FIRST CAPITAL REALTY INC.

third quarter report

september 30, 2002

CORPORATE PROFILE

FIRST CAPITAL REALTY INC. (TSX:FCR) is a growth-oriented, publicly traded real estate investment company that concentrates on the ownership of neighbourhood and community shopping centres in high-growth areas in Canada and the United States.

The Company's primary objective is the creation of value through long-term maximization of cash flow and capital appreciation from its growing shopping centre portfolio. In Canada, this objective is achieved by proactively managing the existing shopping centre portfolio, through a focused and disciplined acquisition strategy and by undertaking selective development and redevelopment activities. First Capital Realty principally invests in well-anchored shopping centres with tenants that generally provide customers with basic necessities. These tenants are somewhat less affected by economic cycles, and usually sign long-term leases. In the United States, the Company is active through its holdings in Equity One, Inc. (NYSE:EQY), one of the largest neighbourhood and community shopping centre real estate investment trusts in Florida and Texas.

First Capital Realty is managed by experienced real estate professionals who have a significant interest in creating long-term value for all shareholders. First Capital Realty's common shares, convertible debentures, debentures and warrants trade on The Toronto Stock Exchange.

In addition to its 11.1 million shares of Equity One, the Company currently owns interests in 65 Canadian properties, including one under development, with approximately 8.3 million square feet of net leasable area. Including its investment in Equity One, the Company has interests in 153 properties totalling approximately 17.0 million square feet of net leasable area.

QUARTERLY FINANCIAL HIGHLIGHTS

($000s, except per share data)	Three months ended Sept. 30, 2002	Sept. 30, 2001	Nine months ended Sept. 30, 2002	Sept. 30, 2001
Funds from operations ("FFO") before recovery of previous management's incentive and other fees	$ 11,212	$ 8,066	$ 30,532	$ 27,401
Recovery of previous management's incentive and other fees	–	$ 8,538	–	$ 8,538
FFO	$ 11,212	$ 16,604	$ 30,532	$ 35,939
Diluted FFO per share before recovery of previous management's incentive and other fees	$ 0.33	$ 0.28	$ 0.96	$ 0.95
Diluted FFO per share	$ 0.33	$ 0.54	$ 0.96	$ 1.21
Unremitted Equity One FFO	$ 2,286	$ –	$ 4,999	$ –
Net rental income – Canada	$ 19,629	$ 15,365	$ 54,964	$ 44,888
Net rental income – U.S.	$ –	$ 8,266	$ –	$ 28,233
Equity income from Equity One	$ 6,421	$ 341	$ 17,508	$ 341
Net earnings	$ 7,503	$ 16,947	$ 22,032	$ 25,299
Diluted earnings per share	$ 0.18	$ 0.53	$ 0.58	$ 0.83

Third quarter highlights

- Generated $11.2 million in funds from operations, or $0.33 per share (diluted). Including unremitted Equity One funds from operations, and before the recovery of previous management's incentive and other fees, FFO increased 67% over Q3 2001.
- Acquired an interest in 2 properties for approximately $25 million.
- Acquired land and additional retail space adjacent to existing shopping centres for $10.8 million.
- Spent $16.3 million on development and redevelopment in the quarter.
- Raised $22.1 million from the exercise of 1.9 million share purchase warrants at $11.80 a share.
- Satisfied interest due on 7.0% Series C convertible debentures by issuing common shares in lieu of cash (294,603 common shares issued to satisfy $3.5 million interest obligation).
- Received $4.7 million in Equity One (NYSE:EQY) dividends.
- Paid a third quarter dividend of $0.27 per common share.

Subsequent to Third Quarter

- U.S. affiliate Equity One announced an agreement to acquire Atlanta-based IRT Property Company for US$426 million, to be paid 50% in stock and 50% in cash.
- Acquired one property and an additional interest in an existing property for a total of $15 million.
- Announced intention to pay interest on 7.25 % Series D convertible debentures (FCR.DB.D) by way of common shares on December 31, 2002. Floor price for common shares is set at $12.00.
- Offered to exchange 7.5% debentures for 7.25% convertible debentures.

REPORT TO SHAREHOLDERS

(INCLUDING MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS)

This quarter we made significant progress executing our strategy of growing our business and FFO while increasing our equity base and our public float. Since last quarter, our public equity float was increased by paying interest with common shares and using our shares as currency for acquisitions. Further more, we issued 1.9 million shares from the exercise of warrants. We increased our funds from operations by 7%, our public float by 11% and maintained an FFO per share of $0.33, on a diluted basis.

We also announced that we will pay a fourth quarter dividend of $0.28 per common share on January 6, 2003 to shareholders of record on December 27, 2002.

OPERATIONS REVIEW

Acquisitions and Dispositions

In August 2002, we acquired Westney Heights Plaza, a 148,000 square foot shopping centre in Ajax, Ontario for $21 million, including closing costs. Leases have been entered into with a national supermarket and a national drug store, for a total of 70,000 square feet, both scheduled to open by the end of the year. Renovations on the rest of the centre continue and are expected to be complete by the end of 2002.

In September 2002, land adjacent to Red Deer Village in Alberta was purchased for cash of $5.9 million. A lease for a new 43,000 square foot national supermarket has been signed. We intend to redevelop the existing centre and build additional retail space. In addition, during the quarter, $1.4 million of land and additional retail space located adjacent to two of our shopping centres were purchased for future development and redevelopment. In September, we also acquired the freehold interest in the land under our Centre Domaine shopping centre, in Montreal, Quebec, for approximately $3.5 million.

In two separate transactions in September and November, we acquired Midland Lawrence Plaza, a 76,000 square foot shopping centre in Toronto, which is currently undergoing redevelopment, for approximately $8 million, paid in cash and 72,000 common shares issued at $12.30 per share. A 40,000 square foot Price Chopper has been completed and opened on November 1, 2002.

In October 2002 we acquired Byron Village Shopping Centre, an 89,000 square foot property located in London, Ontario, for $11 million including closing costs.

In October, the Company received a $1.6 million lease termination payment from Zellers in Sherwood Towne Square, Alberta. This 94,000 square foot vacant Zellers store was subsequently sold to Home Depot, which will open next summer, for cash proceeds of $4.4 million.

Development and Redevelopment Activities

Development and redevelopment continue to be an important part of the business, and we expect to continue to be very active in these areas. We expect a number of these activities to come on line late in the fourth quarter and to be fully reflected in our 2003 results.

In the third quarter, 117,000 square feet of our joint venture development in Lachenaie came on line. A further 68,000 square feet is under construction based on committed leasing. An additional 75,000 square feet will be built as leases are signed.

In September, construction commenced on a new Wal-Mart store in Brantford, Ontario. Once the new store is opened in the second quarter of 2003, the old store will be demolished and this will allow the development of at least 35,000 square feet of additional retail space.

In Delson, Quebec, the 37,000 square foot Maxi store has been redeveloped into a 65,000 square foot new Loblaws. In Galeries Brien, the 25,000 square foot IGA is under construction to be expanded to 40,000 square feet. In addition, in Quebec, two expansions of Pharmaprix (Shoppers Drug Mart) stores are underway and will be completed by year end.

Major new tenants opened in the quarter include a 29,000 square foot Bally's fitness centre in Cedarbrae, a 27,500 square foot Winners in Parkway Centre and a 10,000 square foot Pier One Imports free-standing building adjacent to our Toys R Us building in Montreal.

After quarter end, a new 54,000 square foot A&P opened in our joint venture in Brampton, Ontario. Leasing has been secured for an additional 48,000 square feet in the centre. Construction has also commenced on a new 40,000 square foot supermarket in our Delta Centre in Cambridge, Ontario.

We expect to spend $17 million during the remainder of the year on these development, redevelopment and renovation activities. We also have plans to complete renovations on 4 additional centres this year.

Equity One

Subsequent to quarter end, Equity One announced that it was acquiring IRT Property Company, based in Atlanta, Georgia. The combined company will have US$1.56 billion in total market capitalization, US$766 million in equity market capitalization and will own 181 properties totalling 18.7 million square feet, primarily located in the Southeastern United States. This transaction is accretive to earnings, and enhances the quality and the liquidity of the

Company's investment in the United States. Equity One will become one of the largest retail REITS in the Southeast, and the dominant player in Florida.

In the transaction, each IRT shareholder may elect to receive US$12.15 in cash or 0.9 shares of Equity One for each common share of IRT, or a combination thereof. The terms of the agreement provide that holders of no more than 50% of IRT's outstanding common stock may receive cash.

Upon closing, and assuming a 50% cash election, First Capital Realty will be diluted from an approximate 33% holding in Equity One common shares at present to approximately 21% after the transaction. First Capital Realty also expects that it could recognize, for accounting purposes, a dilution gain of approximately $12 million as a result of the transaction. The size of the gain will be dependent on several factors at the time of the transaction, including the number of Equity One shares issued, the book value of the Company's investment in Equity One and the foreign exchange rate.

Equity One has secured binding commitments to finance the cash consideration. Equity One intends to fund a portion of the cash consideration through the private placement of up to 6.9 million shares of Equity One common stock to existing, affiliated investors at a price of US$13.30 per share subject to pro rata upward adjustment to a maximum of US$13.50 per share as the number of IRT shares converted into Equity One common stock rises from 50% to approximately 55.8%. First Capital Realty will purchase up to 15%, or approximately one million, of the 6.9 million common shares. First Capital Realty has secured new bank financing to fund 50% of the purchase of these Equity One shares and the remainder will be funded from existing lines of credit.

The transaction is expected to take effect in the first quarter of 2003 and is subject to both Equity One and IRT shareholder approval and other customary conditions.

FINANCIAL REVIEW

Three months ended September 30, 2002

Funds from operations for the three months ended September 30, 2002 totalled $11.2 million or 65 cents per common share. On a diluted basis, funds from operations were 33 cents per common share in the third quarter of 2002. This compares to $16.6 million or $1.08 basic and 54 cents diluted in the prior year's equivalent three-month period. The prior year comparative includes an $8.5 million one-time recovery of previous management's incentive and other fees. In addition, under Canadian GAAP, the Company's share of Equity One's unremitted funds from operations, which is $2.3 million, is not included in funds from operations. If it were included, funds from operations would have been $13.5 million, or 78 cents per share basic and 39 cents per share diluted. This compares to $8.1 million or 52 cents basic and 28 cents diluted in the prior year's equivalent three-month period excluding the recovery of previous management's incentive and other fees.

Canadian net rental income for the third quarter was $19.6 million, compared to $15.4 million in the prior year comparative period. The acquisition of fourteen shopping centres and two freestanding retail buildings acquired in the first nine months of the year contributed $3.5 million to third quarter net rental income and same property growth contributed $0.2 million.

Net tenant openings in the quarter totalled 107,000 square feet, excluding the 64,000 square foot Zellers store lease that was terminated in Festival Marketplace. Excluding Zellers, First Capital Realty renewed 80% of its expiring leases.

U.S. properties in the prior year period contributed $8.3 million of income. No income from U.S. properties is included in the current year due to the Equity One transaction in September 2001, after which the company began to account for its U.S. interests on an equity basis.

Mortgage and credit facilities interest costs were $3.3 million lower in the third quarter of 2002 than in the third quarter of 2001. The elimination of interest expense on the U.S. properties due to the Equity One transaction resulted in a net decrease of $4.9 million. Partially offsetting this was a $1.6 million increase resulting from interest expense on properties acquired.

In addition, interest and other income was $1.7 million lower than in the prior year. 2001 included a $0.9 million gain on the sale of marketable securities. The reduction of cash balances and use of lines of credit also resulted in a reduction of interest income.

Net earnings were $7.5 million, or 18 cents per share basic and diluted, compared to $16.9 million, or 86 cents per share, basic and 53 cents diluted, in the prior year period. In addition to the $8.5 million prior year recovery of previous management's incentive and other fees and other factors noted above, the prior year included an $8.1 million gain on the disposition of a U.S. property. Net earnings were also affected by a $1.0 million reduction of amortization primarily due to the sale of our U.S. portfolio to Equity One and the tax impact of the items noted above.

We received a third quarter dividend payment from Equity One of $4.7 million, which currently pays a quarterly dividend of US$0.27 per share. Due to our participation in Equity One's dividend reinvestment plan, private placements and a public offering, our holding in Equity One increased to 11.1 million common shares.

Nine months ended September 30, 2002

Funds from operations for the nine months ended September 30, 2002 totalled $30.5 million or $1.88 per common share. On a diluted basis, funds from operations were 96 cents per common share. This compares to $35.9 million or $2.34 per share basic and $1.21 diluted in the prior year's equivalent nine-month period. The prior year comparative includes an $8.5 million one-time recovery of previous management's incentive and other fees. Under Canadian generally accepted accounting principles, the Company's share of Equity One's unremitted funds from operations, which is $5.0 million, is not included in funds from operations in the current year. If included, funds from operations would have been $35.5 million or $2.19 per share basic and $1.10 diluted in the current year. This compares to $27.4 million or $1.78 per share basic and 95 cents diluted in the prior year's equivalent nine-month period, excluding the one-time $8.5 million recovery of previous management's incentive and other fees in the prior year.

Canadian net rental income for the nine months ended September 30, 2002 was $55.0 million, compared to $44.9 million in the prior year comparative period. Acquisitions contributed $7.5 million to net rental income; same property growth also contributed $0.7 million in the current period. U.S. properties in the prior year period contributed $28.2 million of income. No income from U.S. properties is included in the current year. The Company accounts for its U.S. interests on an equity basis since the completion of the Equity One transaction in September 2001.

Mortgage and credit facilities interest costs were $9.5 million lower in the first nine months of 2002 than in 2001. The elimination of interest expense on the U.S. properties due to the Equity One transaction resulted in a net decrease of $14.8 million. Partially offsetting this was a $5.3 million increase resulting from interest expense on properties acquired.

Net earnings were $22.0 million, or 59 cents per share basic and 58 cents diluted, compared to $25.3 million, or 93 cents per share, basic and 83 cents diluted, in the prior year period. In addition to the factors noted above, net earnings were affected in the current period by a dilution gain on the investment in Equity One, net of tax, of $2.1 million, resulting from the issuance of Equity One shares at values in excess of the Company's carrying cost of these shares.

CAPITAL MARKET ACTIVITIES

We continue to look for ways to strengthen the balance sheet and increase the liquidity of our common shares as we grow our shopping centre portfolio.

During the quarter, we raised $22.1 million as a result of the exercise of 1.9 million share purchase warrants at $11.80 a share. We also paid another $3.5 million interest payment due on one of our convertible debentures series by issuing 294,603 common shares in lieu of cash, increasing our public float by approximately 8%. Subsequent to quarter end, we used our shares as currency for an acquisition by issuing 72,000 shares to satisfy part of the purchase price.

Taken together, these initiatives increased our public float by 11% and also resulted in a reduced leverage ratio.

On November 1, 2002, we announced our intention to pay the interest due on December 31, 2002 to holders of our Series D debentures by way of common shares in lieu of cash. However, if the 20-day weighted average trading price of the common shares is less than $12.00, we will pay the interest owing on the Series D debentures in cash.

Also subsequent to quarter end, First Capital Realty offered to purchase all of the $37.3 million of its outstanding 7.5% debentures, due December 1, 2003 in exchange for $1,250 principal amount of its 7.25% convertible unsecured subordinated debentures due June 30, 2008 per $1,000 principal amount of 7.5% debentures. The Company's principal investors, the Gazit Group and Alony-Hetz, have agreed to tender the approximately $17.2 million in 7.5% debentures they hold to the offer. This offer results in First Capital Realty extending its obligation to satisfy this debt for five years, at terms that reflect current market conditions. It also provides debenture holders with the ability to extend their investment in the Company without incurring transaction costs.

OUTLOOK

Looking ahead, we expect our fourth quarter results to show improvement over the third quarter due to incremental percent rent in the quarter, the $1.6 million in lease termination payments received from Zellers in Sherwood Towne Square and our development and redevelopment activities. As a result, we expect our fourth quarter diluted FFO to be $0.40 to $0.41 and diluted FFO for the year to total $1.36 to $1.37. We also expect further increases in FFO in 2003, primarily due to development and redevelopment activities coming on line, committed leasing and continuing acquisition activity.

We continue to see opportunities to build the quality of our portfolio, while strengthening the balance sheet. We will steadily increase FFO through active management of our portfolio, executing on our focused acquisition strategy and through selective development and redevelopment activities, which continue to be an important part of our business.

Sincerely,

Dori J. Segal
President & C.E.O.
November 11, 2002

CONSOLIDATED BALANCE SHEETS

(in thousands of dollars)	Sept. 30, 2002 (unaudited)	Dec. 31, 2001
ASSETS		
Shopping centres (note 3)	$ 822,162	$ 661,476
Land and shopping centres under development and redevelopment (note 4)	70,248	39,005
Investment in Equity One, Inc. (note 5)	211,015	190,774
Cash and cash equivalents	2,174	43,951
Amounts receivable	18,413	17,861
Other assets	18,594	16,124
Future income tax assets	13,895	19,348
	$ 1,156,501	$ 988,539
LIABILITIES		
Mortgages payable and credit facilities (note 6)	$ 568,047	$ 460,356
Accounts payable and accrued liabilities	29,667	31,350
Convertible debentures payable (note 7)	43,349	49,396
Debentures payable (note 12)	37,313	37,866
	678,376	578,968
SHAREHOLDERS' EQUITY (note 8)	478,125	409,571
	$ 1,156,501	$ 988,539

See accompanying notes to the consolidated financial statements

CONSOLIDATED STATEMENTS OF OPERATIONS

(unaudited) *(in thousands of dollars except per share amounts)*	Three months ended Sept. 30, 2002	Three months ended Sept. 30, 2001	Nine months ended Sept. 30, 2002	Nine months ended Sept. 30, 2001
Gross rental income	$ 31,388	$ 36,938	$ 89,165	$114,047
Property operating costs	11,759	13,307	34,201	40,926
Rental income	19,629	23,631	54,964	73,121
Equity income from Equity One, Inc.	6,421	341	17,508	341
Interest and other income	273	1,971	1,812	5,249
	26,323	25,943	74,284	78,711
Interest expense:				
Mortgages and credit facilities	8,538	11,876	25,074	34,578
Debentures	1,758	1,960	5,490	6,051
	10,296	13,836	30,564	40,629
Corporate expenses	1,687	1,763	4,799	5,138
Operating income before the following items	14,340	10,344	38,921	32,944
Amortization	2,726	3,708	7,511	11,096
Recovery of previous management's incentive and other fees (note 9)	–	8,538	–	8,538
Operating income	11,614	15,174	31,410	30,386
Gain on disposition of land and shopping centres	342	8,070	342	8,070
Dilution gain on investment in Equity One, Inc. (note 5)	–	–	3,290	–
Earnings before income and other taxes	11,956	23,244	35,042	38,456
Income and other taxes:				
Current	1,246	607	3,679	2,237
Future	3,207	5,690	9,331	10,920
	4,453	6,297	13,010	13,157
Net earnings for the period	$ 7,503	$ 16,947	$ 22,032	$ 25,299
Net earnings per common share (note 10)				
Basic	$ 0.18	$ 0.86	$ 0.59	$ 0.93
Diluted	$ 0.18	$ 0.53	$ 0.58	$ 0.83

See accompanying notes to the consolidated financial statements

CONSOLIDATED STATEMENTS OF DEFICIT

(unaudited) *(in thousands of dollars)*	Nine months ended Sept. 30, 2002	 Sept. 30, 2001
Deficit, beginning of the period	$ (69,324)	$ (70,921)
Net earnings for the period	22,032	25,299
Interest and accretion on equity component of convertible debentures (net of tax of $7,824; 2001 - $7,130)	(12,547)	(10,969)
Issuance of rights to acquire warrants (note 8)	(10,210)	–
Dividends	(13,479)	(11,071)
Deficit, end of the period	$ (83,528)	$ (67,662)

See accompanying notes to the consolidated financial statements

CONSOLIDATED STATEMENTS OF FUNDS FROM OPERATIONS

(unaudited)	Three months ended		Nine months ended	
(in thousands of dollars except per share amounts)	Sept. 30, 2002	Sept. 30, 2001	Sept. 30, 2002	Sept. 30, 2001
Net earnings for the period	$ 7,503	$ 16,947	$ 22,032	$ 25,299
Add (deduct):				
Amortization	2,365	3,262	6,677	9,548
Loss (gain) on disposition of marketable securities	204	(884)	(226)	(1,417)
Gain on disposition of land and shopping centres	(342)	(8,070)	(342)	(8,070)
Equity income from Equity One, Inc.	(6,421)	(341)	(17,508)	(341)
Dividend income from Equity One, Inc.	4,696	–	13,858	–
Dilution gain on investment in Equity One, Inc.	–	–	(3,290)	–
Future income taxes	3,207	5,690	9,331	10,920
Funds from operations	$ 11,212	$ 16,604	$ 30,532	$ 35,939
Funds from operations per common share (note 10)				
Basic	$ 0.65	$ 1.08	$ 1.88	$ 2.34
Diluted	$ 0.33	$ 0.54	$ 0.96	$ 1.21

See accompanying notes to the consolidated financial statements

CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited) *(in thousands of dollars)*	Three months ended Sept. 30, 2002	Three months ended Sept. 30, 2001	Nine months ended Sept. 30, 2002	Nine months ended Sept. 30, 2001
OPERATING ACTIVITIES				
Funds from operations	$ 11,212	$ 16,604	$ 30,532	$ 35,939
Net change in non-cash operating items	407	(14,011)	(4,745)	(16,887)
Cash provided by operating activities	11,619	2,593	25,787	19,052
INVESTING ACTIVITIES				
Acquisition of shopping centres	(28,424)	–	(94,011)	(40,903)
Expansion and redevelopment of shopping centres	(16,287)	(13,434)	(33,240)	(28,303)
Proceeds on disposition of land and shopping centres	1,843	31,884	3,782	34,960
Acquisition and development of land	(7,696)	(3,724)	(17,993)	(10,518)
Purchase of common shares of Equity One, Inc.	–	(17,417)	(13,209)	(17,417)
Acquisition of First Capital Inc. (note 2)	–	–	1,657	–
Repayments from (advances to) development partners	264	136	(1,339)	1,907
Investment in marketable securities	(1,017)	–	(5,551)	–
Proceeds on disposition of marketable securities	1,897	3,824	5,984	17,084
Cash provided by (used in) investing activities	(49,420)	1,269	(153,920)	(43,190)
FINANCING ACTIVITIES				
Proceeds of mortgage financings and credit facilities	26,598	136,421	90,869	223,475
Principal repayments of mortgages payable	(2,531)	(83,291)	(7,958)	(133,605)
Issuance of convertible debentures	–	–	5,000	–
Excercise of share purchase warrants (note 8)	22,106	–	22,106	–
Debentures purchased and cancelled	(119)	(1,895)	(553)	(5,193)
Payments on convertible debentures, net of interest expensed	(2,754)	(3,562)	(9,610)	(10,829)
Dividends	(5,013)	(3,690)	(13,479)	(11,071)
Cash provided by financing activities	38,287	43,983	86,375	62,777
Effect of currency rate movement on cash balances	134	1,589	(19)	1,714
Increase (decrease) in cash and cash equivalents	620	49,434	(41,777)	40,353
Cash and cash equivalents, beginning of the period	1,554	24,523	43,951	33,604
Cash and cash equivalents, end of the period	$ 2,174	$ 73,957	$ 2,174	$ 73,957

See accompanying notes to the consolidated financial statements

SUPPLEMENTARY INFORMATION				
Cash income taxes paid	$ 2,229	$ 369	$ 3,374	$ 1,403
Cash interest paid	$ 13,522	$ 19,355	$ 41,148	$ 58,299

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2002 (UNAUDITED)

1. CHANGE IN ACCOUNTING POLICY

The accounting policies and methods of application for these interim consolidated financial statements are unchanged from those described in note 1 of the Company's December 31, 2001 annual consolidated financial statements except as described below. These interim consolidated financial statements should be read in conjunction with the December 31, 2001 annual consolidated financial statements.

The Company has a stock option plan as described in note 8. Effective January 1, 2002, the Company has adopted the new recommendations of the Canadian Institute of Chartered Accountants with respect to stock-based compensation. The new standard requires stock-based payments and direct awards made to non-employees and direct awards, stock appreciation rights and similar awards to employees that are settled in cash or equity instruments to be determined using a fair value based method.

In accordance with the new standard, the Company discloses net earnings (and earnings per share) on a pro-forma basis as if the fair value based accounting method had been applied to its stock-based compensation for awards granted after January 1, 2002.

During the nine months ended September 30, 2002, the Company granted 774,500 options which have an approximate fair value of $0.5 million, of which $191,000 would be the pro-forma cost for the nine months ended September 30, 2002, (three months ended September 30, 2002 - $64,000) in the determination of pro-forma net earnings of $21.841 million (three months ended September 30, 2002 - $7.439 million). Pro-forma basic and diluted net earnings per share for the nine months ended September 30, 2002 would be $0.58 and $0.57, respectively (three months ended September 30, 2002 - $0.18 and $0.18).

2. FIRST CAPITAL INC. TRANSACTION

Effective April 1, 2002, the Company purchased from its largest shareholder, Gazit 1997 Inc. ("Gazit"), all of the issued and outstanding common shares of First Capital Inc. ("FCI"). The Company received a valuation of FCI and an independent opinion as to the fairness, from a financial point of view, of the consideration paid. The acquisition was accounted for using the purchase method. FCI is a private company carrying on business primarily in Quebec and owns a portfolio comprising six neighbourhood and community shopping centres and two freestanding retail buildings, with approximately 0.8 million square feet of gross leasable area. Mortgages payable secured by seven of the eight properties totalled $22.9 million, with a weighted average interest rate of 7.7%. The aggregate purchase price of $31.65 million was satisfied through the issuance of 601,630 common shares of the Company (at $12.30 a share) and $28.16 million in principal amount of the Company's 7.25% convertible debentures. The amount of 7.25% convertible debentures was calculated based on a price of $84.34 per $100 principal amount. In addition, in connection with post-closing funding requirements of FCI, the Company required Gazit 1997 Inc. to provide additional cash of $5 million in return for the issuance of an additional $5.73 million of 7.25% convertible debentures based on a price of $84.34 per $100 principal amount plus accrued interest.

The consideration given and received on the acquisition of First Capital Inc., expressed in thousands of dollars, are as follows:

First Capital Realty Inc. common shares	$	7,400
First Capital Realty Inc. 7.25% convertible debentures		23,747
7.25% convertible debenture interest accrued		503
Consideration given	$	31,650
Shopping centres	$	54,763
Land and shopping centres under development and redevelopment		1,850
Working capital, including cash of $1,657		1,607
Mortgages payable		(22,872)
Future tax liability		(3,698)
Consideration received	$	31,650

3. SHOPPING CENTRES

Shopping centres, expressed in thousands of dollars, are as follows:

	September 30, 2002	December 31, 2001
Land	$ 146,859	$ 111,420
Buildings and improvements	693,746	563,818
Deferred leasing costs	12,819	11,628
	853,424	686,866
Accumulated amortization	(31,262)	(25,390)
	$ 822,162	$ 661,476

On January 31, 2002, the Company acquired six shopping centres in the Greater Montreal area, totalling 0.8 million square feet, for approximately $58 million. The acquisition was satisfied by ten-year mortgage debt secured against four of the six centres totalling approximately $27.4 million at 7.07%, with the balance paid in cash.

Effective April 1, 2002, the Company acquired six shopping centres and two freestanding retail buildings located in the Greater Montreal area, totalling 0.8 million square feet through its acquisition of FCI (note 2).

On May 30, 2002, the Company acquired Carrefour St. Hubert, a 156,000 square foot property in St. Hubert, Quebec, for cash of $8.0 million.

In July 2002, 117,000 square feet of Les Galeries de Lanaudiere, a 50% owned development in Lachenaie, Quebec, with a cost of $6.7 million, was transferred from land and shopping centres under development and redevelopment.

4. LAND AND SHOPPING CENTRES UNDER DEVELOPMENT AND REDEVELOPMENT

Land and shopping centres under development and redevelopment, expressed in thousands of dollars, are as follows:

	September 30, 2002	December 31, 2001
Acquisition costs	$ 38,778	$ 18,669
Development and redevelopment costs	27,849	17,442
Interest costs	3,621	2,894
	$ 70,248	$ 39,005

In March 2002, two projects under development with costs totalling $4.0 million were completed and transferred to shopping centres. In June 2002, one project under development with costs totalling $0.5 million was completed and transferred to shopping centres.

In April 2002, two adjacent sites in Hull, Quebec, were purchased for cash of $2.2 million. The Company intends to develop the site with a joint venture partner on terms to be determined. In May 2002, the Company acquired a 60% interest in a site in Calgary, Alberta for $5.0 million. In addition, the Company loaned its development joint venture partner the funds required to purchase its joint venture interest.

In July 2002, the Company's co-tenancy in Brampton, Ontario, in which the Company holds a 50% interest, sold 8.7 acres of land for proceeds of approximately $3.7 million.

In August 2002, the Company acquired Westney Heights Plaza, a property in Ajax, Ontario, for $21 million including closing costs. Approximately 70% of the centre is under redevelopment and renovation, including 70,000 square feet for a national supermarket and a national drug store.

On September 4, 2002, the Company acquired a 50% interest in Midland Lawrence Plaza, a property in Toronto, Ontario, for $3.7 million. The property is undergoing significant redevelopment.

In September 2002, land adjacent to Red Deer Village in Alberta was purchased for cash of $5.9 million. A lease for a new 43,000 square foot national supermarket has been signed. The Company intends to redevelop the existing centre and build additional retail space.

Interest capitalized on development and redevelopment properties during the three and nine months ended September 30, 2002 totalled $0.4 million and $0.8 million, respectively (2001 - $0.2 million and $1.9 million).

5. INVESTMENT IN EQUITY ONE, INC.

The Company's investment in Equity One, Inc. ("Equity One"), expressed in thousands of dollars, consists of the following:

Investment in Equity One, December 31, 2001	$	190,774
Equity income for the nine months ended September 30, 2002		17,508
Less dividends received in 2002		(13,858)
Purchase of common shares of Equity One		13,209
Dilution gain		3,290
Cumulative currency effect		92
Investment in Equity One, September 30, 2002	$	211,015

During the nine months ended September 30, 2002, in connection with a private placement and a public offering of Equity One's common shares and through participation in Equity One's dividend reinvestment plan, the Company's U.S. subsidiaries acquired an additional 630,286 common shares of Equity One at an average price of US$13.26 per share.

During the nine months ended September 30, 2002, as a result of Equity One's private placement, public offering, and dividend reinvestment plan noted above, Equity One's common shares outstanding increased from 28.6 million to 34.0 million, resulting in a reduction of the Company's ownership interest in Equity One from 36% at December 31, 2001 to 33% at September 30, 2002. As a result, the Company has recorded a dilution gain of $3.29 million during the period.

The closing price on the NYSE of Equity One's common shares at September 30, 2002 was US$13.20 (December 31, 2001- US$13.74) per share. The book value per share of the Company's investment in Equity One at September 30, 2002 is US$11.95 (December 31, 2001 - US$11.41). At September 30, 2002, 34.0 million (December 31, 2001 - 28.6 million) shares of Equity One were outstanding, of which 11.1 million shares (December 31, 2001 - 10.5 million shares) were held by the Company.

The Company's share of Equity One's unremitted funds from operations using Canadian generally accepted accounting principles ("GAAP") and expressed in thousands of Canadian dollars, which has not been included in the Company's funds from operations, is as follows:

	Three months ended September 30, 2002	Nine months ended September 30, 2002
Equity One's funds from operations, Canadian GAAP	$ 21,267	$ 55,690
Company's weighted average ownership percentage of Equity One	33%	34%
Company's share of Equity One's funds from operations	$ 6,982	$ 18,857
Less: dividends received by the Company	(4,696)	(13,858)
Company's share of Equity One's unremitted funds from operations	$ 2,286	$ 4,999

6. MORTGAGES PAYABLE AND CREDIT FACILITIES

Mortgages payable and credit facilities, secured by shopping centres and the Equity One common shares, presented by geographic location and expressed in thousands of dollars, consist of the following:

	September 30, 2002	December 31, 2001
Canada	$ 457,271	$ 363,940
United States (US$69,794; 2001 - US$60,532)	110,776	96,416
	$ 568,047	$ 460,356

In January 2002 mortgages payable totalling $27.4 million were obtained in respect of shopping centres acquired in the Greater Montreal area. The mortgages mature in 2012 and bear interest at a rate of 7.07%. In May 2002, mortgages payable totalling $22.9 million were obtained in respect of the purchase of FCI shopping centres (note 2). The mortgages mature by 2011 and bear interest at an average of 7.7%.

During the nine months ended September 30, 2002, the Company drew $24 million from its credit facilities in order to fund property acquisitions and development. At September 30, 2002, the Company had $38 million of undrawn credit facilities available for acquisitions, development, and general corporate purposes.

7. CONVERTIBLE DEBENTURES PAYABLE

The components of the Company's convertible debentures, expressed in thousands of dollars, are classified as follows:

	September 30, 2002			December 31, 2001	
Series	Principal	Liability	Equity	Liability	Equity
8.5% convertible debentures	$ 57,441	$ 16,382	$ 42,638	$ 18,713	$ 39,964
7.875% convertible debentures	97,522	26,967	73,286	30,683	68,980
7.0% convertible debentures	99,999	–	101,116	–	100,538
7.25% convertible debentures	133,882	–	129,274	–	100,231
	$ 388,844	$ 43,349	$ 346,314	$ 49,396	$ 309,713

Effective April 1, 2002, the Company issued $28.16 million in principal amount of 7.25% convertible debentures to Gazit as a result of the First Capital Inc. transaction (note 2). In addition, the Company issued an additional $5.73 million in principal amount of 7.25% convertible debentures to Gazit on May 30, 2002 (note 2).

In accordance with the terms of the 7.25% convertible debentures, on June 30, 2002, 412,609 shares were issued to pay interest to holders of the Company's 7.25% convertible debentures. The number of common shares issued per $100 principal amount of 7.25% convertible debentures was calculated by dividing the dollar amount of interest payable by an amount equal to 95% of the weighted average trading price of the common shares of the Company on the Toronto Stock Exchange calculated for the 20 consecutive trading days ended on June 24, 2002.

In accordance with the terms of the 7.0% convertible debentures, on August 31, 2002, 294,603 shares were issued to pay interest to holders of the Company's 7.0% convertible debentures. The number of common shares issued per $100 principal amount of 7.0% convertible debentures was calculated by dividing the dollar amount of interest payable by an amount equal to 95% of the weighted average trading price of the common shares of the Company on the Toronto Stock Exchange calculated for the 20 consecutive trading days ended on August 26, 2002.

8. SHAREHOLDERS' EQUITY

Shareholders' equity, expressed in thousands of dollars, consists of the following:

	September 30, 2002	December 31, 2001
Equity component of convertible debentures	$ 346,314	$ 309,713
Share capital	193,201	154,499
Warrants	10,303	2,000
Cumulative currency translation adjustment	11,835	12,683
Deficit	(83,528)	(69,324)
	$ 478,125	$ 409,571

On April 10, 2002, the Company completed a rights offering pursuant to which its common shareholders subscribed for 12,301,619 warrants to purchase common shares. A holder of rights was entitled to subscribe for one common share purchase warrant for each 1.25 rights held at a price of $0.05 per warrant. As a result, $10.2 million was charged to the deficit. A corresponding amount, net of issue costs, has been recorded under warrants in shareholders' equity. Each warrant entitles the holder to purchase one common share of the Company at a price of $11.80 per share during a three-month exercise period commencing on June 1 and ending on August 31 in each year from 2002 to 2008, on and subject to certain terms and conditions, and may be exercisable in certain other limited circumstances. The maximum number of warrants available under the rights offering was subscribed by holders of common shares. In connection with the rights offering, the conversion prices of the Company's outstanding convertible debentures, and the exercise prices of the Company's outstanding advisory warrants and options, in accordance with the terms of those instruments, were adjusted by a factor of .9667.

During the three months ended September 30, 2002, 1,873,406 warrants were exercised at a price of $11.80 per share resulting in proceeds to the Company of $22.1 million. In addition, the corresponding amount of issue costs and warrant costs were transferred to Share capital.

The following table sets forth the particulars of the issued and outstanding shares of the Company:

	Number of Common Shares	Stated Capital (thousands of dollars)
Issued and outstanding at December 31, 2001	15,377,024	$ 154,499
Issued in connection with First Capital Inc. transaction (note 2)	601,630	7,400
Issued in connection with payment of interest on 7.25% convertible debentures (note 7)	412,609	4,852
Issued in connection with payment of interest on 7% convertible debentures (note 7)	294,603	3,500
Issued to directors	9,000	113
Issued in connection with exercise of warrants	1,873,406	23,598
Issue costs	–	(761)
Issued and outstanding at September 30, 2002	18,568,272	$ 193,201

As at December 31, 2001, the Company had issued and outstanding, to its Property Manager's employees, officers, and directors, 480,000 stock options. In the nine months ended September 30, 2002, 55,000 of these options were cancelled. The exercise price of the remaining 425,000 options is $13.82. In addition, 774,500 options were issued to the Company's officers and directors at a current exercise price of $12.42, which generally vest over three years and expire in 2012.

The cumulative currency translation adjustment represents the cumulative unrecognized exchange adjustment on the net assets of the Company's subsidiaries that operate in the United States. The change for the period reflects the impact of U.S. currency movements at September 30, 2002 relative to the exchange rate in effect as at December 31, 2001 on these net assets.

The rate of exchange in effect on September 30, 2002 was US$1.00 = Cdn$1.59 (December 31, 2001 - Cdn$1.59). The average rate of exchange for the three months ended September 30, 2002 was US$1.00 = Cdn$1.56 (three months ended September 30, 2001 - Cdn$1.55). The average rate of exchange for the nine months ended September 30, 2002 was US$1.00 = Cdn$1.57 (nine months ended September 30, 2001 - Cdn$1.54).

9. RECOVERY OF PREVIOUS MANAGEMENT'S INCENTIVE AND OTHER FEES

On August 17, 2001, the Company settled the Fair Value Incentive Amount dispute with Dawsco Realty Advisory Corp. ("the Advisor"), a private Ontario corporation controlled by two of the Company's former directors, one of whom was the Chairman, President and Chief Executive Officer of the Company until August 18, 2000.

On termination of the Advisory Agreement which occurred on August 18, 2000, in accordance with its terms, the Advisor became entitled to receive a Fair Value Incentive Amount equal to 20% of the excess of the fair market value of the Company's shopping centre portfolio and other related assets over the aggregate of: (i) the recorded cost of such portfolio and assets, determined at the termination date, and (ii) the aggregate amount required to have provided the Company since March 29, 1994 with a 10% compound, cumulative annual return on the average aggregate equity allocable to such portfolio and assets, net of annual incentive fees paid to the Advisor and after taking into consideration aggregate net property cash flow and aggregate net sale proceeds received with respect to such portfolio and assets.

Former management of the Company, which included the Company's former Chairman, President and Chief Executive Officer who also controlled the Advisor, calculated and accrued the Fair Value Incentive Amount to be $21.35 million. This amount was recorded after an offer by the Gazit Group to acquire a controlling interest in the Company in June 2000 and $9.2 million was advanced to the Advisor. Current management of the Company disputed the calculation of the Fair Value Incentive Amount and other amounts, including amounts that had been advanced.

The Fair Value Incentive Amount was settled at the $9.2 million amount already advanced. A recovery of expenses, before income taxes, of approximately $8.5 million (approximately $5.4 million net of income taxes) was recorded in the three-month period ended September 30, 2001.

The recovery of previous management's incentive fees and certain other costs, primarily associated with the Company's consideration of the Offer, and the cost of cancelling the property management contract as it pertains to the Florida property portfolio, in accordance with the settlement agreement dated August 15, 2000, expressed in thousands of dollars, are summarized as follows:

	Nine months ended September 30, 2001
Recovery of provision for fair value incentive amount	$ 8,150
Recovery of Canadian property management agreement	1,000
	9,150
Legal and other professional fees	(612)
	$ 8,538

10. PER SHARE CALCULATIONS

Basic per share information for the three-month and nine-month periods ended September 30, 2002 is calculated based on a weighted average of 17,290,154 and 16,231,771 common shares outstanding, respectively, during the period (three months and nine months ended September 30, 2001 - 15,377,008 and 15,376,993 common shares, respectively).

The determination of basic earnings per share for the three and nine months ended September 30, 2002 reflects a reduction of $4.4 million and $12.5 million (September 30, 2001 - $3.7 million and $11.0 million) to reported net earnings, which represents interest and accretion on the equity component of convertible debentures, net of income taxes.

Diluted per share information for the three and nine months ended September 30, 2002 is calculated based on a weighted average of 37,406,882 and 35,430,380 common shares (three and nine months ended September 30, 2001 - 33,035,160 common shares), which reflects the conversion of the convertible debentures and share purchase warrants. The diluted per share information for the three and nine months ended September 30, 2002 does not reflect the exercise of 1,000,000 outstanding warrants exercisable at $13.53 (2001 - 1,000,000 warrants) or 1,199,500 issued options (2001 - 487,500 options) (note 8) as their conversion prices were higher than the average price of the Company's common shares during the period.

11. SEGMENTED INFORMATION

The Company and its subsidiaries operate in the shopping centre segment of the real estate industry in both Canada and the United States.

Operating income by geographic segment for the three months ended September 30, 2002, expressed in thousands of dollars, is summarized as follows:

	Canada	U.S.	Total
Gross rental income	$ 31,388	$ –	$ 31,388
Property operating costs	11,759	–	11,759
Rental income	19,629	–	19,629
Equity income from Equity One, Inc.	–	6,421	6,421
Interest and other income	273	–	273
	19,902	6,421	26,323
Interest expense:			
Mortgages and credit facilities	7,455	1,083	8,538
Debentures	1,758	–	1,758
	9,213	1,083	10,296
Corporate expenses	1,600	87	1,687
Operating income before amortization	9,089	5,251	14,340
Amortization	2,714	12	2,726
Operating income	$ 6,375	$ 5,239	$ 11,614

Operating income by geographic segment for the three months ended September 30, 2001, expressed in thousands of dollars, is summarized as follows:

	Canada	U.S.	Total
Gross rental income	$ 23,703	$ 13,235	$ 36,938
Property operating costs	8,338	4,969	13,307
Rental income	15,365	8,266	23,631
Equity income from Equity One, Inc.	–	341	341
Interest and other income	1,416	555	1,971
	16,781	9,162	25,943
Interest expense:			
Mortgages and credit facilities	6,929	4,947	11,876
Debentures	1,960	–	1,960
	8,889	4,947	13,836
Corporate expenses	1,382	381	1,763
Operating income before the following items	6,510	3,834	10,344
Amortization	2,075	1,633	3,708
Recovery of previous management's incentive and other fees	4,722	3,816	8,538
Operating income	$ 9,157	$ 6,017	$ 15,174

Operating income by geographic segment for the nine months ended September 30, 2002, expressed in thousands of dollars, is summarized as follows:

	Canada	U.S.	Total
Gross rental income	$ 89,165	$ –	$ 89,165
Property operating costs	34,201	–	34,201
Rental income	54,964	–	54,964
Equity income from Equity One, Inc.	–	17,508	17,508
Interest and other income	1,812	–	1,812
	56,776	17,508	74,284
Interest expense:			
Mortgages and credit facilities	21,833	3,241	25,074
Debentures	5,490	–	5,490
	27,323	3,241	30,564
Corporate expenses	4,540	259	4,799
Operating income before amortization	24,913	14,008	38,921
Amortization	7,456	55	7,511
Operating income	$ 17,457	$ 13,953	$ 31,410

Operating income by geographic segment for the nine months ended September 30, 2001, expressed in thousands of dollars, is summarized as follows:

	Canada	U.S.	Total
Gross rental income	$ 71,233	$ 42,814	$ 114,047
Property operating costs	26,345	14,581	40,926
Rental income	44,888	28,233	73,121
Equity income from Equity One, Inc.	–	341	341
Interest and other income	3,564	1,685	5,249
	48,452	30,259	78,711
Interest expense:			
Mortgages and credit facilities	19,795	14,783	34,578
Debentures	6,051	–	6,051
	25,846	14,783	40,629
Corporate expenses	3,960	1,178	5,138
Operating income before the following items	18,646	14,298	32,944
Amortization	5,901	5,195	11,096
Recovery of previous management's incentive and other fees	4,722	3,816	8,538
Operating income	$ 17,467	$ 12,919	$ 30,386

12. SUBSEQUENT EVENTS

a) On October 29, 2002, Equity One, Inc., the Company's U.S. affiliate, entered into a definitive merger agreement pursuant to which Equity One will acquire IRT Property Company. The combined company will have US$1.56 billion in total market capitalization, US$766 million in equity market capitalization and will own 181 properties totalling 18.7 million square feet, primarily located in the Southeastern United States.

In the transaction, each IRT shareholder may elect to receive US$12.15 in cash or 0.9 shares of Equity One for each common share of IRT, or a combination thereof. The terms of the agreement provide that holders of no more than 50% of IRT's outstanding common stock may receive cash. Assuming a 50% cash election and the closing price of US$13.59 for Equity One common shares on the day before the announcement, the transaction values IRT at US$730 million, including the assumption by Equity One of US$297 million of IRT debt and transaction costs. The transaction is expected to take effect in the first quarter of 2003 and is subject to both Equity One and IRT shareholder approval and other customary conditions.

Upon closing, and assuming a 50% cash election, the Company will be diluted from an approximate 33% holding in Equity One common shares at present to approximately 21% after the transaction. The Company may also recognize, for accounting purposes, a dilution gain of approximately $12 million as a result of the transaction. The size of the gain will be dependent on several factors at the time of the transaction, including the number of Equity One shares issued, the book value of the Company's investment in Equity One and the foreign exchange rate.

Equity One has secured binding commitments to finance the cash consideration. Equity One intends to fund a portion of the cash consideration through the private placement of up to 6.9 million shares of Equity One common stock to existing, affiliated investors at a price of US$13.30 per share subject to pro rata upward adjustment to a maximum of US$13.50 per share as the number of IRT shares converted into Equity One common stock rises from 50% to approximately 55.8%. First Capital Realty will purchase up to 15%, or approximately one million, of the 6.9 million common shares. The Company has secured new bank financing to fund 50% of the purchase of these Equity One shares and the remainder will be funded from existing lines of credit.

b) In October 2002, the Company received a $1.6 million lease termination payment in respect of a 94,000 square foot store in Sherwood Towne Square in Sherwood Park, Alberta. The Company subsequently sold this store and related parking for cash proceeds of $4.4 million.

c) In October 2002, the Company acquired Byron Village Shopping Centre, an 89,000 square foot property in London, Ontario for a total purchase price of $11 million including closing costs.

d) In November 2002, the Company acquired the remaining 50% interest in Midland Lawrence Plaza, a property in Toronto, Ontario for approximately $4.3 million. A new 40,000 square foot national supermarket with a 20 year lease opened on the date of acquisition. The consideration was paid with cash and 72,000 common shares of the Company issued at $12.30 per share.

e) On November 1, 2002, the Company announced that it will pay interest due on December 31, 2002 to holders of its 7.25% debentures, which will include any interest paid on new 7.25% debentures as described in note 12(f) below, by the issuance of common shares. The number of common shares to be issued per $100 principal amount of 7.25% debentures will be calculated by dividing the dollar amount of interest payable by an amount equal to 95% of the weighted average trading price of the common shares of First Capital Realty on the TSX calculated for the 20 consecutive trading days ending on December 20, 2002. If, however, the weighted average trading price per common share calculated for this 20 consecutive trading day period is less than $12.00, the Company will pay the interest on the 7.25% debentures on December 31, 2002 in cash.

f) On November 4, 2002, the Company announced that it intends to offer to purchase all of its outstanding 7.5% debentures due December 1, 2003 in exchange for each $1,000 principal amount of debentures, $1,250 principal amount of 7.25% convertible unsecured subordinated debentures due June 30, 2008, upon the terms and subject to the conditions set forth in the offer to purchase.

13. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified to reflect the current period's presentation.

SHAREHOLDER INFORMATION

HEAD OFFICE

BCE Place, Canada Trust Tower
161 Bay Street, Suite 2820, P.O. Box 219
Toronto, Ontario M5J 2S1
Tel: 416.504.4114
Fax: 416.941.1655
E-mail: investor.relations@firstcapitalrealty.ca
Website: www.firstcapitalrealty.ca

TORONTO STOCK EXCHANGE LISTINGS

Common shares:	FCR
7.5% debentures:	FCR.DB
8.5% convertible debentures:	FCR.DB.A
7.875% convertible debentures:	FCR.DB.B
7% convertible debentures:	FCR.DB.C
7.25% convertible debentures:	FCR.DB.D
Warrants:	FCR.WT

MONTREAL OFFICE

2620 De Salaberry Suite 201
Montreal, Quebec H3M 1L3
Tel: 514.332.0031
Fax: 514.332.5135

TRANSFER AGENT

Computershare Trust Company of Canada
100 University Avenue, 11th Floor
Toronto, Ontario M5J 2Y1
Tel: 416.981.9633
(Toll Free) 1.800.663.9097

Cautionary statement regarding forward-looking statements

This quarterly report contains forward-looking statements relating to First Capital Realty's operations and the environment in which it operates that are based on First Capital Realty's expectations, estimates, forecasts and projections. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. Therefore, actual outcomes and results may differ materially from those expressed in these forward-looking statements. 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 occurence of future events or circumstances.

FIRST CAPITAL REALTY INC.
BCE PLACE, CANADA TRUST TOWER
161 BAY STREET, SUITE 2820, P.O. BOX 219
TORONTO, ONTARIO M5J 2S1

WWW.FIRSTCAPITALREALTY.CA