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Press Release

FIRST CAPITAL REALTY ANNOUNCES SOLID Q1 2010 RESULTS

Toronto, Ontario (May 6, 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 solid financial results for the quarter ended March 31, 2010.

FIRST QUARTER HIGHLIGHTS

| <i>Quarter Ended March 31</i> | <i>\$ millions</i> | |
|-------------------------------------|--------------------|----------|
| | 2010 | 2009 |
| Enterprise value | \$ 4,688 | \$ 3,861 |
| Debt to aggregate assets | 51.4% | 54.5% |
| Debt to total market capitalization | 46.4% | 58.1% |
| Property rental revenue | \$ 118.1 | \$ 110.3 |
| Net operating income (NOI) | \$ 74.7 | \$ 68.3 |

| <i>Quarter Ended March 31</i> | <i>\$ millions</i> | | <i>per share</i> | |
|---|--------------------|---------|------------------|---------|
| | 2010 | 2009 | 2010 | 2009 |
| Funds from operations (FFO) – Core Operations | \$ 37.3 | \$ 34.5 | \$ 0.38 | \$ 0.38 |
| FFO – EQY and Other Non-Recurring Items | \$ 0.1 | \$ 3.7 | \$ 0.00 | \$ 0.04 |
| Total FFO | \$ 37.4 | \$ 38.2 | \$ 0.38 | \$ 0.42 |
| Weighted average diluted shares for FFO (000’s) | 97,298 | 91,172 | | |
| Adjusted funds from operations (AFFO) – Core Operations | \$ 39.6 | \$ 35.4 | \$ 0.36 | \$ 0.36 |
| AFFO – EQY and Other Non-Recurring Items | \$ 1.3 | \$ 1.4 | \$ 0.01 | \$ 0.01 |
| Total AFFO | \$ 40.9 | \$ 36.8 | \$ 0.37 | \$ 0.37 |
| Weighted average diluted shares for AFFO (000’s) | 110,872 | 99,552 | | |

FIRST QUARTER 2010 OPERATING HIGHLIGHTS

- Invested \$114 million in development activities, property improvements and acquisitions
- Added 278,000 square feet of gross leasable area from development and redevelopment coming on line, and acquisitions
- Acquired one income-producing property and an additional interest in an existing shopping centre totalling 200,000 square feet, a 50% interest in one property adjacent to an existing shopping centre totalling 28,000 square feet, two properties held for development and two land parcels adjacent to existing properties for future development comprising a total of 5.0 acres
- 5.2% same property NOI growth; 3.0% excluding redevelopment and expansion space
- 7.2% increase on rate per square foot on 259,000 square feet of renewal leases
- Occupancy of 96.3% compares to 96.2% at December 31, 2009 and 96.0% at March 31, 2009. Vacancy includes 0.6% of space held for redevelopment
- Gross new leasing totalled 196,000 square feet including development and redevelopment coming on line; lease closures totalled 138,000 square feet and closures for redevelopment totalled 22,000 square feet
- Completed new leasing on existing space totalled 146,000 square feet at an average rate of \$17.37 per square foot
- Lease rates on openings and redevelopment coming on line increased by 9% versus all lease closures
- Average lease rate per occupied square foot increased by 4.0% from March 31, 2009 to \$15.85 at March 31, 2010

"Our results are in line with our expectations," said Dori J. Segal, President & CEO, "In the quarter we recorded some one time gains offset by the short term effect of our long term financing strategy."

FINANCING AND CAPITAL MARKET HIGHLIGHTS

In the first quarter of 2010, the Company issued \$125 million principal amount senior unsecured debentures, Series H, with a coupon rate of 5.85%, maturing January, 2017. As a result, the Company further reduced the availability of the syndicated secured revolving credit facility to \$250 million and reduced its \$75 million secured revolving credit facility to \$50 million.

The Company also issued 1.3 million common shares for total proceeds of \$24.8 million in the first quarter of 2010 through payment-in-kind of the interest due to holders of the 5.50% and 6.25% convertible debentures and through warrants and options exercised.

Subsequent to quarter end, the Company issued \$75 million principal amount senior unsecured debentures, Series I, with a coupon rate of 5.70%, maturing November, 2017. The Company also committed to one secured financing transaction for gross proceeds of \$19 million at an interest rate of 5.33% with a 2019 maturity. Furthermore, the Company repriced its revolving credit facilities.

On March 29, 2010, the Company announced that its board of directors unanimously approved, subject to the approval of shareholders and the Toronto Stock Exchange ("TSX"), the subdivision of its common shares at a ratio of 3.2 common shares for each two common shares. If approved by shareholders and the TSX, it is expected that the record date for the subdivision will be May 27, 2010 (or such other date to be announced by First Capital Realty).

Quarterly Dividend

The Company announced that it will pay a second quarter dividend of \$0.20 per common share on July 8, 2010 to shareholders of record on June 25, 2010, which represents the regular quarterly dividend on a post split basis. In the event the split is not completed prior to the dividend record date, the quarterly dividend will be \$0.32 per common share.

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)

| | Three months ended March 31, 2010 | | | Three months ended March 31, 2009 | | |
|--|-----------------------------------|---|-------------------|-----------------------------------|---|-------------------|
| | 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 | \$ 74,675 | \$ - | \$ 74,675 | \$ 68,300 | \$ - | \$ 68,300 |
| Interest expense - Canadian operations | (34,153) | - | (34,153) | (28,211) | (60) | (28,271) |
| Interest expense - US operations | - | - | - | - | (2,008) | (2,008) |
| Corporate expenses | (5,389) | - | (5,389) | (5,449) | - | (5,449) |
| Interest and other income | 1,280 | - | 1,280 | 589 | - | 589 |
| Other gains (losses) and (expenses) | 1,672 | 74 | 1,746 | - | (48) | (48) |
| Funds from operations from Equity One | - | - | - | - | 6,869 | 6,869 |
| Amortization of non real estate assets | (813) | - | (813) | (724) | - | (724) |
| Current income taxes | - | - | - | - | (1,015) | (1,015) |
| Funds from operations | \$ 37,272 | \$ 74 | \$ 37,346 | \$ 34,505 | \$ 3,738 | \$ 38,243 |
| FFO per diluted share | \$ 0.38 | \$ - | \$ 0.38 | \$ 0.38 | \$ 0.04 | \$ 0.42 |
| Weighted average diluted shares - FFO | 97,297,868 | 97,297,868 | 97,297,868 | 91,172,216 | 91,172,216 | 91,172,216 |

The Company's funds from operations – core operations for the quarter ended March 31, 2010 totalled \$37.3 million or \$0.38 per diluted common share which compares to \$34.5 million or \$0.38 per diluted common share for the three months ended March 31, 2009. FFO – core operations was positively affected by same property NOI growth and the effect of acquisitions and development coming on line. This gain was partially offset by increased interest and amortization expense. Interest expense increased due to the increase in total debt related to growth in the Company's core operations, and the increase in the proportion of higher cost fixed rate debt since the first quarter of 2009. In addition, the number of weighted average shares outstanding increased by 6.7% over the prior year.

FFO – EQY and other non-recurring items includes other gains (losses) and (expenses) and in the prior year, the effect of Equity One and its related interest expense and income taxes. For the three months ended March 31, 2010, FFO – EQY and other non-recurring items totalled \$0.07 million or \$nil per diluted common share basis which compares to \$3.7 million or \$0.04 per diluted common share in the corresponding prior year period.

During the quarter, the Company settled its litigation with the former co-owner of the Royal Oak Shopping Centre, resulting in the completion of the acquisition of the remaining 40% of the property that it did not already own. As a result, the Company recorded a gain of \$1.7 million which consists of the collected net operating cash flow after interest expense from 40% of the property, less the additional cost of acquiring the property as a result of the settlement. The Company has included the entire net operating

cash flow after interest expense, from the 40% of the property up to the acquisition date, in the calculation of AFFO for the quarter.

In addition, FFO – EQY and other non-recurring items included items such as gains on marketable securities offset by losses on debt extinguishment and losses on terminations of hedges, specifically:

| <i>Three months ended March 31</i> (\$ in thousands) | 2010 | | 2009 |
|---|-----------------|---------------------|---------------------|
| | Core Operations | Non-recurring items | Non-recurring items |
| Losses on debt extinguishment | \$ - | \$ (0.5) | \$ (0.7) |
| Realized loss on termination of hedges | - | (1.6) | - |
| Unrealized gain on interest rate swaps not designated as hedges | - | 0.6 | - |
| Gains on marketable securities | - | 1.5 | 0.6 |
| Gains on sales of land | - | - | 0.1 |
| Gain on Royal Oak Shopping Centre settlement | 1.7 | - | - |
| Total | \$ 1.7 | \$ 0.0 | \$ 0.0 |

Adjusted Funds from Operations (AFFO)

| | Three months ended March 31, 2010 | | | Three months ended March 31, 2009 | | |
|--|-----------------------------------|--|--------------------|-----------------------------------|--|-------------------|
| | 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> | | | | | | |
| Funds from operations | \$ 37,272 | \$ 74 | \$ 37,346 | \$ 34,505 | \$ 3,738 | \$ 38,243 |
| Add / (Deduct): | | | | | | |
| Interest expense payable in shares | 5,503 | - | 5,503 | 3,458 | - | 3,458 |
| Rental revenue recorded on a straight-line basis and market rent adjustments | (2,216) | - | (2,216) | (1,690) | - | (1,690) |
| Non-cash compensation expense | 665 | (58) | 607 | 872 | - | 872 |
| Revenue sustaining capital expenditures and leasing costs | (3,257) | - | (3,257) | (2,427) | - | (2,427) |
| FFO from Equity One | - | - | - | - | (6,869) | (6,869) |
| Dividends from Equity One (Regular) | - | - | - | - | 5,328 | 5,328 |
| Return of Capital portion of marketable securities - net | - | - | - | 636 | - | 636 |
| Change in cumulative unrealized gain on marketable securities | - | (114) | (114) | - | (1,352) | (1,352) |
| Loss on extinguishment of debt | - | 477 | 477 | - | 738 | 738 |
| Additional pre-settlement net cash from property acquisition | 1,605 | - | 1,605 | - | - | - |
| Realized losses on termination of hedges | - | 1,588 | 1,588 | - | - | - |
| Unrealized gains on interest rate swaps not designated as hedges | - | (623) | (623) | - | - | - |
| Gain on disposition of land | - | - | - | - | (118) | (118) |
| Adjusted funds from operations | \$ 39,572 | \$ 1,344 | \$ 40,916 | \$ 35,354 | \$ 1,465 | \$ 36,819 |
| AFFO per diluted share | \$ 0.36 | \$ 0.01 | \$ 0.37 | \$ 0.36 | \$ 0.01 | \$ 0.37 |
| Weighted average diluted shares for AFFO | 110,872,459 | 110,872,459 | 110,872,459 | 99,552,226 | 99,552,226 | 99,552,226 |

Management views AFFO as an effective measure of cash generated from operations. AFFO for the three months ended March 31, 2010 totalled \$40.9 million or \$0.37 per diluted common share compared to \$36.8 million or \$0.37 per diluted common share in the prior year period. 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, and 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 the prior year's AFFO. The weighted average diluted number of 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 and realized gains on marketable securities.

Net Income

| <i>(\$ thousands, except per share amounts)</i> | <i>Three months ended March 31</i> | |
|---|------------------------------------|----------|
| | 2010 | 2009 |
| Net income | \$ 9,769 | \$ 9,082 |
| Earnings per share (diluted) | \$ 0.10 | \$ 0.10 |
| Weighted average common shares – diluted (000's) | 97,298 | 91,172 |

Net income for the three months ended March 31, 2010 was \$9.8 million or \$0.10 per share (basic and diluted) compared to \$9.1 million or \$0.10 per share (basic and diluted) for the prior year comparable period. 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, increased other gains (losses) and (expenses) offset by increased interest expense, increased amortization expense 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 period.

DEVELOPMENT AND ACQUISITION ACTIVITIES

The Company invested \$30 million in active development projects and improvements to existing properties during the first quarter of 2010. Development and redevelopment of 50,000 square feet was brought on line in the first quarter, leased at an average rate of \$20.52 per square foot.

In addition, during the quarter, the Company invested \$84 million in the acquisition of one income-producing property and the remaining 40% interest in Royal Oak Shopping Centre in Calgary, Alberta adding 200,000 square feet of gross leasable area, a 50% interest in one property adjacent to an existing shopping centre totalling 28,000 square feet, two parcels adjacent to existing properties and two properties held for development.

OPERATING SUMMARY

Net operating income for the three months ended March 31, 2010 totalled \$74.7 million, compared to \$68.3 million for the three months ended March 31, 2009, an increase of \$6.4 million or 9.4%. NOI includes \$980,000 of lease termination payments from 11 tenants in the quarter comprising of 32,000 square feet. Same property NOI increased by 5.2% in the first quarter of 2010, compared to the same prior year period, generating NOI growth of \$3.4 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 first quarter of 2010, excluding expansion or redevelopment space, increased by \$1.9 million or 3.0% over the same prior year period. Acquisitions completed in 2010 and 2009 contributed \$1.4 million to NOI in the first quarter of 2010, while greenfield development activities contributed a further \$2.2 million.

Gross new leasing in the first quarter of 2010 totalled 196,000 square feet including development and redevelopment space coming on line. The Company achieved a 7.2% increase on 259,000 square feet of renewal leases over the expiring rates.

The average rate per occupied square foot at March 31, 2010 increased to \$15.85. This compares to an average rate of \$15.24 per square foot at March 31, 2009 and \$15.71 at December 31, 2009.

Portfolio occupancy at March 31, 2010 of 96.3% compares to 96.2% at December 31, 2009 and 96.0% at March 31, 2009. Closures for redevelopment totalled 22,000 square feet for the first quarter of 2010 providing potential for future income growth through leasing and redevelopment activities.

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>(before the effect of the proposed stock split)</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 before the effect of the proposed stock split | 99.2M | |
| AFFO Guidance | | |
| Projected FFO | \$150.5M | \$155.0M |
| Projected weighted average shares outstanding for per share AFFO calculations (including conversion of convertible debentures) before the effect of the proposed stock split | 112.4M | |
| 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 capital structure and 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 first quarter 2010 actual results and 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 400,000 to 450,000 square feet with approximate gross book value of \$100 to \$120 million;
- Income-producing property acquisitions totalling \$100 million;
- Development property acquisitions totalling \$30 million; and
- Revenue sustaining capital expenditure is expected to be approximately \$0.65 per average square foot.

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 in its live conference call with senior management announcing our first quarter 2010 results on Friday, May 7, 2010 at 1:00 p.m. E.S.T.

First quarter 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 May 14, 2010 and can be accessed by dialing toll free 800-408-3053 or 416-695-5800 with access code 7662338.

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 20.8 million square feet of gross leasable area and eight 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 Management’s Discussion and Analysis for the year ended December 31, 2009.

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 securities laws.

These forward-looking statements are made as of May 6, 2010.

For further information:
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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. 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.

FIRST CAPITAL REALTY INC.

CONSOLIDATED BALANCE SHEETS

| <i>(unaudited)</i> | March 31 | December 31 |
|---|---------------------|--------------|
| <i>(thousands of dollars)</i> | 2010 | 2009 |
| ASSETS | | |
| Real Estate Investments | | |
| Shopping centres | \$ 3,337,161 | \$ 3,288,759 |
| Land and shopping centres under development | 268,078 | 224,772 |
| Deferred leasing costs | 17,642 | 17,471 |
| Intangible assets | 21,868 | 22,549 |
| | 3,644,749 | 3,553,551 |
| Loans, mortgages and other real estate assets | 59,318 | 59,220 |
| | 3,704,067 | 3,612,771 |
| Other assets | 32,537 | 28,726 |
| Amounts receivable | 49,546 | 45,598 |
| Cash and cash equivalents | 2,350 | 4,548 |
| | \$ 3,788,500 | \$ 3,691,643 |
| LIABILITIES | | |
| Mortgages, loans and credit facilities | \$ 1,333,334 | \$ 1,354,668 |
| Accounts payable and other liabilities | 125,380 | 137,658 |
| Intangible liabilities | 13,593 | 13,193 |
| Senior unsecured debentures | 841,294 | 717,040 |
| Convertible debentures | 330,252 | 329,739 |
| Future income tax net liabilities | 46,362 | 43,502 |
| | 2,690,215 | 2,595,800 |
| SHAREHOLDERS' EQUITY | 1,098,285 | 1,095,843 |
| | \$ 3,788,500 | \$ 3,691,643 |

FIRST CAPITAL REALTY INC.

CONSOLIDATED STATEMENTS OF EARNINGS

| | Three months ended | |
|---|--------------------|------------|
| <i>(unaudited)</i> | March 31 | March 31 |
| <i>(thousands of dollars, except per share amounts)</i> | 2010 | 2009 |
| REVENUE | | |
| Property rental revenue | \$ 118,113 | \$ 110,343 |
| Interest and other income | 1,280 | 589 |
| | 119,393 | 110,932 |
| EXPENSES | | |
| Property operating costs | 43,438 | 42,043 |
| Interest expense | 34,153 | 30,279 |
| Amortization | | |
| Shopping centres | 22,182 | 20,550 |
| Deferred leasing costs | 1,014 | 929 |
| Intangible assets | 1,362 | 2,107 |
| Deferred financing fees | 429 | 328 |
| Other assets | 384 | 396 |
| Corporate expenses | 5,389 | 5,449 |
| | 108,351 | 102,081 |
| Income before the undernoted items | 11,042 | 8,851 |
| Equity income from Equity One, Inc. | - | 4,030 |
| Other gains (losses) and (expenses) | 1,727 | 163 |
| Income before income taxes | 12,769 | 13,044 |
| Income taxes | | |
| Current | - | 1,015 |
| Future | 3,000 | 2,947 |
| | 3,000 | 3,962 |
| Net income | \$ 9,769 | \$ 9,082 |
| Earnings per common share, basic and diluted | \$ 0.10 | \$ 0.10 |

FIRST CAPITAL REALTY INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

| <i>(unaudited)</i> | Three months ended | |
|--|--------------------|------------------|
| | March 31 | March 31 |
| | 2010 | 2009 |
| <i>(thousands of dollars)</i> | | |
| NET INCOME | \$ 9,769 | \$ 9,082 |
| OTHER COMPREHENSIVE INCOME (LOSS) | | |
| Unrealized foreign currency gains on translating self-sustaining foreign operations | | |
| Gains arising during the period | - | 1,658 |
| Other comprehensive income of Equity One, Inc. | | |
| Gains arising during the period | - | 3,365 |
| Unrealized gains on cash flow hedges of interest rates | | |
| Unrealized gains arising during the period | - | 421 |
| Change in cumulative unrealized gains (losses) on available-for-sale marketable securities | | |
| Unrealized losses arising during the period | - | (2,309) |
| Reclassification adjustments for gains included in net income | (1,093) | - |
| Other comprehensive (loss) income before income taxes | (1,093) | 3,135 |
| Future income tax (recovery) expense | (175) | 233 |
| Other comprehensive (loss) income | (918) | 3,368 |
| COMPREHENSIVE INCOME | \$ 8,851 | \$ 12,450 |

FIRST CAPITAL REALTY INC.

CONSOLIDATED STATEMENTS OF FUNDS FROM OPERATIONS

| <i>(thousands of dollars, except per share amounts)</i> | Three months ended | |
|--|--------------------|-------------------|
| | March 31 2010 | March 31 2009 |
| Net income for the period | \$ 9,769 | \$ 9,082 |
| Add (deduct): | | |
| Amortization of shopping centres, deferred leasing costs and intangible assets | 24,558 | 23,586 |
| Loss (gain) on disposition of income-producing shopping centres | 19 | (211) |
| Equity income from Equity One | - | (4,030) |
| Funds from operations from Equity One | - | 6,869 |
| Future income taxes | 3,000 | 2,947 |
| Funds from operations ("FFO") | 37,346 | 38,243 |
| FFO per diluted share | \$ 0.38 | \$ 0.42 |
| Weighted average diluted shares - FFO | 97,297,869 | 91,172,216 |

FIRST CAPITAL REALTY INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

| <i>(unaudited)</i> <i>(thousands of dollars)</i> | Three months ended | |
|--|--------------------|------------------|
| | March 31 2010 | March 31 2009 |
| CASH FLOW PROVIDED BY (USED IN): | | |
| OPERATING ACTIVITIES | | |
| Net income | \$ 9,769 | \$ 9,082 |
| Items not affecting cash | | |
| Amortization | 25,371 | 24,310 |
| Amortization of above- and below-market leases | (513) | (713) |
| Rent revenue recognized on a straight-line basis | (1,703) | (977) |
| Gain on disposition of income-producing property | 19 | (211) |
| Gains on disposition of land | - | (118) |
| Realized (gains) losses on sale of marketable securities | (1,379) | 780 |
| Change in cumulative unrealized (gains) losses on marketable securities held-for-trading | (114) | (1,352) |
| Loss on settlement of debt | 477 | 738 |
| Non-cash compensation expense | 607 | 872 |
| Interest paid in excess of effective interest on assumed mortgages | (282) | (320) |
| Effective interest rate in excess of coupon rate on senior unsecured and convertible debentures | 338 | 218 |
| Convertible debenture interest paid in common shares | 8,710 | 6,360 |
| Other non-cash interest expense | 825 | 652 |
| Equity income from Equity One, Inc. | - | (4,030) |
| Unrealized gains on interest rate swaps not designated as hedges | (623) | - |
| Loss on foreign currency exchange | 35 | - |
| Future income taxes | 3,000 | 2,947 |
| Deferred leasing costs | (1,184) | (1,025) |
| Dividends received from Equity One, Inc. | - | 5,328 |
| Net change in non-cash operating items | (11,643) | (18,411) |
| Cash provided by operating activities | 31,710 | 24,130 |
| INVESTING ACTIVITIES | | |
| Acquisition of shopping centres | (32,343) | (5,685) |
| Acquisition of land and shopping centres held for development | (21,167) | (1,399) |
| Proceeds from disposition of shopping centre | 200 | - |
| Proceeds from disposition of land held for development | - | 70 |
| Expenditures on shopping centres | (5,478) | (6,183) |
| Expenditures on land and shopping centres under development | (23,227) | (30,833) |
| Changes in accounts payable and accrued liabilities related to investing activities | (8,950) | (23,455) |
| Increase in loans and mortgages receivable | (90) | (693) |
| Investment in marketable securities | (10,551) | (2,687) |
| Return of capital from investments in marketable securities | (179) | 636 |
| Proceeds from disposition of marketable securities | 9,848 | 3,295 |
| Cash used in investing activities | (91,937) | (66,934) |
| FINANCING ACTIVITIES | | |
| Mortgage financings, loans and credit facilities | | |
| Borrowings, net of financing costs | 29,151 | 267,843 |
| Principal instalment payments | (8,633) | (10,078) |
| Other repayments on maturity | (71,092) | (186,186) |
| Issuance of convertible debentures, net of issue costs | (40) | - |
| Issuance of senior unsecured debentures, net of issue costs | 123,950 | - |
| Issuance of common shares, net of issue costs | 15,427 | (60) |
| Payment of dividends | (30,734) | (29,103) |
| Cash provided by financing activities | 58,029 | 42,416 |
| Effect of currency rate movement on cash balances | - | 1,205 |
| (Decrease) increase in cash and cash equivalents | (2,198) | 817 |
| Cash and cash equivalents, beginning of the period | 4,548 | 7,263 |
| Cash and cash equivalents, end of the period | \$ 2,350 | \$ 8,080 |
| SUPPLEMENTARY INFORMATION | | |
| Cash income taxes paid | \$ - | \$ 458 |
| Cash interest paid | \$ 28,966 | \$ 30,587 |