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**Press Release**

**FIRST CAPITAL REALTY ANNOUNCES CONTINUED SOLID Q1 FINANCIAL RESULTS**

**Toronto, Ontario (May 11, 2009)** – 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 first quarter ended March 31, 2009.

**FIRST QUARTER 2009 HIGHLIGHTS:**

<i>(\$ millions, except per share amounts)</i>	<i>31 Mar 2009</i>	<i>31 Mar 2008</i>	<i>Percentage Change</i>
Property rental revenue	\$ 110.3	\$ 101.8	8.3%
Net operating income (NOI)	\$ 68.3	\$ 63.3 <sup>(2)</sup>	7.9%
Funds from operations (FFO) <sup>(1)</sup>	\$ 38.2	\$ 34.5 <sup>(2)</sup>	10.7%
FFO per diluted share <sup>(1)</sup>	\$ 0.42	\$ 0.42 <sup>(2)</sup>	-
Weighted average diluted shares for FFO (000’s)	91,172	81,363	12.1%
Adjusted funds from operations (AFFO)	\$ 36.9	\$ 31.6 <sup>(2)</sup>	16.8%
AFFO per diluted share	\$ 0.37	\$ 0.35 <sup>(2)</sup>	5.7%
Weighted average diluted shares for AFFO (000’s)	99,552	89,989	10.6%
Enterprise value	\$ 3,900	\$ 4,200	
Debt to aggregate assets	54.5%	53.7%	
Debt to total market capitalization	58.1%	48.0%	

<sup>(1)</sup> See Funds from Operations section of this press release.

<sup>(2)</sup> Comparative amounts have been restated for a change in accounting standards. See “Financial Highlights”.

## **OPERATIONS HIGHLIGHTS:**

- Invested \$45 million in acquisitions, development activities and property improvements
- Completed 158,000 square feet of gross leasable area from acquisitions, development and redevelopment
- Acquired two land parcels adjacent to existing properties comprising 0.7 acres of commercial land for future development
- 5.7% same property NOI growth; 2.2% same property NOI growth excluding redevelopment and expansion
- 9.9% increase on rate per square foot on 269,000 square feet of renewal leases
- Occupancy of 96% which compares to 96.4% at December 31, 2008. Vacancy includes 1% of space held for redevelopment
- Gross new leasing totalled 274,000 square feet including development and redevelopment coming on line; lease closures totalled 281,000 square feet and closures for redevelopment totalled 86,000 square feet
- Average lease rate per occupied square foot increased by 4.1% to \$15.24 at March 31, 2009 compared to \$14.64 in the prior year first quarter
- Completed new leasing on existing space totalling 150,000 square feet at an average rate of \$17.36 per square foot
- Lease rates on openings and redevelopment coming on line increased by 21.7% versus all lease closures.

“The solid operating performance of our properties positively reflects our continued focus on operations, the defensive nature of our asset class, and our strong urban locations”, said Dori J. Segal, President & C.E.O., “Going forward, we continue to prudently evaluate selective acquisitions in our trade areas that are complementary to our portfolio while investing in value-added development and re-development activities.”

## **FINANCIAL HIGHLIGHTS**

Comparative amounts have been restated for a change in accounting standards with respect to goodwill and intangible assets. This change resulted in an increase in FFO for the first quarter of 2008 of \$0.2 million and nil change in net income.

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**

Funds from operations totalled \$38.2 million or \$0.42 per diluted common share for the three months ended March 31, 2009 compared to \$34.5 million or \$0.42 per diluted share in the same period for the prior year.

The increase in FFO was primarily due to an increase in net operating income resulting from same property NOI growth as well as acquisitions and development coming on line partially offset by increased interest expense and decreased interest and other income.

FFO for the first quarter of 2009 included non-recurring items totalling \$0.02 per diluted share consisting primarily of non-recurring FFO from Equity One. The first quarter of 2008 also included non-recurring items totalling \$0.02 per diluted share which consisted primarily of net gains on land sales.

### Adjusted Funds from Operations

Management views AFFO as an effective measure of cash generated from operations. AFFO for the three months ended March 31, 2009 totalled \$36.9 million or \$0.37 per diluted common share compared to \$31.6 million or \$0.35 per diluted common share in the prior year. AFFO is calculated by adjusting FFO for straight-line and market rent adjustments, non-cash compensation expenses, interest payable in shares, non-cash gains or losses on debt, hedges and land sales and actual costs incurred for capital expenditures and leasing costs for maintaining shopping centre infrastructure and current lease revenues. The Company's proportionate share of Equity One FFO is excluded and only the regular cash dividends are included in AFFO. The weighted average diluted shares outstanding for AFFO is adjusted to assume conversion of the outstanding convertible debentures.

### Net Income

(\$ thousands, except per share amounts)	Three months ended Mar. 31	
	2009	2008
Net income	\$ 9,082	\$ 8,382 <sup>(1)</sup>
Earnings per share (diluted)	\$0.10	\$0.10 <sup>(1)</sup>
Weighted average common shares – diluted (000's)	91,172	81,363

<sup>(1)</sup> Comparative amounts have been restated for a change in accounting standards.

Net income for the three months ended March 31, 2009 was \$9.1 million or \$0.10 per share (basic and diluted) compared to \$8.4 million or \$0.10 per share (basic and diluted) for the prior year comparable period. The increase in net income is primarily due to an increase in NOI resulting from development projects coming on line, same property NOI growth and increased equity income from Equity One, offset by an increased amortization expense and decreased interest and other income. Interest and other income for the three months ended March 31, 2008 included \$1.3 million in gains on the sale of land. 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 HIGHLIGHTS

During the first quarter of 2009, the Company acquired a 27,000 square foot retail property in Toronto, Ontario. The Company also acquired two land parcels adjacent to existing properties comprising a total of 0.7 acres of commercial land for future development. Total investment in the retail property and land sites amounted to \$7.2 million.

Development of 87,000 square feet was brought on line during the first quarter with 81,000 square feet leased at an average rate of \$19.16 per square foot.

The Company also invested \$38.0 million during the first quarter in its active development projects and improvements to existing properties.

### **OPERATING HIGHLIGHTS**

Net operating income for the three months ended March 31, 2009 totalled \$68.3 million, compared to \$63.3 million in the first quarter of 2008, an increase of \$5.0 million or 7.9%. Development and redevelopment in the first quarter of 2009 contributed \$4.9 million to quarterly net operating income. Acquisitions in the first quarter of 2009, combined with the full impact of acquisitions in the prior year, contributed a further \$0.8. Same property net operating income increased 5.7%, generating growth of \$3.4 million in the first quarter 2009.

Gross new leasing totalled 274,000 square feet including development and redevelopment coming on line. Lease rates on openings, and redevelopment coming on line increased by 21.7% versus all lease closures. The Company achieved a 9.9% increase on 269,000 square feet of renewal leases over the expiring lease rates.

The average rate per occupied square foot at March 31, 2009 increased to \$15.24. This compares to an average rate of \$15.17 per square foot at December 31, 2008.

Portfolio occupancy at March 31, 2009 of 96% compares to 96.4% at December 31, 2008 and 95.5% at March 31, 2008. Closures for redevelopment totalled 86,000 square feet for the first quarter of 2009 providing potential for future income growth through leasing and redevelopment activities.

### **FINANCING AND CAPITAL MARKET HIGHLIGHTS**

For the period ending March 31, 2009, First Capital Realty closed on the following financings:

- A three year, \$450 million secured revolving credit facility 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.
- A three year, \$75 million secured revolving credit facility with the Bank of Nova Scotia maturing January 2012.
- Five secured financing transactions for gross proceeds of \$80.5 million at a weighted average interest rate of 5.9% and a weighted average term to maturity of 7.05 years.

First Capital Realty issued 2.1 million common shares for net proceeds of \$35.8 million in the quarter primarily from the following activities:

- On February 17, 2009 the Company issued 1.4 million common shares to acquire 1.8 million shares of Allied Properties REIT;
- On March 31, 2009, the Company issued 434,000 common shares at a net price of \$14.66 as payment of the interest due to holders of the 5.50% convertible debentures. It is the current intention of the Company to continue to satisfy its obligations to pay principal and interest on these convertible debentures by the issuance of common shares.

- Convertible debentures totalling \$6.3 million in principal were converted at the option of the holder resulting in the issuance of approximately 232,000 common shares

## **SUBSEQUENT EVENT HIGHLIGHTS**

### **Financing Completed**

The Company completed one secured financing transaction for gross proceeds of \$10.5 million at an interest rate of 6.4% and a term to maturity of 10 years

### **Acquisitions**

- On April 15<sup>th</sup>, 2009 the Company acquired an 8.44 acre piece of land for future development. The land is located on Laird Drive in Toronto, Ontario. The purchase price of \$7.7 million, including closing costs, was satisfied in cash.
- On May 12, 2009 the Company expects to close the acquisition of an 11,000 square foot building leased to Shoppers Drug Mart located on St-Denis Street, in Montreal, QC. The purchase price of \$3.5 million, including closing costs, will be satisfied in cash.

### **Quarterly Dividend**

The Company announced that it will pay a second quarter dividend of \$0.32 per common share on July 9, 2009 to shareholders of record on June 26, 2009.

### **Equity One**

Subsequent to quarter end, Equity One issued and sold approximately 6.7 million common shares of its common stock in an underwritten public offering at a price of USD\$14.30 per share that the Company did not participate in. Concurrently with the public offering, Equity One also issued and sold approximately 2.5 million shares of its common stock to an affiliate of its largest shareholder, Gazit-Globe, Ltd., at the public offering price in a private placement. The public offering and the concurrent private placement generated net proceeds of approximately USD\$126.2 million. As a result, the Company's share in Equity One was diluted to 16.4% from 18.4%.

## **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 extremely competitive, however the competition seems to have shifted to the capital side of the Company's business. Both debt and equity markets are challenging relative to pricing currently being asked by the 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 in the current environment of increasing cost and scarcity of capital.

Specifically, Management will focus on the following four areas to achieve its objectives in 2009:

- same property net operating income growth, taking into account maintaining high occupancy;
- development and redevelopment activities;
- increasing efficiency and productivity of operations; and
- careful capital allocation to decrease dependence on capital markets.

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.

## 2009 GUIDANCE

<i>(per share amounts, except for projected FFO and shares outstanding)</i>	<i>Low</i>	<i>High</i>
<b>FFO Guidance</b>		
Projected diluted net income	\$0.41	\$0.43
Adjustments		
Projected FFO from Equity One	0.22	0.24
Projected equity income from Equity One	(0.14)	(0.16)
Projected amortization and future income taxes	1.14	1.19
Projected FFO per share	\$1.63	\$1.70
Projected FFO	\$150.2M	\$156.8M
Projected weighted average shares outstanding for per share FFO calculations	92.4M	
<b>AFFO Guidance</b>		
Projected FFO	\$150.2M	\$156.8M
Projected weighted average shares outstanding for per share AFFO calculations (including conversion of convertible debentures)	100.8M	
Projected FFO (using weighted average AFFO shares outstanding)	\$1.49	\$1.56
Projected dividend income – return of capital portion	0.03	0.03
Projected dividends from Equity One net of FFO from Equity One	0.01	(0.01)
Projected revenue sustaining capital expenditures	(0.12)	(0.10)
Projected non cash items, net	0.08	0.09
Projected AFFO	\$1.49	\$1.57

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, the U.S. - Canadian foreign currency exchange rate, 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.

Guidance is based on specific assumptions including:

- Same property NOI growth of 1.5 – 2.25% (excluding redevelopment and expansion);
- Development, redevelopment and expansion coming on-line of 600,000 – 700,000 square feet with approximate gross book value of \$175 to \$200 million;
- Income-producing property acquisitions totalling \$27 million;
- Equity One FFO is based on publicly available information and guidance adjusted to Canadian GAAP;
- Current dividend income from securities held is based on publicly available information;
- Current interest rate environment in Canada and the United States;
- Current US-Canadian foreign exchange rate;
- Current income tax rates;

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 2009, 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**

Management will hold a conference call on Tuesday, May 12, 2009 at 1:00 p.m. EST. First quarter financial results will be released prior to the call and made available on First Capital Realty's website in the *Investor Relations, Conference Calls* section. The *Supplemental Package* link will be on our Home Page at [www.firstcapitalrealty.ca](http://www.firstcapitalrealty.ca) or click on *Investor Relations, Downloads*. To access the conference call webcast and slide presentation, go to First Capital Realty's website at [www.firstcapitalrealty.ca](http://www.firstcapitalrealty.ca) and click on the link for the webcast at the top of our *Home Page*. The webcast will be archived on our *Home Page* for 30 days and can be accessed, thereafter, in our *Conference Calls* section of our website.

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 19, 2009 and can be accessed by dialing toll free 800-408-3053 or 416-695-5800 with access code 4005608.

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 the pound key '#'. 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 173 properties, including four under development, totalling approximately 20.2 million square feet of gross leasable area and 7 land sites in the planning stage for future retail development. In addition, the Company owns 14.1 million shares of Equity One (approximately 18.4%), one of the largest shopping centre REITS in the southern U.S., that trades on the New York Stock Exchange under the ticker symbol EQY. Including its investment in Equity One, the Company has interests in 363 properties totalling approximately 40.7 million square feet of gross leasable area.

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### **Forward Looking Statements**

*This press release and in particular the “Outlook” 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”, “plan”, “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 MD&A for the year ended December 31<sup>st</sup>, 2008.*

*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” 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. The assumptions used in developing the Company’s guidance are set out in the “Outlook” section of this press release.*

*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 May 12, 2009.*

For further information:  
Dori J. Segal, President & C.E.O., or  
Karen H. Weaver, C.F.O.  
First Capital Realty Inc.  
85 Hanna Avenue, Suite 400  
Toronto, Ontario, Canada M6K 3S3  
Tel: (416) 504-4114  
Fax: (416) 941-1655

[www.firstcapitalrealty.ca](http://www.firstcapitalrealty.ca)

## **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 – RealPac Recommendations***

*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***

*Net operating income ("NOI") is defined as property rental revenue less property operating costs. In Management's opinion, net operating income is useful in analyzing the operating performance of the Company's shopping centre portfolio. Net operating income is not a measure defined by GAAP and there is no standard definition of net operating income. As a result, net operating income may not be comparable with similar measures presented by other entities. Net operating income 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>	<b>March 31</b>	December 31
<i>(thousands of dollars)</i>	<b>2009</b>	2008 <sup>(1)</sup>
		(restated)
<b>ASSETS</b>		
Real Estate Investments		
Shopping centres	\$ 3,040,191	\$ 3,040,257
Land and shopping centres under development	304,965	281,959
Deferred leasing costs	16,240	16,146
Intangible assets	27,037	29,312
	<b>3,388,433</b>	3,367,674
Investment in Equity One, Inc.	237,780	227,259
Loans, mortgages and other real estate assets	53,622	32,480
	<b>3,679,835</b>	3,627,413
Other assets	30,655	27,448
Amounts receivable	50,705	45,501
Cash and cash equivalents	8,080	7,263
Future income tax assets	12,032	11,977
	<b>\$ 3,781,307</b>	\$ 3,719,602
<b>LIABILITIES</b>		
Mortgages, loans and credit facilities	\$ 1,657,535	\$ 1,573,530
Accounts payable and other liabilities	127,837	166,507
Intangible liabilities	16,481	17,264
Senior unsecured debentures	593,514	593,288
Convertible debentures	212,698	218,247
Future income tax liabilities	58,501	55,620
	<b>2,666,566</b>	2,624,456
<b>SHAREHOLDERS' EQUITY</b>	<b>1,114,741</b>	1,095,146
	<b>\$ 3,781,307</b>	\$ 3,719,602

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

FIRST CAPITAL REALTY INC.

**CONSOLIDATED STATEMENTS OF EARNINGS**

	Three months ended March 31	
<i>(unaudited)</i>		
<i>(thousands of dollars, except per share amounts)</i>	<b>2009</b>	2008 <sup>(1)</sup>
		(restated)
<b>REVENUE</b>		
Property rental revenue	\$ 110,343	\$ 101,762
Interest and other income	752	1,663
	<b>111,095</b>	103,425
<b>EXPENSES</b>		
Property operating costs	42,043	38,463
Interest expense	30,279	29,615
Amortization		
Shopping centres	20,550	18,113
Deferred leasing costs	929	849
Intangible assets	2,107	2,213
Deferred financing fees	328	204
Other assets	396	273
Corporate expenses	5,449	5,875
	<b>102,081</b>	95,605
Equity income from Equity One, Inc.	4,030	3,810
Income before income taxes	<b>13,044</b>	11,630
Income taxes		
Current	1,015	642
Future	2,947	2,606
	<b>3,962</b>	3,248
Net income	<b>\$ 9,082</b>	\$ 8,382
Earnings per common share, basic and diluted	<b>\$ 0.10</b>	\$ 0.10

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

FIRST CAPITAL REALTY INC.

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	Three months ended March 31	
<i>(unaudited)</i>		
<i>(thousands of dollars)</i>	<b>2009</b>	2008 <sup>(1)</sup>
		(restated)
<b>NET INCOME</b>	<b>\$ 9,082</b>	<b>\$ 8,382</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>		
Unrealized foreign currency gain on translating self-sustaining foreign operations		
Gains arising during the period	<b>1,658</b>	1,594
Other comprehensive gains (losses) of Equity One, Inc.		
Gains (losses) arising during the period	<b>3,365</b>	(1,274)
Unrealized gains (losses) on cash flow hedges of interest rates		
Unrealized gains (losses) arising during the period	<b>421</b>	(1,875)
Change in cumulative unrealized losses on available-for-sale marketable securities		
Unrealized losses arising during the period	<b>(2,309)</b>	(103)
Reclassification adjustments for losses included in net income	<b>-</b>	52
	<b>(2,309)</b>	(51)
Other comprehensive income (loss) before income taxes	<b>3,135</b>	(1,606)
Future income tax recovery	<b>233</b>	676
Other comprehensive income (loss)	<b>3,368</b>	(930)
<b>COMPREHENSIVE INCOME</b>	<b>\$ 12,450</b>	<b>\$ 7,452</b>

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

FIRST CAPITAL REALTY INC.

**CONSOLIDATED STATEMENTS OF FUNDS FROM OPERATIONS**

	Three months ended March 31	
<i>(thousands of dollars, except per share amounts)</i>	<b>2009</b>	2008 <sup>(1)</sup>
		(restated)
Net income for the period	\$ 9,082	\$ 8,382
Add (deduct):		
Amortization of shopping centres, deferred costs and intangible assets	23,586	21,175
Gain on disposition of income-producing shopping centres	(211)	-
Equity income from Equity One	(4,030)	(3,810)
Funds from operations from Equity One	6,869	6,182
Future income taxes	2,947	2,606
Funds from operations ("FFO")	\$ 38,243	\$ 34,535
FFO per diluted share	\$ 0.42	\$ 0.42
Weighted average diluted shares - FFO	91,172,216	81,363,323

**CONSOLIDATED STATEMENTS OF ADJUSTED FUNDS FROM OPERATIONS**

	Three months ended March 31	
<i>(thousands of dollars, except per share amounts)</i>	<b>2009</b>	2008 <sup>(1)</sup>
FFO	\$ 38,243	\$ 34,535
Add / (deduct):		
Rental revenue recorded on a straight-line basis and market rent adjustments	(1,690)	(1,886)
Non-cash compensation expense	872	965
Interest expense payable in shares	3,458	3,480
Change in cumulative unrealized gain on marketable securities	(1,269)	(9)
Dividend income - return of capital portion	636	-
Non-cash loss on extinguishment of debt	738	-
Funds from operations from Equity One	(6,869)	(6,182)
Dividends from Equity One (regular)	5,328	4,306
Gain on disposition of land	(118)	(1,275)
Revenue sustaining capital expenditures and leasing costs	(2,427)	(2,333)
Adjusted funds from operations ("AFFO")	\$ 36,902	\$ 31,601
AFFO per diluted share	\$ 0.37	\$ 0.35
Weighted average diluted shares for AFFO <sup>(2)</sup>	99,552,226	89,989,640

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

<sup>(2)</sup> Includes the weighted average outstanding shares that would result from the conversion of the convertible debentures.

FIRST CAPITAL REALTY INC.  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Three months ended March 31	
<i>(unaudited)</i>		
<i>(thousands of dollars)</i>	2009	2008 <sup>(1)</sup>
<b>CASH FLOW PROVIDED BY (USED IN):</b>		
<b>OPERATING ACTIVITIES</b>		
Net income	\$ 9,082	\$ 8,382
Items not affecting cash		
Amortization	24,310	21,652
Amortization of above- and below-market leases	(713)	(544)
Rent revenue recognized on a straight-line basis	(977)	(1,342)
Gain on disposition of income-producing property	(211)	-
Gains on disposition of land	(118)	(1,275)
Realized losses on sale of marketable securities	697	52
Change in cumulative unrealized losses (gains) on marketable securities	(1,269)	(9)
Loss on settlement of debt	738	-
Non-cash compensation expense	872	965
Interest paid in excess of effective interest on assumed mortgages	(320)	(465)
Effective interest rate in excess of coupon rate on senior unsecured and convertible debentures	218	207
Convertible debenture interest paid in common shares	6,360	6,483
Other non-cash interest expense	652	656
Equity income from Equity One, Inc.	(4,030)	(3,810)
Future income taxes	2,947	2,606
Deferred leasing costs	(1,025)	(958)
Dividends received from Equity One, Inc.	5,328	4,306
Net change in non-cash operating items	(23,307)	(15,527)
Cash provided by operating activities	19,234	21,379
<b>INVESTING ACTIVITIES</b>		
Acquisition of shopping centres	(5,685)	(6,648)
Acquisition of land for development	(1,399)	(11,017)
Proceeds from disposition of land held for development	70	-
Expenditures on shopping centres	(6,183)	(4,191)
Expenditures on land and shopping centres under development	(30,833)	(26,513)
Changes in accounts payable and accrued liabilities related to expenditures on land and shopping centres under development	(18,559)	2,371
Increase in loans and mortgages receivable	(693)	(219)
Investment in marketable securities	(2,687)	(172)
Return of capital from investment in marketable securities	636	-
Proceeds from disposition of marketable securities	3,295	-
Cash used in investing activities	(62,038)	(46,389)
<b>FINANCING ACTIVITIES</b>		
Mortgage financings, loans and credit facilities		
Borrowings, net of financing costs	267,843	87,390
Principal instalment payments	(10,078)	(9,361)
Other repayments on maturity	(186,186)	(118,361)
Issuance of common shares, net of issue costs	(60)	104,662
Payment of dividends	(29,103)	(5,849)
Cash provided by financing activities	42,416	58,481
Effect of currency rate movement on cash balances	1,205	(26)
Increase in cash and cash equivalents	817	33,445
Cash and cash equivalents, beginning of the period	7,263	10,451
Cash and cash equivalents, end of the period	\$ 8,080	\$ 43,896
<b>SUPPLEMENTARY INFORMATION</b>		
Cash income taxes paid	\$ 458	\$ 313
Cash interest paid	\$ 30,587	\$ 30,395

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