind of the Company's interest in Gazit America. The Company calculated the fair market value of the Gazit America shares distributed to shareholders to be \$41.5 million, or approximately \$0.45 per First Capital Realty common share outstanding. As a result of this dividend-in-kind, First Capital Realty no longer has any ownership interest in Equity One.

For the year ended December 31, 2009, the following dividends were distributed to the Company's shareholders:

<i>Year Ended December 31(per share)</i>	2009	2008
Regular dividends	\$ 1.28	\$ 1.28
Dividend-in-kind	0.45	-
Total Dividends	\$ 1.73	\$ 1.28

FINANCIAL RESULTS SUMMARY

FFO and AFFO presented herein are key financial measures used by the real estate industry to measure and compare the operating performance of real estate organizations. FFO and AFFO are supplemental non-GAAP financial measures and a complete reconciliation containing adjustments from GAAP net income to FFO and AFFO is included in this press release.

Funds from Operations (FFO)

	Year ended December 31, 2009			Year ended December 31, 2008 ⁽¹⁾		
	FFO - Core Operations	FFO - EQY and Other Non-recurring Items	Total FFO	FFO - Core Operations	FFO - EQY and Other Non-recurring Items	Total FFO
Net operating income	\$ 285,177	\$ -	\$ 285,177	\$ 261,040	\$ -	\$ 261,040
Interest expense - Canadian operations	(120,101)	-	(120,101)	(105,541)	-	(105,541)
Interest expense - US operations	-	(5,364)	(5,364)	-	(8,144)	(8,144)
Corporate expense	(22,122)	-	(22,122)	(21,577)	-	(21,577)
Interest and other income	5,612	-	5,612	1,559	-	1,559
Other (losses) gains and (expenses)	-	(1,475)	(1,475)	-	2,752	2,752
Funds from operations from Equity One ⁽³⁾	-	15,009	15,009	-	20,005	20,005
Amortization of non-real estate assets	(4,207)	-	(4,207)	(2,159)	-	(2,159)
Current income taxes	-	(533)	(533)	-	(1,985)	(1,985)
FFO ⁽²⁾	144,359	7,637	151,996	133,322	12,628	145,950
Add: the Company's share of Equity One's non-cash impairment loss	-	-	-	-	(7,503)	(7,503)
Add: Dilution (loss) gain on Equity One investment	-	(676)	(676)	-	2,898	2,898
FFO - Realpac	144,359	6,961	151,320	133,322	8,023	141,345
FFO per diluted share	\$ 1.54	\$ 0.08	\$ 1.62	\$ 1.53	\$ 0.14	\$ 1.67
Add: the Company's share of Equity One's non-cash impairment loss	-	-	-	-	(0.09)	(0.09)
Add: Dilution (loss) gain on Equity One investment	-	(0.01)	(0.01)	-	0.04	0.04
FFO per diluted share - Realpac	\$ 1.54	\$ 0.07	\$ 1.61	\$ 1.53	\$ 0.09	\$ 1.62
Weighted average diluted shares - FFO	93,868,815	93,868,815	93,868,815	87,260,224	87,260,224	87,260,224

	Three months ended December 31, 2009			Three months ended December 31, 2008 ⁽¹⁾		
	FFO - Core Operations	FFO - EQY and Other Non-recurring Items	Total FFO	FFO - Core Operations	FFO - EQY and Other Non-recurring Items	Total FFO
Net operating income	\$ 73,708	\$ -	\$ 73,708	\$ 67,911	\$ -	\$ 67,911
Interest expense - Canadian operations	(32,343)	-	(32,343)	(26,177)	-	(26,177)
Interest expense - US operations	-	-	-	-	(2,444)	(2,444)
Corporate expense	(5,801)	-	(5,801)	(5,614)	-	(5,614)
Interest and other income	2,549	-	2,549	347	-	347
Other (losses) gains and (expenses)	-	(2,165)	(2,165)	-	(613)	(613)
Funds from operations from Equity One	-	-	-	-	4,776	4,776
Amortization of non-real estate assets	(1,451)	-	(1,451)	(592)	-	(592)
Current income taxes	-	1,662	1,662	-	380	380
FFO ⁽²⁾	36,662	(503)	36,159	35,875	2,099	37,974
Add: the Company's share of Equity One's non-cash impairment loss	-	-	-	-	(1,023)	(1,023)
Add: Dilution gain on Equity One investment	-	-	-	-	2,898	2,898
FFO - Realpac	\$ 36,662	\$ (503)	\$ 36,159	\$ 35,875	\$ 3,974	\$ 39,849
FFO per diluted share	\$ 0.38	\$ (0.01)	\$ 0.37	\$ 0.40	\$ 0.02	\$ 0.42
Add: the Company's share of Equity One's non-cash impairment loss	-	-	-	-	(0.01)	(0.01)
Add: Dilution gain on Equity One investment	-	-	-	-	0.03	0.03
FFO per diluted share - Realpac	\$ 0.38	\$ (0.01)	\$ 0.37	\$ 0.40	\$ 0.04	\$ 0.44
Weighted average diluted shares - FFO	97,007,411	97,007,411	97,007,411	90,423,576	90,423,576	90,423,576

⁽¹⁾ Prior year comparative figures have been restated for a change in accounting standards.

⁽²⁾ Excluding Equity One's non-cash impairment loss and dilution gains and losses on the Equity One investment.

⁽³⁾ To August 14, 2009.

The Company's funds from operations – core operations for the year ended December 31, 2009 totalled \$144.4 million or \$1.54 per diluted common share which compares to \$133.3 million or \$1.53 per diluted common share for the year ended December 31, 2008. FFO – core operations, was positively affected by same property NOI growth and the effect of acquisitions and development coming on line. This was offset by increased interest and amortization expense. The increase in interest and amortization expense is primarily attributed to the increased cost of the new secured revolving credit facilities. The increased credit facility costs were only partially offset by the effect of the reduced interest rate environment. In addition, the number of weighted average shares outstanding increased by 7.6% over the prior year.

FFO – EQY and other non-recurring items includes the effect of Equity One and its related interest expense, current income taxes arising from the Company's U.S. operations and other gains and losses. For the year ended December 31, 2009, FFO – EQY and other non-recurring items totalled \$7.6 million or \$0.08 per diluted common share which compares to \$12.6 million or \$0.14 per diluted common share in the prior year. FFO – EQY and other non-recurring items included the results of Equity One up to August 14, 2009 compared to 2008 which included the results for the full year.

In addition, FFO – EQY and other non-recurring items included items such as gains on marketable securities offset by losses on debt extinguishment, losses on terminations of hedges, one-time severance payments and one time property management internalization costs, specifically:

(\$ in thousands)	Year ended December 31		Three months ended December 31	
	2009	2008	2009	2008
(Losses) gains on debt extinguishment	(2,394)	438	(1,497)	438
Realized loss on termination of hedges	(1,160)	-	(1,181)	-
Unrealized loss on interest rate swaps not designated as hedges	(1,203)	-	(1,203)	-
Gains (losses) on marketable securities	6,194	(1,978)	4,535	(1,033)
Gains on sales of land	118	3,945	-	-
Severance costs (including non-cash compensation)	(2,000)	-	(2,000)	-
Costs related to acquisition of remaining 40% interest in FCB	(752)	-	(752)	-
Other items, net	(278)	347	(67)	(18)
Total	(1,475)	2,752	(2,165)	(613)

The Company's funds from operations – core operations for the three months ended December 31, 2009 totalled \$36.7 million or \$0.38 per diluted common share compared to \$35.9 million or \$0.40 per diluted common share in the same period in 2008. FFO – core operations, was positively affected by same property NOI growth and the effect of acquisitions and development coming on line. This was largely offset by increased interest and amortization expense.

For the three months ended December 31, 2009, FFO – EQY and other non-recurring items consisted of a net loss of \$0.5 million or \$0.01 per diluted common share which compares to a net gain of \$2.1 million or \$0.02 per diluted common share. FFO – EQY and other non-recurring items included one time items which consist of gains on marketable securities offset by losses on debt extinguishment, losses on termination of hedges, one-time severance payment and one time property management internalization costs, which are in the table above.

Adjusted Funds from Operations (AFFO)

	Year ended December 31, 2009			Year ended December 31, 2008 ⁽¹⁾		
	AFFO - Core Operations	AFFO - EQY and Other Non-recurring Items	Total AFFO	AFFO - Core Operations	AFFO - EQY and Other Non-recurring Items	Total AFFO
<i>(thousands of dollars, except per share amounts)</i>						
FFO excluding dilution loss on Equity One investment and the Company's share of Equity One's non-cash impairment loss	\$ 144,359	\$ 7,637	\$ 151,996	\$ 133,322	\$ 12,628	\$ 145,950
Add / (deduct):						
Interest expense payable in shares	15,342	-	15,342	14,031	-	14,031
Rental revenue recorded on a straight-line basis and market rent adjustments	(7,376)	-	(7,376)	(7,627)	-	(7,627)
Non-cash compensation expense	3,609	600	4,209	3,899	-	3,899
Revenue sustaining capital expenditures and leasing costs (2)	(12,171)	-	(12,171)	(11,866)	-	(11,866)
Funds from operations from Equity One excluding non-cash impairment loss	-	(15,009)	(15,009)	-	(20,005)	(20,005)
Dividends from Equity One (regular)	-	12,452	12,452	-	18,193	18,193
Return of capital portion of marketable securities, net	(299)	-	(299)	623	-	623
Change in cumulative unrealized (gain) loss on marketable securities	-	(1,952)	(1,952)	-	1,638	1,638
Loss (gain) on extinguishment of debt	-	2,394	2,394	-	(438)	(438)
Realized losses on termination of hedge	-	1,160	1,160	-	290	290
Unrealized losses on interest rate swaps not designated as hedges	-	1,203	1,203	-	-	-
Gain on disposition of land	-	(118)	(118)	-	(3,945)	(3,945)
Adjusted funds from operations ("AFFO")	\$ 143,464	\$ 8,367	\$ 151,831	\$ 132,382	\$ 8,361	\$ 140,743
AFFO per diluted share	\$ 1.40	\$ 0.08	\$ 1.48	\$ 1.38	\$ 0.09	\$ 1.47
Weighted average diluted shares for AFFO	102,934,634	102,934,634	102,934,634	95,586,511	95,586,511	95,586,511

	Three months ended December 31, 2009			Three months ended December 31, 2008 ⁽¹⁾		
	AFFO - Core Operations	AFFO - EQY and Other Non-recurring Items	Total AFFO	AFFO - Core Operations	AFFO - EQY and Other Non-recurring Items	Total AFFO
<i>(thousands of dollars, except per share amounts)</i>						
FFO excluding dilution loss on Equity One investment and the Company's share of Equity One's non-cash impairment loss	\$ 36,662	\$ (503)	\$ 36,159	\$ 35,875	\$ 2,099	\$ 37,974
Add / (deduct):						
Interest expense payable in shares	4,819	-	4,819	3,540	-	3,540
Rental revenue recorded on a straight-line basis and market rent adjustments	(2,731)	-	(2,731)	(1,461)	-	(1,461)
Non-cash compensation expense	882	600	1,482	928	-	928
Revenue sustaining capital expenditures and leasing costs	(3,329)	-	(3,329)	(4,779)	-	(4,779)
Funds from operations from Equity One excluding non-cash impairment loss	-	-	-	-	(4,776)	(4,776)
Dividends from Equity One (regular)	-	-	-	-	5,145	5,145
Return of capital portion of marketable securities, net	(1,273)	-	(1,273)	409	-	409
Change in cumulative unrealized (gain) loss on marketable securities	-	(314)	(314)	-	850	850
Loss (gain) on extinguishment of debt	-	1,497	1,497	-	(438)	(438)
Realized losses on termination of hedge	-	1,181	1,181	-	290	290
Unrealized losses on interest rate swaps not designated as hedges	-	1,203	1,203	-	-	-
Gain on disposition of land	-	-	-	-	(3)	(3)
Adjusted funds from operations ("AFFO")	\$ 35,030	\$ 3,664	\$ 38,694	\$ 34,512	\$ 3,167	\$ 37,679
AFFO per diluted share	\$ 0.33	\$ 0.03	\$ 0.36	\$ 0.35	\$ 0.03	\$ 0.38
Weighted average diluted shares for AFFO	108,946,987	108,946,987	108,946,987	99,053,205	99,053,205	99,053,205

⁽¹⁾ Prior year comparative figures have been restated for a change in accounting standards.

⁽²⁾ Estimated at \$0.60 per square foot per annum on gross leasable area for 2009 (\$0.50 per square foot per annum in 2008)

Management views AFFO as an effective measure of cash generated from operations. AFFO is calculated by adjusting FFO for actual costs incurred for capital expenditures and leasing costs for maintaining shopping centre infrastructure, current lease revenues, and non-cash items including straight-line and market rent adjustments, non-cash compensation expenses, interest paid in shares, gains or losses on debt and hedges. Land sales are excluded from AFFO. The Company's proportionate share of Equity One FFO is excluded and only the regular cash dividends received are included in AFFO. The weighted average diluted shares outstanding for AFFO is adjusted to assume conversion of the outstanding convertible debentures. Non-recurring AFFO items primarily consists of dividends from Equity One, net of the associated interest expense, realized gains on marketable securities, cash severance costs and the costs associated with the acquisition of 40% FCB that the Company did not already own.

Net Income

(\$ thousands, except per share amounts)	Three months ended December 31		Year ended December 31	
	2009	2008 ⁽¹⁾	2009	2008 ⁽¹⁾
Net income	\$ 14,736	\$ 10,574	\$ 41,913	\$ 37,341
Earnings per share (diluted)	\$ 0.15	\$ 0.12	\$ 0.45	\$ 0.43
Weighted average common shares – diluted (000's)	97,007	90,424	93,869	87,260

⁽¹⁾Prior year comparative figures have been restated for a change in accounting standards

Net income for the three and twelve months ended December 31, 2009 was \$14.7 million or \$0.15 per share (basic and diluted) and \$41.9 million or \$0.45 per share (basic and diluted). This compares to \$10.6 million or \$0.12 per share (basic and diluted) and \$37.3 million or \$0.43 per share (basic and diluted), respectively, for the three and twelve months ended December 31, 2008. The increase in net income is primarily due to the increase in NOI resulting from development projects coming on line and same property NOI growth, increased interest and other income, offset by increased interest expense, increased amortization expense, decreased other gains(losses) and (expenses) and decreased income from Equity One, as a result of the dividend-in-kind. In addition, there was an increase in the basic and weighted average diluted shares outstanding compared to the same prior year periods.

DEVELOPMENT AND ACQUISITION ACTIVITIES

During the fourth quarter of 2009, the Company invested \$49 million in active development projects and improvements to existing properties bringing the year-to-date total investment to \$209 million. Development and redevelopment of 160,000 square feet was brought on line in the fourth quarter, space leased was at an average rate of \$23.01 per square foot. Year-to-date the Company brought on line 754,000 square feet of development and redevelopment space leased at an average rate of \$22.79 per square foot.

In addition, during the fourth quarter of 2009 the Company invested \$39 million in the acquisition of an income-producing property adding 80,000 square feet of gross leasable area, two properties adjacent to existing shopping centres totalling 31,000 square feet and two parcels adjacent to existing properties. For the year ended December 31, 2009, the Company invested \$76 million on five income-producing properties comprising 225,000 square feet, two properties adjacent to existing shopping centres totalling 31,000 square feet, one land site and four land parcels adjacent to existing properties comprising a total of 9.7 acres of commercial land for future development.

OPERATING SUMMARY

Net operating income for the year ended December 31, 2009 totalled \$285.2 million, compared to \$261.0 million for year ended December 31, 2008, an increase of \$24.2 million or 9.3%. Same property NOI increased by 6.8% in 2009, compared to the same prior year period, generating NOI growth of \$16.7 million, primarily attributed to redevelopment and expansion space coming on line, lease termination payments and increases in lease rates and occupancy. Same property NOI for the year, excluding expansion or redevelopment space, increased by \$6.4 million or 2.7% over the same prior year period.

Acquisitions completed in 2009 and 2008 contributed \$5.0 million to NOI in 2009, while greenfield development activities contributed a further \$10.8 million in 2009.

The lease termination fees for the year ended December 31, 2009 are from three tenants (two are non-retail tenants) at separate locations where 94,500 square feet with an annualized NOI of \$1.5 million was vacated. 20,200 square feet has been re-leased replacing one half of the total NOI. The Company is currently negotiating the lease up of the remaining two locations.

Net operating income for the three months ended December 31, 2009 totalled \$73.7 million, compared to \$67.9 million in the fourth quarter of 2008, an increase of \$5.8 million or 8.5%. Same property NOI increased by 5.9% generating NOI growth of \$3.7 million in the fourth quarter 2009 over the fourth quarter of 2008, due primarily to redevelopment and expansion space and increases in lease rates and occupancy. Same property NOI in the fourth quarter of 2009, excluding expansion or redevelopment space, increased by \$1.9 million or 3.2% over the same prior year period.

Acquisitions completed in 2009 and 2008 contributed \$1.7 million to NOI in the fourth quarter of 2009, while greenfield development activities contributed a further \$2.5 million.

Gross new leasing in the fourth quarter of 2009 totalled 266,000 square feet including development and redevelopment space coming on line. The Company achieved a 17.7% increase on 382,000 square feet of renewal leases over the expiring rates. For the year ended December 31, 2009, gross new leasing totalled 1.2 million square feet. Renewal leasing totalled 1.2 million square feet with a 13.1% increase over expiring lease rates.

The average rate per occupied square foot at December 31, 2009 increased to \$15.71. This compares to an average rate of \$15.17 per square foot at December 31, 2008 and \$15.54 at September 30, 2009.

Portfolio occupancy at December 31, 2009 of 96.2% compares to 96.0% at September 30, 2009 and 96.4% at December 31, 2008. Closures for redevelopment totalled 174,000 square feet for 2009 providing potential for future income growth through leasing and redevelopment activities.

SUBSEQUENT EVENT HIGHLIGHTS

Acquisitions

The Company invested \$61 million in the acquisition of one income-producing property totalling 66,000 square feet in Victoria, BC, one property adjacent to an existing shopping centre totalling 15,000 square feet, two properties held for future development and two land parcels adjacent to existing properties comprising a total of 5.0 acres of commercial land for future development.

Interest on Convertible Debentures

On February 18, 2010, the Company announced that it will pay the interest due on March 31, 2010 to holders of both classes of its 5.50% convertible unsecured subordinated debentures, due September 30, 2017 and to holders of its 6.25% convertible unsecured subordinated debentures due December 31, 2016, by the issuance of common shares. The number of common shares to be issued per \$1,000 principal amount of debentures will be calculated by dividing the dollar amount of interest payable by an amount equal to 97% of the volume-weighted average trading price of the common shares of First Capital Realty on the Toronto Stock Exchange, calculated for the 20 consecutive trading days ending on March 24, 2010. The interest payment due is approximately \$8.7 million.

It is the current intention of the Company to satisfy its obligations to pay principal and interest on its convertible debentures by the issuance of common shares. Since issuance, all interest payments on the Company's convertible debentures have been made using shares.

Quarterly Dividend

The Company announced that it will pay a first quarter dividend of \$0.32 per common share on April 13, 2010 to shareholders of record on March 26, 2010.

2009 ACTUAL RESULTS COMPARED TO 2009 GUIDANCE

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, level and timing of acquisitions of income-producing properties, the Company's share price, number of shares outstanding and numerous other factors. Not all factors which affect our range of projected funds from operations and adjusted funds from operations are determinable at this time and 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 purpose of the Company's guidance is to provide readers with Management's view as to the expected financial performance of the Company using factors that are commonly accepted and viewed as meaningful indicators of financial performance in the real estate industry. A reconciliation of the Company's year end 2009 results to the previously updated guidance follows.

<i>(per share amounts, except for projected FFO, AFFO and shares outstanding)</i>	2009 Guidance Provided in Q3		2009 Actual
	<i>Low</i>	<i>High</i>	Actual
FFO Guidance			
Projected diluted net income before taxes, per share	\$0.57	\$0.59	\$0.54
Projected current taxes	(0.02)	(0.02)	(0.01)
Projected future taxes	(0.16)	(0.16)	(0.08)
Projected diluted net income per share	\$0.39	\$0.41	\$0.45
Adjustments			
Projected FFO from Equity One	0.16	0.16	0.16
Projected equity income from Equity One	(0.09)	(0.09)	(0.08)
Projected amortization and future income taxes	1.18	1.19	1.09
Projected FFO per share ⁽¹⁾	\$1.64	\$1.67	\$1.62
Projected FFO ⁽¹⁾	\$153.9M	\$157.3M	\$152.0M
Projected weighted average shares outstanding for per share FFO calculations	94.0M		93.9M
AFFO Guidance			
Projected FFO ⁽¹⁾	\$153.9M	\$157.3M	\$152.0M
Projected weighted average shares outstanding for per share AFFO calculations (including conversion of convertible debentures)	103.2M		102.9M
Projected FFO per share (using weighted average AFFO shares outstanding) ⁽¹⁾	\$1.49	\$1.52	\$1.48
Projected dividend income – return of capital portion	(0.00)	(0.01)	(0.00)
Projected dividends from Equity One, net of FFO from Equity One	(0.02)	(0.02)	(0.02)
Projected revenue sustaining capital expenditures	(0.12)	(0.12)	(0.12)
Projected non cash items, net	0.11	0.11	0.14
Projected AFFO per share ⁽¹⁾	\$1.46	\$1.48	\$1.48

⁽¹⁾ Excludes the Company's share of Equity One's non cash impairment loss and the dilution loss. See Funds from Operations section.

The net income variance was primarily driven by:

- the decrease in future income taxes which was primarily attributed to a change in the future income tax rate, not anticipated in the guidance;
- the effect of Equity One tax matters which resulted in an adjustment in current income taxes arising from the Company's U.S. operations greater than the amount in the guidance; and
- non-recurring items as outlined below, which were the result of financing transactions that were not anticipated in the guidance, and the departure of two senior executives.

	2009 (\$ millions)	2009 (Per share)
Losses on debt extinguishment	(1,497)	(0.02)
Realized loss on termination of hedges	(1,160)	(0.01)
Unrealized loss on interest rate swaps not designated as hedges	(1,203)	(0.01)
Severance costs (including non-cash compensation)	(2,000)	(0.02)
Total	(5,860)	(0.06)

OUTLOOK

Over the past several years First Capital Realty has made significant progress in growing its business and generating accretive growth in funds from operations while enhancing the quality of its portfolio.

The current environment remains competitive with little transaction activity. Both debt and equity markets are accessible but continue to be challenging relative to pricing currently being asked by property vendors. The Company will continue to selectively acquire properties that are well-located and of high quality, where they add strategic value and/or operating synergies provided they will be accretive to FFO over the long term, and equity and 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. Once completed, these activities typically generate higher returns on investment.

With respect to acquisitions of both income-producing and development properties, the Company will continue to focus on maintaining the sustainability and growth potential of rental income to ensure that among other things, refinancing risk is minimized. This is particularly important given the current cost of capital.

Specifically, Management will focus on the following five areas to achieve its objectives in 2010:

- same property net operating income growth, taking into account maintaining high occupancy;
- development and redevelopment activities;
- selective acquisitions;
- increasing efficiency and productivity of operations; and
- improving the cost of capital, for both debt and equity.

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

2010 GUIDANCE

<i>(per share amounts, except for projected FFO and shares outstanding)</i>	<i>Low</i>	<i>High</i>
FFO Guidance		
Projected diluted net income per share	\$0.38	\$0.41
Adjustments		
Projected amortization and future income taxes	1.14	1.16
Projected FFO per share	\$1.52	\$1.57
Projected FFO	\$150.5M	\$155.0M
Projected weighted average shares outstanding for per share FFO calculations	99.0M	
AFFO Guidance		
Projected FFO	\$150.5M	\$155.0M
Projected weighted average shares outstanding for per share AFFO calculations (including conversion of convertible debentures)	112.4	
Projected FFO per share (using weighted average AFFO shares outstanding)	\$1.34	\$1.38
Projected revenue sustaining capital expenditures	(0.12)	(0.12)
Projected non-cash items, net	0.13	0.15
Projected AFFO per share	\$1.35	\$1.41

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, the Company's share price, the number of shares outstanding and numerous other factors. Not all factors which affect our range of projected 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.

Guidance is based on specific assumptions including:

- Same property NOI growth of 1.0% to 1.5% (excluding redevelopment and expansion);
- Development, redevelopment and expansion coming on-line of 450,000 to 550,000 square feet with approximate gross book value of \$100 to \$120 million;
- Income-producing property acquisitions totalling \$100 million (includes \$31 million invested to-date);
- Development property acquisitions totalling \$30 million, acquired in the first quarter of 2010;
- Refinancing the credit facility to current market rates;
- Revenue sustaining capital expenditure is expected to be approximately \$0.65 per average square foot; and
- Other non-recurring (losses) gains and expenses totalled net loss of \$0.5 million consisting of:
 - gains on marketable securities - \$1.2 million
 - loss on termination of hedges - \$1.2 million
 - loss on debt extinguishment - \$0.5 million

The ranges presented represent Management's estimate of results based upon these assumptions as of the date of this press release. The purpose of the Company's guidance is to provide readers with Management's view as to the expected financial performance of the Company for 2010, using factors that are commonly accepted and viewed as meaningful indicators of financial performance in the real estate industry.

Readers should refer to the section below titled "Forward Looking Statements" for important information relating to our guidance, including risk factors.

MANAGEMENT CONFERENCE CALL AND WEBCAST

First Capital Realty invites you to participate at its live conference call with senior management announcing our 2009 year end results on Friday, March 12, 2010 at 10:00 a.m. E.S.T.

Year end financial results will be released prior to the call and made available on First Capital Realty's website in the *Pressroom* section. The *Supplemental Package* link will be on our Home Page at www.firstcapitalrealty.ca or click on *Investor Relations, investor downloads*.

Teleconference:

You may participate in the live conference toll free at 866-299-6657 or at 416-641-6135. To ensure your participation, please call five minutes prior to the scheduled start of the call. The call will be archived through March 19, 2010 and can be accessed by dialing toll free 800-408-3053 or 416-695-5800 with access code 5030774.

Webcast:

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

Slide Presentation:

A slide presentation to accompany Management's comments during the conference call will be available. To view the slides, please go to First Capital Realty's website at www.firstcapitalrealty.ca and click on the link for the *Conference Call* at the top of our Home Page.

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'.

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 176 properties, including three under development, totalling approximately 20.9 million square feet of gross leasable area and six land sites in the planning stage for future retail development.

* * * *

Forward Looking Statements

This press release and in particular the “Outlook” and “2010 Guidance” section, contains forward-looking statements and information within the meaning of applicable securities legislation. Forward-looking statements can generally be identified by the expressions “anticipate”, “believe”, “plan”, “estimate”, “expect”, “intend”, “outlook”, “objective”, “may”, “will”, “should”, “continue” and similar expressions. The forward-looking statements are not historical facts but 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. All forward-looking statements in this press release are qualified by these cautionary statements.

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 current Management’s Discussion and Analysis.

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 described in the “Risk and Uncertainties” section 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, tenant bankruptcies, the relative illiquidity of real property, unexpected costs or liabilities related to acquisitions, construction, environmental matters, legal matters, reliance on key personnel, financial difficulties and defaults, changes in interest rates and credit spreads, changes in the U.S.–Canadian foreign currency exchange rate, changes in operating costs, First Capital Realty’s ability to obtain insurance coverage at a reasonable cost and the availability of financing. The assumptions underlying the Company’s forward-looking statements contained in the “Outlook” and “2010 Guidance” section of this press release 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.

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 security laws.

These forward-looking statements are made as of March 11, 2010.

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NON-GAAP SUPPLEMENTAL FINANCIAL MEASURES

Funds from Operations and Adjusted Funds from Operations

In Management's view, funds from operations ("FFO") and adjusted funds from operations ("AFFO") are commonly accepted and meaningful indicators of financial performance in the real estate industry. First Capital Realty believes that financial analysts, investors and shareholders are better served when the clear presentation of comparable period operating results generated from FFO and AFFO disclosures supplement Canadian generally accepted accounting principles ("GAAP") disclosure. These measures are the primary methods used in analyzing real estate organizations in Canada. The Company's method of calculating FFO and AFFO may be different from methods used by other corporations or REITs (real estate investment trusts) and, accordingly, may not be comparable to such other corporations or REITs. FFO and AFFO are presented to assist investors in analyzing the Company's performance. FFO and AFFO: (i) do not represent cash flow from operating activities as defined by GAAP, (ii) are not indicative of cash available to fund all liquidity requirements, including payment of dividends and capital for growth and (iii) are not to be considered as alternatives to GAAP net income for the purpose of evaluating operating performance.

Funds from Operations ("FFO")

First Capital Realty calculates FFO in accordance with the recommendations of the Real Property Association of Canada ("RealPac"). The definition is meant to standardize the calculation and disclosure of FFO across real estate entities in Canada, modelled on the definition adopted by the National Association of Real Estate Investment Trusts ("NAREIT") in the United States. FFO as defined by RealPac differs in two respects from the definition adopted by NAREIT. Under the RealPac definition, future income taxes are excluded from FFO, whereas under the NAREIT definition, they are included. In addition, impairment losses on depreciable assets are excluded from the RealPac FFO definition, whereas the NAREIT definition includes them. As a result, when calculating FFO, the Company adjusts the FFO reported by Equity One to comply with the RealPac definition, when appropriate.

FFO is considered a meaningful additional measure of operating performance, as it excludes amortization of real estate assets. Amortization expense assumes that the value of real estate assets diminishes predictably over time, which is clearly not a valid assumption. FFO also adjusts for certain items included in GAAP net income that may not be the most appropriate determinants of the long-term operating performance of the Company including gains and losses on depreciable real estate assets.

Net Operating Income

NOI is defined as property rental revenue less property operating costs. In Management's opinion, NOI is useful in analyzing the operating performance of the Company's shopping centre portfolio. NOI is not a measure defined by GAAP and as such there is no standard definition. As a result, NOI may not be comparable with similar measures presented by other entities. NOI is not to be construed as an alternative to net income or cash flow from operating activities determined in accordance with GAAP.

CONSOLIDATED BALANCE SHEETS

<i>(thousands of dollars)</i>	December 31 2009	December 31 2008 ⁽¹⁾ (restated)
ASSETS		
Real Estate Investments		
Shopping centres	\$ 3,288,759	\$ 3,040,257
Land and shopping centres under development	224,772	281,959
Deferred leasing costs	17,471	16,146
Intangible assets	22,549	29,312
	3,553,551	3,367,674
Investment in Equity One, Inc.	-	227,259
Loans, mortgages and other real estate assets	59,220	32,480
	3,612,771	3,627,413
Other assets	28,726	27,448
Amounts receivable	45,598	45,501
Cash and cash equivalents	4,548	7,263
	\$ 3,691,643	\$ 3,707,625
LIABILITIES		
Mortgages, loans and credit facilities	\$ 1,354,668	\$ 1,573,530
Accounts payable and other liabilities	137,658	166,507
Intangible liabilities	13,193	17,264
Senior unsecured debentures	717,040	593,288
Convertible debentures	329,739	218,247
Future income tax liabilities	43,502	43,643
	2,595,800	2,612,479
SHAREHOLDERS' EQUITY	1,095,843	1,095,146
	\$ 3,691,643	\$ 3,707,625

⁽¹⁾ Prior year comparative figures have been restated for a change in accounting standards.

CONSOLIDATED STATEMENTS OF EARNINGS

	Three months ended		Year ended	
	December 31 2009	December 31 2008 ⁽¹⁾ (restated)	December 31 2009	December 31 2008 ⁽¹⁾ (restated)
<i>(thousands of dollars, except per share amounts)</i>				
REVENUE				
Property rental revenue	\$ 113,232	\$ 105,695	\$ 442,131	\$ 410,192
Interest and other income	2,549	347	5,612	1,559
	115,781	106,042	447,743	411,751
EXPENSES				
Property operating costs	39,524	37,784	156,954	149,152
Interest expense	32,343	28,621	125,465	113,685
Amortization				
Shopping centres	20,594	18,950	83,342	74,406
Deferred leasing costs	946	881	3,662	3,396
Intangible assets	1,482	1,706	7,497	7,783
Deferred financing fees	644	226	2,202	854
Other assets	807	366	2,005	1,305
Corporate expenses	5,801	5,614	22,122	21,577
	102,141	94,148	403,249	372,158
Income before the undernoted items	13,640	11,894	44,494	39,593
Equity (loss) income from Equity One, Inc.	(1,287)	1,405	7,066	8,716
Other (losses) gains and (expenses)	(1,639)	3,916	(1,414)	7,281
Income before income taxes	10,714	17,215	50,146	55,590
Income taxes (recovery):				
Current	(1,662)	(380)	533	1,985
Future	(2,360)	7,021	7,700	16,264
	(4,022)	6,641	8,233	18,249
Net income	\$ 14,736	\$ 10,574	\$ 41,913	\$ 37,341
Earnings per common share, basic and diluted	\$ 0.15	\$ 0.12	\$ 0.45	\$ 0.43

⁽¹⁾ Prior year comparative figures have been restated for a change in accounting standards.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

<i>(thousands of dollars)</i>	Three months ended		Year ended	
	December 31	December 31	December 31	December 31
	2009	2008 ⁽¹⁾ (restated)	2009	2008 ⁽¹⁾ (restated)
NET INCOME	\$ 14,736	\$ 10,574	\$ 41,913	\$ 37,341
OTHER COMPREHENSIVE (LOSS) INCOME				
Unrealized foreign currency gains on translating self-sustaining foreign operations				
Gains (losses) arising during the period	-	8,680	(6,156)	12,043
Reclassification adjustment for dilution (gain) loss on investment in Equity One, Inc.	-	(724)	1,669	(724)
Reclassification adjustment for dividend-in-kind	-	-	17,288	-
	-	7,956	12,801	11,319
Other comprehensive (losses) income of Equity One, Inc.				
(Losses) gains arising during the period	-	(3,021)	4,346	(1,933)
Reclassification adjustment for dilution (gain) loss included in net income	-	(11)	29	(11)
Reclassification adjustment for dividend-in-kind	-	-	(1,124)	-
	-	(3,032)	3,251	(1,944)
Unrealized gains (losses) on cash flow hedges of interest rates				
Unrealized gains (losses) arising during the period	1,102	(16,003)	10,182	(16,443)
Reclassification adjustments for losses included in net income	2,642	-	2,621	-
Reclassification adjustment for dividend-in-kind	-	-	4,407	-
	3,744	(16,003)	17,210	(16,443)
Change in cumulative unrealized (losses) gains on available-for-sale marketable securities				
Unrealized gains (losses) arising during the period	1,524	(4,591)	13,687	(6,645)
Reclassification adjustments for (gains) losses included in net income	(4,568)	-	(6,038)	55
	(3,044)	(4,591)	7,649	(6,590)
Other comprehensive income (loss) before income taxes	700	(15,670)	40,911	(13,658)
Future income tax expense (recovery)	701	(4,957)	6,202	(5,832)
Other comprehensive (loss) income	(1)	(10,713)	34,709	(7,826)
COMPREHENSIVE INCOME (LOSS)	\$ 14,735	\$ (139)	\$ 76,622	\$ 29,515

⁽¹⁾ Prior year comparative figures have been restated for a change in accounting standards.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months ended		Year ended	
	December 31 2009	December 31 2008 ⁽¹⁾ (restated)	December 31 2009	December 31 2008 ⁽¹⁾ (restated)
<i>(thousands of dollars)</i>				
CASH FLOW PROVIDED BY (USED IN):				
OPERATING ACTIVITIES				
Net income	\$ 14,736	\$ 10,574	\$ 41,913	\$ 37,341
Items not affecting cash				
Amortization	24,473	22,129	98,708	87,744
Amortization of above- and below-market leases	(578)	(574)	(2,323)	(2,253)
Rent revenue recognized on a straight-line basis	(2,153)	(887)	(5,053)	(5,374)
Gain on disposition of income-producing property	(526)	(1,631)	(737)	(1,631)
Gains on disposition of land	-	(3)	(118)	(3,945)
Realized (gains) losses on sale of marketable securities	(3,340)	160	(4,242)	212
Change in cumulative unrealized (gains) losses on marketable securities held-for-trading	(314)	850	(1,952)	1,638
Loss (gain) on settlement of debt	1,497	(438)	2,394	(438)
Non-cash compensation expense	1,482	928	4,209	3,899
Less settlement of restricted shares units	(2,463)	(1,275)	(2,463)	(1,275)
Less settlement of deferred shares units	(514)	-	(514)	-
Interest paid in excess of effective interest on assumed mortgages	(294)	(294)	(1,189)	(1,436)
Effective interest rate in excess of coupon rate on senior unsecured and convertible debentures	306	225	984	864
Convertible debenture interest paid in common shares	-	-	12,613	12,891
Other non-cash interest expense	749	617	2,769	2,466
Equity income from Equity One, Inc.	1,287	(1,405)	(7,066)	(8,716)
Dilution (gain) loss on Equity One, Inc. investment	-	(2,898)	676	(2,898)
Future income taxes	(2,360)	7,021	7,700	16,264
Loss on foreign exchange currency	67	-	278	-
Unrealized loss on interest rate swaps not designated as hedges	1,203	-	1,203	-
Deferred leasing costs	(1,517)	(1,021)	(5,022)	(4,033)
Dividends received from Equity One, Inc.	-	5,145	12,452	18,193
Net change in non-cash operating items	18,695	20,911	(6,592)	(1,994)
Cash provided by operating activities	50,436	58,134	148,628	147,519
INVESTING ACTIVITIES				
Acquisition of shopping centres	(35,633)	(10,757)	(59,039)	(56,704)
Acquisition of land and shopping centres held for development	(886)	(284)	(10,273)	(11,887)
Proceeds from disposition of shopping centre	4,756	-	4,756	-
Proceeds from disposition of land held for development	-	433	70	10,581
Expenditures on shopping centres	(12,886)	(11,935)	(35,309)	(26,619)
Expenditures on land and shopping centres under development	(33,733)	(77,179)	(168,110)	(227,775)
Changes in accounts payable and accrued liabilities related to investing activities	(11,671)	19,372	(15,595)	32,908
Investment in common shares of Equity One, Inc.	-	(1,263)	-	(1,263)
Increase in loans and mortgages receivable	(2,324)	(227)	(3,714)	(1,507)
Investment in marketable securities	(3,631)	(14,869)	(6,743)	(37,110)
Return of capital from investments in marketable securities	264	304	2,030	623
Proceeds from disposition of marketable securities	31,305	5,292	59,067	7,474
Cash used in investing activities	(64,439)	(91,113)	(232,860)	(311,279)
FINANCING ACTIVITIES				
Mortgage financings, loans and credit facilities				
Borrowings, net of financing costs	72,250	207,363	621,208	552,708
Principal instalment payments	(8,422)	(9,835)	(38,917)	(38,139)
Other repayments on maturity	(210,000)	(134,248)	(685,930)	(452,273)
Purchase of senior unsecured debentures	-	(2,543)	(1,145)	(2,543)
Issuance of senior unsecured debentures, net of issue costs	124,000	-	124,000	-
Issuance of convertible debentures, net of issue costs	47,996	-	120,071	-
Issuance of common shares, net of issue costs	2,791	1,306	57,771	149,797
Issuance of warrants, net of issue costs	-	-	1,821	-
Cash balance included in dividend-in-kind	(65)	-	(492)	-
Payment of dividends	(29,399)	(28,682)	(118,192)	(49,312)
Cash provided by financing activities	(849)	33,361	80,195	160,238
Effect of currency rate movement on cash balances	-	379	1,322	334
Increase in cash and cash equivalents	(14,852)	761	(2,715)	(3,188)
Cash and cash equivalents, beginning of the period	19,400	6,502	7,263	10,451
Cash and cash equivalents, end of the period	\$ 4,548	\$ 7,263	\$ 4,548	\$ 7,263
SUPPLEMENTARY INFORMATION				
Cash income taxes paid	\$ -	\$ 611	\$ 1,358	\$ 2,251
Cash interest paid	\$ 30,065	\$ 30,774	\$ 126,695	\$ 120,183

⁽¹⁾ Prior year comparative figures have been restated for a change in accounting standards.

CONSOLIDATED STATEMENTS OF FUNDS FROM OPERATIONS

<i>(thousands of dollars, except per share amounts)</i>	Three months ended		Year ended	
	December 31	December 31	December 31	December 31
	2009	2008 ⁽¹⁾	2009	2008 ⁽¹⁾
		(restated)		(restated)
Net income for the period	\$ 14,736	\$ 10,574	\$ 41,913	\$ 37,341
Add (deduct):				
Amortization of shopping centres, deferred costs and intangible assets	23,022	21,537	94,501	85,585
Gain on disposition of income-producing shopping centre	(526)	(1,631)	(737)	(1,631)
Equity income (loss) from Equity One ⁽²⁾	1,287	(1,405)	(7,066)	(8,716)
Funds from operations from Equity One ⁽²⁾	-	3,753	15,009	12,502
Future income taxes (recovery)	(2,360)	7,021	7,700	16,264
Funds from operations ("FFO")	36,159	39,849	151,320	141,345
Deduct: the Company's share of Equity One's non-cash impairment loss	-	1,023	-	7,503
Deduct: dilution (gain) loss on Equity One investment	-	(2,898)	676	(2,898)
FFO excluding dilution (gain) loss on Equity One investment and the Company's share of Equity One's non-cash impairment loss	\$ 36,159	\$ 37,974	\$ 151,996	\$ 145,950
FFO per diluted share	\$ 0.37	\$ 0.44	\$ 1.61	\$ 1.62
Deduct: the Company's share of Equity One's non-cash impairment loss	-	0.01	-	0.09
Deduct: dilution (gain) loss on Equity One investment	-	(0.03)	0.01	(0.04)
FFO per diluted share excluding dilution loss on Equity One investment and the Company's share of Equity One's non-cash impairment loss	\$ 0.37	\$ 0.42	\$ 1.62	\$ 1.67
Weighted average diluted shares - FFO	97,007,411	90,423,576	93,868,815	87,260,224

⁽¹⁾ Prior year comparative figures have been restated for a change in accounting standards.

⁽²⁾ Current year amounts cover period to August 14, 2009.