



Shopping For Everyday Life

Press Release

**MAJOR SHAREHOLDER OF FIRST CAPITAL REALTY PRESENTS VALUE OF FIRST CAPITAL REALTY'S PROPERTIES UNDER INTERNATIONAL FINANCIAL REPORTING STANDARDS**

**Toronto, Ontario (March 26, 2007)** - The major shareholder of First Capital Realty Inc. ("First Capital Realty") (TSX:FCR), Gazit-Globe Inc. ("Gazit"), released its financial results for the year ended December 31, 2006, including the aggregate value of First Capital Realty's shopping centre portfolio and land and shopping centres under development applying International Financial Reporting Standards ("IFRS"). First Capital Realty today released the IFRS values related to First Capital Realty's portfolio that have been incorporated within the values that were released by Gazit.

The most significant difference between IFRS and Canadian generally accepted accounting principles ("Canadian GAAP") for this purpose is that income-producing shopping centres ("Shopping Centres") are presented at fair market value under IFRS as opposed to cost less accumulated amortization under Canadian GAAP. In addition, the values of deferred costs, straight line rents receivable and intangible assets and liabilities related to Shopping Centres are not presented separately under IFRS as their values are incorporated within the values for Shopping Centres. Land and shopping centres under development ("Development Properties") are presented at cost under both IFRS and Canadian GAAP. In addition, First Capital Realty's future income tax liability increases as a result of the change in value of the Shopping Centres under IFRS. This information is set out in the table below:

<i>\$ millions</i>	<b>As at December 31, 2006</b>
IFRS value of Shopping Centres and Development Properties	\$ 3,413
Canadian GAAP value of Shopping Centres and Development Properties (Note 1)	2,705
Difference between IFRS value and Canadian GAAP value	708
Increase in future income taxes as a result of the difference in value	(123)
Difference in value, net of taxes	\$ 585

*Note 1 – Includes the net book value of Shopping Centres, Development Properties, deferred costs, straight line rents receivable and intangible assets and liabilities.*

Of the total fair value of Shopping Centres, approximately 91% was determined through independent appraisals which were completed by a nationally recognized appraisal firm. The Shopping Centres were appraised on an individual basis, with no portfolio effect considered. The remainder of the values of the Shopping Centres, which consist primarily of recently completed development projects and acquisitions, were based upon the costs of these Shopping Centres to First Capital Realty. The total IFRS values of Shopping Centres as at December 31, 2006, 2005 and 2004 were \$3.26 billion, \$2.42 billion and \$1.79 billion, respectively. The independent appraisals were prepared so as to comply with the fair value model described in the *IAS 40 - Investment Property* and the International Valuation Standard.

The primary method of appraisal was an income approach, since purchasers typically focus on expected income. For each property, the appraisers conducted and placed reliance upon a) a direct capitalization method, which is the appraisers' estimate of the relationship between value and stabilized income, normally in the first year and b) a discounted cash flow method, which is the appraisers' estimate of the present value of future cash flows over a specified horizon, including the potential proceeds from a deemed disposition. The determination of these values required management and the appraisers to make estimates and assumptions that affect the values presented, and actual values in a sales transaction may differ from the values shown above. Based on these valuation methods, the aggregate weighted average stabilized capitalization rate on the Shopping Centres as at December 31, 2006 was 6.81%.

**ABOUT FIRST CAPITAL REALTY (TSX:FCR)**

First Capital Realty is Canada's leading owner, developer and operator of supermarket anchored neighbourhood and community shopping centres, located predominantly in growing metropolitan areas. The Company currently owns interests in 159 properties, including 6 under development, with approximately 18.8 million square feet of gross leasable area. In addition, the Company owns 13.9 million shares of Equity One (approximately 19.1%), 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 332 properties totalling approximately 36.8 million square feet of gross leasable area.

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