Crombie REIT

Everyday Performance

First Quarter Report
Three Months Ended March 31, 2013

Quarterly Report to Unitholders

Crombie Real Estate Investment Trust ("Crombie") is an open-ended real estate investment trust established under, and governed by, the laws of the Province of Ontario. The trust invests in income-producing retail, office and mixed-use properties in Canada, with a future growth strategy focused primarily on the acquisition of retail properties. At March 31, 2013, Crombie owned a portfolio of 175 commercial properties in nine provinces, comprising approximately 14.5 million square feet of rentable space.

Contents

Page

Copies of this report are available on Crombie's website www.crombiereit.com or by contacting Investor Relations at (902) 755- 8100. A copy has also been filed on SEDAR.

Crombie provided additional details concerning its third quarter results on a conference call held Thursday, May 9, 2013. Replay of the call is available on Crombie's website www.crombiereit.com for a period of approximately 90 days.

Forward-looking Statements

This quarterly report contains forward-looking statements that reflect the current expectations of management of Crombie about Crombie's future results, performance, achievements, prospects and opportunities. Wherever possible, words such as "may", "will", "estimate", "anticipate", "believe", "expect", "intend" and similar expressions have been used to identify these forward-looking statements. These statements reflect current beliefs and are based on information currently available to management of Crombie. Forward-looking statements necessarily involve known and unknown risks and uncertainties. A number of factors, including those discussed in the annual Management's Discussion and Analysis under "Risk Management" in the 2012 Annual Report, could cause actual results, performance, achievements, prospects or opportunities to differ materially from the results discussed or implied in the forward-looking statements. These factors should be considered carefully and a reader should not place undue reliance on the forward-looking statements. There can be no assurance that the expectations of management of Crombie will prove to be correct.

Readers are cautioned that such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from these statements. Crombie can give no assurance that actual results will be consistent with these forward-looking statements.

Letter to Unitholders

Crombie Real Estate Investment Trust ("Crombie") (TSX: CRR.UN) is pleased to report its results for the first quarter ended March 31, 2013. The financial results are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

First Quarter 2013 Highlights (In thousands of CAD dollars, except per unit amounts and as otherwise noted)

- Strong 9.5% growth in Funds From Operations ("FFO") per unit for the three months ended March 31, 2013 ("Q1") as FFO per unit fully diluted ("FD") was $0.28 per unit compared to $0.25 per unit FD for the same period in 2012. Q1 FFO grew 33.3% over the same period in 2012 ($25,721 vs $19,301) with the FFO payout ratio of 79.5% compared to 88.9% for the same period in 2012.
- Strong 10.1% growth in Q1 Adjusted Funds From Operations ("AFFO") per unit as AFFO per unit FD was $0.23 per unit compared to $0.21 per unit FD for the same period in 2012. AFFO grew 35.0% over the same period in 2012 ($21,606 vs $16,007) for the three months ended March 31, 2013 with the AFFO payout ratio of 94.6% compared to 107.2% for the same period in 2012.
- $164 million in acquisitions of high quality grocery-and drugstore-anchored or other retail properties from third parties, Sobeys and Empire during Q1.
- Acquisition of a grocery anchored retail property from Sobeys for $21 million subsequent to quarter end, bringing year to date acquisitions to $185 million.
- Replacement of $92 million of short term debt with $135 million of 11.3 year average term mortgages at a 4.22% average interest rate.
- Portfolio fair value reaches $2.8 billion – one of the largest retail REITs in Canada.
- Same Asset Cash Net Operating Income ("NOI") growth of 1.8% in Q1 over Q1 2012.
- Property revenue of $71,006, an increase of $11,559 or 19.4% over the $59,447 for Q1 2012.
- Solid occupancy on a committed basis of 93.5% compared with 92.7% at Q1 2012.
- Crombie completed leasing activity on 243,000 square feet during the quarter, which represents approximately 20.7% of its 2013 expiring lease square footage.
- Lease renewals during the quarter of 119,000 square feet at an average rate of $16.37 per square foot, an increase of 2.2% over the expiring lease rate. Lease renewals of 11,000 square feet for 2014 lease expiries at an increase of 8.6% over the expiring lease rate.
- Weighted average lease term of 10.3 years and weighted average mortgage term of 7.7 years; amongst the longest and most defensive in the REIT industry.
- Weighted average interest rate on mortgages reduced to 5.09% from 5.21% at December 31, 2012 and 5.59% at March 31, 2012. Strong 2.82 times interest coverage.
- Debt to Gross Book Value (fair value basis) of 48.3% (53.0% on a cost basis).

Other Performance Measures

Crombie's FFO and AFFO had the following results during the first quarter ended March 31st:

	Three Months Ended March 31,	
(In millions of CAD dollars, except per unit amounts)	2013	2012
FFO	$25.721	$19.301
FFO Per Unit – basic	$0.28	$0.26
FFO Per Unit – diluted	$0.28	$0.25
FFO Payout ratio	79.5%	88.9%
AFFO	$21.606	$16.007
AFFO Per Unit – basic	$0.24	$0.22
AFFO Per Unit – diluted	$0.23	$0.21
Distributions per unit	$0.22	$0.22
AFFO Payout ratio	94.6%	107.2%

The increase in FFO and AFFO for the quarter ended March 31, 2013 was primarily due to the significant acquisition activity during 2013 and 2012.

Financial Overview

Same-asset property revenue of $58.0 million for the three months ended March 31, 2013 was 3.5% higher than the three months ended March 31, 2012 due to increased base rent driven by lease renewal activity, land use intensifications at several properties and recoveries as a result of higher recoverable property expenses. Acquisition, disposition and redevelopment property revenue growth of $9.6 million is due to higher acquisition and redevelopment activity in 2012 and 2013.

Same-asset property operating expenses of $22.3 million for the three months ended March 31, 2013 increased by $1.6 million or 8.0% from the three months ended March 31, 2012 due primarily to higher recoverable property expenses.

Closing Remarks

We are pleased with our cash flow growth and operating performance, as well as with the solid growth of Crombie's high quality retail portfolio and platform across Canada during the first few months of 2013. With the third party acquisitions of four grocery- and drugstore-anchored shopping centres in Alberta for $132 million and the acquisition of two grocery-anchored plazas and two other retail properties in Atlantic Canada and Quebec for $53 million through our strategic relationship with Sobeys and Empire, we are leveraging our strengths and improving our geographic and tenant diversification. The fair value of Crombie's assets now exceeds $2.8 billion and our market capitalization exceeds $1.35 billion at the end of Q1.

Donald E. Clow, FCA
President & Chief Executive Officer

May 9, 2013

Management's Discussion and Analysis

(In thousands of CAD dollars, except per unit amounts)

The following is Management's Discussion and Analysis ("MD&A") of the consolidated financial condition and results of operations of Crombie Real Estate Investment Trust ("Crombie") for the three months ended March 31, 2013, with a comparison to the financial condition and results of operations for the comparable period in 2012.

This MD&A should be read in conjunction with Crombie's interim consolidated financial statements and accompanying notes for the period ended March 31, 2013, prepared in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting. This MD&A should also be read in conjunction with Crombie's audited consolidated financial statements and accompanying notes for the year ended December 31, 2012, which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Information about Crombie can be found on SEDAR at www.sedar.com.

FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking statements that reflect the current expectations of management of Crombie about Crombie's future results, performance, achievements, prospects and opportunities. Wherever possible, words such as "may", "will", "estimate", "anticipate", "believe", "expect", "intend" and similar expressions have been used to identify these forward-looking statements. These statements reflect current beliefs and are based on information currently available to management of Crombie. Forward-looking statements necessarily involve known and unknown risks and uncertainties. A number of factors, including those discussed under "Risk Management" could cause actual results, performance, achievements, prospects or opportunities to differ materially from the results discussed or implied in the forward-looking statements. These factors should be considered carefully and a reader should not place undue reliance on the forward-looking statements. There can be no assurance that the expectations of management of Crombie will prove to be correct.

In particular, certain statements in this document discuss Crombie's anticipated outlook of future events. These statements include, but are not limited to:

(i) the cost and timing of new properties under development and right of first offer agreements, which development activities are undertaken by related parties and thus are not under the direct control of Crombie and whose activities could be impacted by real estate market cycles, the availability of labour and general economic conditions;

(ii) the accretive acquisition of properties and the anticipated extent of the accretion of any acquisitions, which could be impacted by demand for properties and the effect that demand has on acquisition capitalization rates and changes in interest rates;

(iii) asset growth and reinvesting to redevelop or otherwise make improvements to existing properties, which could be impacted by the availability of labour, capital resource allocation decisions and actual redevelopment costs;

(iv) generating improved rental income and occupancy levels, which could be impacted by changes in demand for Crombie's properties, tenant bankruptcies, the effects of general economic conditions and supply of competitive locations in proximity to Crombie locations;

(v) the anticipated rate of general and administrative expenses as a percentage of property revenue, which could be impacted by changes in property revenue and/or changes in general and administrative expenses;

(vi) overall indebtedness levels and terms and expectations relating to refinancing, which could be impacted by the level of acquisition activity that Crombie is able to achieve, future financing opportunities and market conditions;

(vii) the estimated payments on derivative and non-derivative financial liabilities, which could be impacted by interest rate subsidy payments, conversions of convertible debentures, interest rates on floating rate debt and fluctuations in the settlement value and settlement timing of any derivative financial liabilities;

(viii) tax exempt status, which can be impacted by regulatory changes enacted by governmental authorities;

(ix) anticipated subsidy payments from ECL Developments Limited ("ECLD"), which are dependent on tenant leasing and construction activity;

(x) anticipated distributions, distribution growth and payout ratios, which could be impacted by results of operations and capital resource allocation decisions;

(xi) the effect that any contingencies would have on Crombie's financial statements which could be impacted by their eventual outcome;

(xii) anticipated replacement of expiring tenancies, which could be impacted by the effects of general economic conditions and the supply of competitive locations; and

(xiii) availability and sources of financing for future growth, including the expected completion and method of financing for agreed additional acquisitions, which may be impacted by due diligence matters and debt and equity market conditions.

Readers are cautioned that such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from these statements. Crombie can give no assurance that actual results will be consistent with these forward-looking statements.

NON-IFRS FINANCIAL MEASURES

There are financial measures included in this MD&A that do not have a standardized meaning under IFRS as prescribed by the IASB. These measures are property net operating income ("NOI"), same-asset NOI and same-asset cash NOI, operating income attributable to Unitholders, funds from operations ("FFO") and adjusted funds from operations ("AFFO"), debt to gross book value, and earnings before interest, taxes, depreciation and amortization ("EBITDA"). Management includes these measures because it believes certain investors use these measures as a means of assessing relative financial performance.

Introduction

Date of MD&A

The information contained in the MD&A, including forward-looking statements, is based on information available to management as of May 9, 2013, except as otherwise noted.

Financial and Operational Summary

(In thousands of CAD dollars, except per unit amounts and as otherwise noted)	Three Months Ended March 31, 2013	Three Months Ended March 31, 2012
Property revenue	$ 71,006	$ 59,447
Operating income attributable to Unitholders	$ 12,959	$ 9,563
Basic and diluted operating income attributable to Unitholders per unit(1)	$ 0.14	$ 0.13
FFO	$ 25,721	$ 19,301
FFO per unit - basic	$ 0.28	$ 0.26
FFO per unit - diluted(1)	$ 0.28	$ 0.25
FFO payout ratio (%)	79.5%	88.9%
AFFO	$ 21,606	$ 16,007
AFFO per unit - basic	$ 0.24	$ 0.22
AFFO per unit - diluted(1)	$ 0.23	$ 0.21
Distributions per unit	$ 0.22	$ 0.22
AFFO payout ratio (%)(2)	94.6%	107.2%

(1) The diluted weighted average number of total Units and Class B LP Units with attached Special Voting Units includes the conversion of all series of convertible debentures outstanding during the period, excluding any series that is anti-dilutive. For the three months ended March 31, 2013 and March 31, 2012, all series of convertible debentures are anti-dilutive for operating income attributable to Unitholders per unit calculations. For the three months ended March 31, 2013, the Series D Debentures are anti-dilutive for AFFO per unit calculations. For the three months ended March 31, 2012, the 7% Debentures are anti-dilutive for AFFO per unit calculations.

(2) AFFO payout ratio is calculated using a per square foot charge of $1.05 for maintenance expenditures (see "AFFO" section).

2013 Highlights

- FFO for the three months ended March 31, 2013 was $25,721 or $0.28 per unit Basic and $0.28 per unit Diluted.
- AFFO for the three months ended March 31, 2013 was $21,606 or $0.24 per unit Basic and $0.23 per unit Diluted.
- Continued high quality growth of Crombie's retail portfolio in the amount of $164.4 million via the acquisition of five grocery or drug store anchored shopping centres, one retail freestanding property and one additional retail development on an existing property during the three months ended March 31, 2013.
- 19% growth of property revenue for the three months ended March 31, 2013 ($71,006 versus $59,447 for the three months ended March 31, 2012).
- Solid growth of same-asset cash NOI for the three months ended March 31, 2013 of 1.8% ($36,302 compared to $35,645 for the three months ended March 31, 2012).
- Committed occupancy was 93.5% at March 31, 2013 compared with 93.2% at December 31, 2012 and 92.7% at March 31, 2012.
- Crombie completed leasing activity on 243,000 square feet during the three months ended March 31, 2013, which represents approximately 20.7% of its 2013 expiring lease square footage.
- Crombie's leasing activity included lease renewals on 119,000 square feet expiring in 2013, at an average rate of $16.37 per square foot; an increase of 2.2.% over the expiring lease rate, and of renewals of 11,000 square feet expiring in 2014, at an average rate of $16.38; an increase of 8.6% over the expiring lease rate. Crombie completed new leasing activity during 2013 on 124,000 square feet at $18.55 per square foot.
- New mortgages totalling $135,350 with a weighted average interest rate of 4.22% and average term of 11.3 years, to replace $92,697 floating rate short term debt.
- Debt to gross book value (fair value basis) was 48.3% at March 31, 2013, compared with 47.6% at March 31, 2012. Debt to gross book value (cost basis) was 53.0% at March 31, 2013, compared with 49.1% at March 31, 2012.
- Crombie's interest service coverage for the three months ended March 31, 2013 was 2.82 times EBITDA and debt service coverage was 1.86 times EBITDA, compared to 2.49 times EBITDA and 1.71 times EBITDA, respectively, for the same period in 2012.

Overview of the Business and Recent Developments

Crombie is an unincorporated, "open-ended" real estate investment trust established pursuant to the Declaration of Trust dated January 1, 2006, as amended and restated (the "Declaration of Trust") under, and governed by, the laws of the Province of Ontario. The REIT Units of Crombie trade on the Toronto Stock Exchange ("TSX") under the symbol CRR.UN.

Crombie invests in income-producing retail, office and mixed use properties in Canada, with a future growth strategy focused primarily on the acquisition of grocery-anchored and drug store-anchored retail properties. At March 31, 2013, Crombie owned a portfolio of 175 investment properties in nine provinces, comprising approximately 14.5 million square feet of gross leasable area ("GLA"). Empire Company Limited ("Empire" or "ECL"), through its subsidiary ECLD, holds a 42.8% economic and voting interest in Crombie at March 31, 2013.

Significant developments during 2013 include:

Acquisitions and related financings included: (in thousands of CAD dollars, except as otherwise noted)

						Weighted Average Mortgage		
Date Acquired in 2013	Number of Properties	Province	GLA (sq. ft.)	Initial Purchase Price	Assumed and new mortgages	Rate	Term in years	Amortization in years
February 22	4	AB	311,000	$ 131,890	$ 10,744	6.54%	1	14
March 22	1	NB	66,000	14,650	10,750	3.90%	10	25
March 27	1	NS	45,000	15,450	-	-	-	-
March 28	-	QC	9,000	2,455	-	-	-	-
	6		431,000	$ 164,445	$ 21,494			

The initial purchase price excludes closing and transaction costs.
The February acquisitions were transacted with a third party while the March acquisitions were from subsidiaries of Empire.
The balance of the purchase price, after deducting new and assumed mortgages, was funded using Crombie's existing revolving credit facility.

Crombie completed the disposition of one non-core mixed use property for $1.7 million during the three months ended March 31, 2013.

During the three months ended March 31, 2013, Crombie received new mortgages totalling $135,350 with a weighted average interest rate of 4.22% and a weighted average term to maturity of 11.3 years. These mortgages replace the $92,397 of mortgages with a weighted average interest rate of 5.91% previously assigned to a portfolio of 23 properties that had been renegotiated in September 2012.

Business Objectives and Outlook

Crombie's describes its business objectives and outlook in the Management's Discussion and Analysis for the year ended December 31, 2012.

Business Environment

Crombie describes its business environment in the Management's Discussion and Analysis for the year ended December 31, 2012.

OVERVIEW OF THE PROPERTY PORTFOLIO

Property Profile

At March 31, 2013, the property portfolio consisted of 175 investment properties that contain approximately 14.5 million square feet of GLA in nine provinces.

As at March 31, 2013, the portfolio distribution of the GLA by province was as follows:

	GLA (sq. ft.)						
Province	January 1, 2013	Acquisitions (dispositions)	Other	March 31, 2013	Number of Properties	% of GLA	% of Annual Minimum Rent
AB	409,000	311,000	1,000	721,000	13	5.0%	8.0%
MB	39,000	-	-	39,000	1	0.3%	0.3%
NB	1,811,000	35,000	(1,000)	1,845,000	23	12.8%	10.0%
NL	1,652,000	-	3,000	1,655,000	14	11.4%	13.9%
NS	5,503,000	45,000	(8,000)	5,540,000	47	38.3%	32.2%
ON	2,883,000	-	4,000	2,887,000	50	20.0%	23.0%
PE	313,000	-	-	313,000	2	2.2%	1.8%
QC	1,174,000	-	9,000	1,183,000	21	8.2%	8.8%
SK	269,000	-	-	269,000	4	1.8%	2.0%
Total	14,053,000	391,000	8,000	14,452,000	175	100.0%	100.0%

During the first quarter of 2013, GLA has increased by 422,000 square feet through the acquisition of six properties, including four properties in Alberta, one in New Brunswick, and one in Nova Scotia. This was offset by 31,000 square feet due to a disposition in New Brunswick.

Other increases in GLA are the result of the acquisition of additional development on an existing retail property in Quebec, land use intensification development in Alberta, Newfoundland and Labrador and Ontario, offset by space configuration from redevelopment activity in Nova Scotia.

Crombie looks to diversify its geographic composition from its Atlantic Canadian roots through growth opportunities, as evidenced by 13 property acquisitions in Alberta, 35 in Ontario, nine in Quebec, four in Saskatchewan and one in Manitoba since Crombie's 2006 IPO. Crombie believes this diversification adds stability to the portfolio while reducing vulnerability to economic fluctuations that may affect any particular region.

On a regular basis, Crombie will commence redevelopment work on properties to enhance the economic viability of a location when the environment in which it operates warrants. As at March 31, 2013, Crombie has three properties under redevelopment: Downsview Plaza in Halifax, Nova Scotia is being reconfigured to accommodate new tenancies; Terminal Centres in Moncton, New Brunswick is being refurbished and upgraded, including GLA expansion; and, Amherst Centre in Amherst, Nova Scotia has been designated for redevelopment which has not yet commenced.

The following table outlines properties designated for redevelopment:

Province	Property	Current GLA	Redevelopment	Estimated Cost	Incurred To Date	Estimated Completion
NB	Terminal Centres	202,000	Refurbish and upgrade, including GLA expansion to accommodate future leasing	$ 16,500	$ 2,900	Fourth quarter 2013
NS	Amherst Centre	228,000	To be determined	In planning	$ -	To be determined
NS	Downsview Plaza	142,000	Reconfigure space to accommodate future leasing	Phase II - $ 2,400	$ -	To be determined

During the third quarter of 2012, Crombie commenced the redevelopment of Terminal Centres to accommodate current and future leasing. Construction is currently underway with an expected completion date of the fourth quarter of 2013.

Amherst Centre has been designated for redevelopment. Planning and design work is currently underway and is subject to management review and approval.

Planning is currently underway for Phase II of Downsview Plaza to accommodate the requirements of new tenants and initial work for future tenants.

Properties under redevelopment are excluded from same-asset results until the redevelopment is complete and the operating results from the redevelopment property are available for the current and comparative reporting periods.

Largest Tenants

The following table illustrates the ten largest tenants in Crombie's portfolio of income-producing properties as measured by their percentage contribution to total annual minimum base rent as at March 31, 2013.

Tenant	% of Annual Minimum Rent	Average Remaining Lease Term
Sobeys [(1)]	33.6%	14.1 years
Shoppers Drug Mart	6.7%	12.6 years
Empire Theatres Limited	2.0%	11.4 years
Province of Nova Scotia	1.7%	5.0 years
GoodLife Fitness	1.5%	10.0 years
Lawtons/Sobeys Pharmacy	1.5%	13.4 years
CIBC	1.4%	17.2 years
Best Buy Canada Ltd.	1.3%	8.4 years
Bank of Nova Scotia	1.2%	3.9 years
Mark's Work Warehouse Ltd.	1.1%	4.3 years
Total	52.0%	

(1) Excludes Lawtons.

Crombie's portfolio is leased to a wide variety of tenants. Other than Sobeys which accounts for 33.6% of the annual minimum rent and Shoppers Drug Mart which accounts for 6.7% of the annual minimum rent, no other tenant accounts for more than 2.0% of Crombie's annual minimum rent.

Lease Maturities

The following table sets out as of March 31, 2013, the number of leases maturing during the periods indicated (assuming tenants do not holdover on a month-to-month basis or exercise renewal options or termination rights), the renewal area, the percentage of the total GLA of the properties represented by such maturities and the estimated average rent per square foot at the time of expiry.

Year	Number of Leases	Renewal Area (sq. ft.)	% of Total GLA	Average Rent per sq. ft. at Expiry
Remainder of 2013	212	1,051,000	7.3%	$ 10.36
2014	206	732,000	5.1%	15.96
2015	175	739,000	5.1%	15.17
2016	175	822,000	5.7%	14.97
2017	181	905,000	6.3%	17.74
Thereafter	588	9,260,000	64.0%	15.26
Total	1,537	13,509,000	93.5%	$ 15.06

The weighted average remaining term of all leases is approximately 10.3 years. This lengthy remaining lease term is influenced by the average Sobeys and Shoppers Drug Mart remaining lease terms of 14.1 years and 12.6 years, respectively.

During the three months ended March 31, 2013, Crombie's lease renewals were completed at an average rate of $16.06 per square foot; while new leasing activity was completed at an average rate of $18.55 per square foot. Both of these rates compare favourably with the average rent per square foot on full year 2013 lease expiries of $10.95 per square foot.

2013 Portfolio Occupancy and Committed Activity

The portfolio occupancy and committed activity for the three months ended March 31, 2013 were as follows:

	Occupied space (sq. ft.)								
Province	January 1, 2013	Acquisitions (Dispositions)	New Leases[1]	Lease Expiries	Other Changes[2]	March 31, 2013	Committed Space (sq ft.)[3]	Total Leased Space (sq ft.)	Leased March 31, 2013
AB	409,000	300,000	1,000	-	-	710,000	2,000	712,000	98.8%
MB	39,000	-	-	-	-	39,000	-	39,000	100.0%
NB	1,547,000	57,000	-	(3,000)	(7,000)	1,594,000	5,000	1,599,000	86.7%
NF	1,594,000	-	7,000	(3,000)	(7,000)	1,591,000	4,000	1,595,000	96.4%
NS	5,025,000	45,000	13,000	(11,000)	(9,000)	5,063,000	38,000	5,101,000	92.1%
ON	2,672,000	-	12,000	-	1,000	2,685,000	38,000	2,723,000	94.3%
PE	299,000	-	-	(1,000)	-	298,000	-	298,000	95.2%
QC	1,162,000	-	11,000	-	-	1,173,000	-	1,173,000	99.2%
SK	269,000	-	-	-	-	269,000	-	269,000	100.0%
Total	13,016,000	402,000	44,000	(18,000)	(22,000)	13,422,000	87,000	13,509,000	93.5%

(1) New leases include: new leases and expansions to existing properties.
(2) Other changes include: amendments to existing leases; lease terminations and surrenders; bankruptcies; and space certifications.
(3) Committed space represents lease contracts for future occupancy of currently vacant space. Management believes such reporting, along with reported lease maturities, provides more balanced reporting of potential pending overall vacant space. Committed space increased from 86,000 square feet at December 31, 2012 to 87,000 square feet at March 31, 2013.

Overall leased space (occupied plus committed) increased from 93.2% at December 31, 2012 to 93.5% at March 31, 2013. This occupancy increase is the result of new leases of 44,000 square feet and 402,000 square feet of net acquisition activity in the period.

SECTOR INFORMATION

While Crombie does not distinguish or group its operations on a geographical or other basis, Crombie provides the following sector information as supplemental disclosure.

As at March 31, 2013, the portfolio distribution of the GLA by asset type was as follows:

Asset Type	Number of Properties	GLA (sq. ft.)	% of GLA	% of Annual Minimum Rent	Leased[1]
Retail Enclosed	11	2,290,000	15.9%	16.4%	86.7%
Retail Freestanding	67	2,516,000	17.4%	18.8%	99.9%
Retail Plazas	83	6,741,000	46.6%	49.0%	95.0%
Portfolio sub-totals for retail	161	11,547,000	79.9%	84.2%	94.4%
Mixed Use	9	1,852,000	12.8%	9.9%	93.6%
Office	5	1,053,000	7.3%	5.9%	82.7%
Total	175	14,452,000	100.0%	100.0%	93.5%

(1) For purposes of calculating leased percentage, Crombie considers GLA covered by the head lease agreements as occupied.

As at March 31, 2012, the portfolio distribution of the GLA by asset type was as follows:

Asset Type	Number of Properties	GLA (sq. ft.)	% of GLA	% of Annual Minimum Rent	Leased[1]
Retail Enclosed	11	2,265,000	17.9%	19.7%	88.8%
Retail Freestanding	54	2,216,000	17.5%	18.5%	99.9%
Retail Plazas	61	5,430,000	42.8%	44.0%	93.5%
Portfolio sub-totals for retail	126	9,911,000	78.2%	82.2%	93.9%
Mixed Use	8	1,716,000	13.5%	11.3%	89.9%
Office	5	1,050,000	8.3%	6.5%	85.7%
Total	139	12,677,000	100.0%	100.0%	92.7%

(1) For purposes of calculating leased percentage, Crombie considers GLA covered by the head lease agreements as occupied.

Retail properties represent 79.9% of Crombie's GLA and 84.2% of annual minimum rent at March 31, 2013 compared to 78.2% of GLA and 82.2% of annual minimum rent at March 31, 2012, reflecting Crombie's growth strategy to focus primarily on retail properties.

Leased space in retail properties of 94.4% at March 31, 2013, has increased from 93.9% at March 31, 2012, due to new leasing and acquisition activity.

The following table sets out as of March 31, 2013, the square feet under lease subject to lease maturities during the periods indicated.

Year	Retail Enclosed		Retail Freestanding		Retail Plazas	
	(sq. ft.)	(%)	(sq. ft.)	(%)	(sq. ft.)	(%)
2013	315,000	13.8%	-	0.0%	378,000	5.6%
2014	166,000	7.2%	-	0.0%	281,000	4.2%
2015	91,000	4.0%	9,000	0.4%	326,000	4.8%
2016	182,000	7.9%	3,000	0.1%	444,000	6.6%
2017	297,000	13.0%	11,000	0.4%	292,000	4.3%
Thereafter	935,000	40.8%	2,492,000	99.1%	4,684,000	69.5%
Total	1,986,000	86.7%	2,515,000	100.0%	6,405,000	95.0%

Year	Mixed Use		Office		Total	
	(sq. ft.)	(%)	(sq. ft.)	(%)	(sq. ft.)	(%)
2013	305,000	16.5%	53,000	5.0%	1,051,000	7.3%
2014	201,000	10.9%	84,000	8.0%	732,000	5.1%
2015	243,000	13.1%	70,000	6.6%	739,000	5.1%
2016	123,000	6.6%	70,000	6.6%	822,000	5.7%
2017	177,000	9.6%	128,000	12.2%	905,000	6.3%
Thereafter	684,000	36.9%	465,000	44.2%	9,260,000	64.0%
Total	1,733,000	93.6%	870,000	82.6%	13,509,000	93.5%

Of the 10,906,000 square feet of retail properties under lease, 8,111,000 square feet, or 74.4% is scheduled for maturity after 2017. This long-term stability in lease maturities is primarily driven by the longer term nature of the Sobeys and Shoppers Drug Mart leases.

In the office and mixed use properties, lease maturities after 2017 represents 44.1% of the leased square footage.

The following table sets out the average rent per square foot expiring during the periods indicated:

Year	Retail Enclosed	Retail Freestanding	Retail Plazas	Mixed Use	Office	Total
2013	$ 9.25	$ -	$ 12.47	$ 8.27	$ 13.95	$ 10.36
2014	$ 24.38	$ -	$ 15.40	$ 11.06	$ 12.93	$ 15.96
2015	$ 21.76	$ 25.32	$ 15.46	$ 12.83	$ 12.12	$ 15.17
2016	$ 19.17	$ 29.00	$ 15.52	$ 7.51	$ 13.12	$ 14.97
2017	$ 17.98	$ 21.56	$ 19.34	$ 13.72	$ 18.73	$ 17.74
Thereafter	$ 16.10	$ 15.55	$ 15.71	$ 12.60	$ 11.34	$ 15.26
March 2013 Total	$ 16.53	$ 16.62	$ 15.64	$ 11.44	$ 12.94	$ 15.06
March 2012 Total	$ 15.77	$ 14.24	$ 14.39	$ 11.94	$ 12.37	$ 14.12
December 2012 Total	$ 16.61	$ 15.55	$ 15.07	$ 11.48	$ 12.82	$ 14.77

FINANCIAL RESULTS YEAR TO DATE

Comparison to Previous Year

(In thousands of CAD dollars, except per unit amounts and as otherwise noted)	As At		
	March 31, 2013	December 31, 2012	March 31, 2012
Total assets	$ 2,298,085	$ 2,135,620	$ 1,836,451
Total investment property debt and convertible debentures	$ 1,354,330	$ 1,185,940	$ 995,571
Debt to gross book value(1)	53.0%	50.0%	49.1%
Debt to gross book value – fair value basis(2)	48.3%	46.5%	47.6%

(1) See "Debt to Gross Book Value" for detailed calculation.
(2) See "Debt to Gross Book Value – Fair Value Basis" for detailed calculation.

(In thousands of CAD dollars, except per unit amounts and as otherwise noted)	Three Months Ended March 31,		
	2013	2012	Variance
		(As Restated)	
Property revenue	$ 71,006	$ 59,447	$ 11,559
Property operating expenses	26,818	23,502	3,316
Property NOI	44,188	35,945	8,243
NOI margin percentage	62.2%	60.5%	1.7%
Other items:			
Lease terminations	6	113	(107)
Depreciation and amortization	(11,122)	(8,525)	(2,597)
General and administrative expenses	(3,206)	(2,520)	(686)
Operating income before finance costs and taxes	29,866	25,013	4,853
Finance costs – operations	(16,807)	(15,750)	(1,057)
Operating income before taxes	13,059	9,263	3,796
Taxes – deferred	(100)	300	(400)
Operating income attributable to Unitholders	12,959	9,563	3,396
Finance costs – distributions to Unitholders	(20,438)	(17,167)	(3,271)
Finance costs – change in fair value of financial instruments	617	1,860	(1,243)
Decrease in net assets attributable to Unitholders	$ (6,862)	$ (5,744)	$ (1,118)
Operating income attributable to Unitholders per Unit, Basic and Diluted	$ 0.14	$ 0.13	
Basic weighted average Units outstanding (in 000's)	91,629	74,415	
Diluted weighted average Units outstanding (in 000's)	91,815	74,596	
Distributions per Unit to Unitholders	$ 0.22	$ 0.22	

Restatement of financial results

As discussed in the December 31, 2012 MD&A, Crombie determined that the conversion feature and redemption option attached to the convertible debentures represent a financial liability requiring fair value measurement each reporting period, with any adjustment to fair value being recognized as an increase (decrease) in Net assets attributable to Unitholders.

The comparative financial results have been restated to retrospectively account for the fair value of the embedded derivatives from the issue date of each series of convertible debentures. The fair value adjustment is being accounted for as Finance costs – change in fair value of financial instruments on the statements of comprehensive income.

Throughout this MD&A, all references to "As Restated" relate to the above retrospective restatement.

Comparative Figures

Certain comparative figures have been reclassified to conform to the current year's consolidated financial results.

Operating income attributable to Unitholders for the three months ended March 31, 2013 of $12,959 increased by $3,396 or 35.5% from $9,563 for the three months ended March 31, 2012. The increase was primarily due to:

- higher property NOI caused by increased average rental rates, improved expense recovery rates and the impact of property acquisitions during 2012 and 2013.

Offset in part by:

- higher depreciation and amortization expense and finance costs in 2013 primarily related to property acquisitions;
- higher general and administrative expenses including costs associated with hiring of additional staff related to continued growth and higher incentive payments relating to 2012.

Classification of Crombie REIT Units and Class B LP Units with attached Special Voting Units (collectively the "Units")

On transition to IFRS, Crombie determined that in accordance with IAS 32 Financial Instruments: Presentation, Crombie's Units are to be classified as financial liabilities on the Consolidated Balance Sheet. Each of the REIT Units and Class B LP Units are puttable by the respective holder and meet the definition of financial liabilities under IFRS. IAS 32 provides an exception test which, if met, would result in either, or both, of the Units being classified as equity instruments. Crombie has determined that the exception test has not been met for either the REIT Units or Class B LP Units and as such, Crombie has no instrument meeting the definition of equity instruments within the IFRS standard. As a result, since the Units are classified as financial liabilities on the Consolidated Balance Sheet, distributions on the Units are recognized as a finance charge on the Consolidated Statements of Comprehensive Income (Loss). Had either, or both, of the Units been classified as equity instruments, the related distributions would be recognized as a reduction to equity rather than a charge against income.

Property Revenue and Property Operating Expenses

Same-asset properties are properties owned and operated by Crombie throughout the current and comparative reporting periods, excluding any property that was designated for redevelopment during either the current or comparative period.

	Three Months Ended March 31,		
(In thousands of CAD dollars)	2013	2012	Variance
Same-asset property revenue	$ 57,993	$ 56,048	$ 1,945
Acquisition, disposition and redevelopment property revenue	13,013	3,399	9,614
Property revenue	$ 71,006	$ 59,447	$ 11,559

Same-asset property revenue of $57,993 for the three months ended March 31, 2013 was 3.5% higher than the three months ended March 31, 2012 due to increased base rent driven by lease renewal activity, land use intensifications at several properties and recoveries as a result of higher recoverable property expenses. Acquisition, disposition and redevelopment property revenue growth of $9,614 is due to higher acquisition and redevelopment activity in 2012 and 2013.

	Three Months Ended March 31,		
(In thousands of CAD dollars)	2013	2012	Variance
Same-asset property operating expenses	$ 22,345	$ 20,696	$ (1,649)
Acquisition, disposition and redevelopment property operating expenses	4,473	2,806	(1,667)
Property operating expenses	$ 26,818	$ 23,502	$ (3,316)

Same-asset property expenses of $22,345 for the three months ended March 31, 2013 increased by $1,649 or 8.0% from the three months ended March 31, 2012 due primarily to higher recoverable property expenses.

	Three Months Ended March 31,		
(In thousands of CAD dollars)	2013	2012	Variance
Same-asset property NOI	$ 35,648	$ 35,352	$ 296
Acquisition, disposition and redevelopment property NOI	8,540	593	7,947
Property NOI	$ 44,188	$ 35,945	$ 8,243

Property NOI is calculated as property revenue less property operating expenses. Property NOI for the three months ended March 31, 2013 increased by $8,243 or 22.9% from the three months ended March 31, 2012 due primarily to significant acquisitions and completed redevelopment activity during 2012 and 2013.

Property NOI on a cash basis is as follows:

	Three Months Ended March 31,		
(In thousands of CAD dollars)	2013	2012	Variance
Property NOI	$ 44,188	$ 35,945	$ 8,243
Non-cash straight-line rent	(1,359)	(1,021)	(338)
Non-cash tenant incentive amortization	1,970	1,513	457
Property cash NOI	44,799	36,437	8,362
Acquisition, disposition and redevelopment property cash NOI	8,497	792	7,705
Same-asset property cash NOI	$ 36,302	$ 35,645	$ 657

Property NOI, on a cash basis, excludes straight-line rent recognition and amortization of tenant incentive amounts. The $657 or 1.8% increase in same-asset cash NOI for the three months ended March 31, 2013 over the three months ended March 31, 2012 is primarily the result of increased average rent per square foot from leasing activity as well as land use intensifications at several properties and improved recovery rates.

Management emphasizes property NOI on a cash basis as it reflects the cash generated by the properties period-over-period.

Acquisition, disposition and redevelopment property cash NOI is as follows:

	Three Months Ended March 31,		
(In thousands of CAD dollars)	2013	2012	Variance
Acquisition and disposition property cash NOI	$ 6,942	$ 77	$ 6,865
Redevelopment property cash NOI	1,555	715	840
Total acquisition, disposition and redevelopment property cash NOI	$ 8,497	$ 792	$ 7,705

The significant growth in acquisition and disposition property cash NOI reflects the property acquisitions throughout 2012 and 2013.

Cash NOI for redevelopment properties increased $840 or 117.5% for the three months ended March 31, 2013 over the three months ended March 31, 2012 due primarily to improved results at Barrington Tower in Halifax, Nova Scotia where redevelopment work was completed in the third quarter of 2012 and the completion of Phase 1 at Downsview Plaza in Halifax, Nova Scotia.

Change in cash NOI from redevelopment properties period-over-period is impacted by the timing of commencement and completion of each redevelopment project. The nature and extent of redevelopment projects results in operations being impacted minimally in some instances and a significant disruption in others. Consequently, comparison of period-over-period redevelopment operating results may not be meaningful.

Crombie undertakes redevelopment of properties to position them for long-term sustainability and growth in cash NOI resulting in improvement in value.

Property NOI for the three months ended March 31, 2013 by province was as follows:

	2013			2012	
(In thousands of CAD dollars)	Property Revenue	Property Expenses	Property NOI	Property NOI	Variance
AB	$ 3,582	$ 834	$ 2,748	$ 1,641	$ 1,107
MB	166	3	163	-	163
NB	7,304	3,072	4,232	3,534	698
NL	10,611	4,069	6,542	6,079	463
NS	25,322	11,281	14,041	13,649	392
ON	15,621	4,839	10,782	6,203	4,579
PE	1,108	387	721	684	37
QC	5,977	1,936	4,041	3,498	543
SK	1,315	397	918	657	261
Total	$ 71,006	$ 26,818	$ 44,188	$ 35,945	$ 8,243

The variances from 2012 primarily relate to:

Property acquisitions during 2012 and year to date in 2013;
Growth in same asset cash NOI;
Completion of redevelopment properties;
Land use intensification projects.

In Alberta, Crombie acquired two retail properties during 2012 and an additional four retail properties in the first three months of 2013.

In Ontario, Crombie acquired 23 retail properties during 2012 as well as additional development on a pre-existing retail property.

Depreciation and Amortization

(In thousands of CAD dollars)	Three Months Ended March 31, 2013	2012	Variance
Same-asset depreciation and amortization	$ 8,007	$ 7,986	$ (21)
Acquisition, disposition and redevelopment depreciation and amortization	3,115	539	(2,576)
Depreciation and amortization	$ 11,122	$ 8,525	$ (2,597)

Acquisition, disposition and redevelopment depreciation and amortization of $3,115 for the three months ended March 31, 2013 was $2,576 higher than the same period in 2012. This increase is consistent with Crombie's increased acquisition activity in 2012 (primarily after March 31, 2012) and 2013. Depreciation and amortization consists of:

(In thousands of CAD dollars)	Three Months Ended March 31, 2013	2012	Variance
Depreciation of investment properties	$ 9,282	$ 7,241	$ (2,041)
Amortization of intangible assets	1,704	1,138	(566)
Amortization of deferred leasing costs	136	146	10
Depreciation and amortization	$ 11,122	$ 8,525	$ (2,597)

General and Administrative Expenses

The following table outlines the major categories of general and administrative expenses:

(In thousands of CAD dollars)	Three Months Ended March 31, 2013	2012	Variance
Salaries and benefits	$ 1,749	$ 1,219	$ (530)
Professional fees	380	343	(37)
Public company costs	424	368	(56)
Rent and occupancy	282	190	(92)
Other	371	400	29
General and administrative expenses	$ 3,206	$ 2,520	$ (686)
As a percentage of property revenue	4.5%	4.2%	(0.3)%

General and administrative expenses, as a percentage of property revenue, increased by 0.3% for the three months ended March 31, 2013 compared to the same period in 2012. Salaries and benefits increased due to the hiring of additional staff related to continued growth and higher incentive payments.

Finance Costs - Operations

(In thousands of CAD dollars)	Three Months Ended March 31, 2013	2012	Variance
Same-asset finance costs	$ 12,075	$ 13,308	$ 1,233
Acquisition, disposition and redevelopment finance costs	3,180	705	(2,475)
Amortization of effective swaps and deferred financing charges	1,552	1,737	185
Finance costs – operations	$ 16,807	$ 15,750	$ (1,057)

Same-asset finance costs for the three months ended March 31, 2013 decreased by $1,233 or 9.3% compared to the three months ended March 31, 2012 primarily due to the interest savings realized from the Refinanced Mortgages.

Growth in acquisition, disposition and redevelopment finance costs is consistent with Crombie's significant acquisition activity in 2012 and 2013.

There is an agreement between ECLD and Crombie whereby ECLD provides a monthly interest rate subsidy to Crombie to reduce the effective interest rates to 5.54% for the remaining term of certain mortgages that were assumed at Crombie's IPO. The remaining mortgage terms mature through April 2022, and management expects to realize a further $3,553 over that period. The amount of interest rate subsidy received during the three months ended March 31, 2013 was $238 (three months ended March 31, 2012 - $275).

Income Taxes

A trust that satisfies the criteria of a REIT throughout its taxation year will not be subject to income tax in respect of distributions to its unitholders that would otherwise apply to trusts classified as specified investment flow-through entities ("SIFTs").

Crombie has organized its assets and operations to satisfy the criteria contained in the Income Tax Act (Canada) in regard to the definition of a REIT. Crombie's management and its advisors have completed an extensive review of Crombie's organizational structure and operations to support Crombie's assertion that it met the REIT criteria throughout 2012 and continues to do so. The relevant tests apply throughout the taxation year of Crombie and as such the actual status of Crombie for any particular taxation year can only be ascertained at the end of the year.

The deferred tax liability represents the future tax provision for Crombie's wholly-owned corporate subsidiaries which are subject to corporate income taxes.

SECTOR INFORMATION

While Crombie does not distinguish or group its operations on a geographical or other basis, Crombie provides the following sector information as supplemental disclosure.

Retail Enclosed Properties

	Three Months Ended March 31, 2013			Three Months Ended March 31, 2012		
(In thousands of CAD dollars, except as otherwise noted)	Same-asset	Acquisitions, Dispositions & Redevelopments	Total	Same-asset	Acquisitions, Dispositions & Redevelopments	Total
Property revenue	$ 12,075	$ 377	$ 12,452	$ 11,198	$ 538	$ 11,736
Property operating expenses	5,041	364	5,405	4,243	363	4,606
Property NOI	$ 7,034	$ 13	$ 7,047	$ 6,955	$ 175	$ 7,130
NOI Margin %	58.3%	3.4%	56.6%	62.1%	32.5%	60.8%
Actual occupancy %	90.9%	47.0%	86.5%	88.3%	89.9%	88.5%

Same-asset property revenue increased by $877 or 7.8% primarily due to rental rate increases and land use intensification development. Same asset property operating expenses increased by $798 or 18.8% due to higher non-recoverable costs. Same asset property NOI rose 1.1% consistent with improved occupancy.

Retail Freestanding Properties

	Three Months Ended March 31, 2013			Three Months Ended March 31, 2012		
(In thousands of CAD dollars, except as otherwise noted)	Same-asset	Acquisitions, Dispositions & Redevelopments	Total	Same-asset	Acquisitions, Dispositions & Redevelopments	Total
Property revenue	$ 8,665	$ 2,267	$ 10,932	$ 8,305	$ 62	$ 8,367
Property operating expenses	1,948	214	2,162	1,681	1	1,682
Property NOI	$ 6,717	$ 2,053	$ 8,770	$ 6,624	$ 61	$ 6,685
NOI Margin %	77.5%	90.6%	80.2%	79.8%	98.4%	79.9%
Actual occupancy %	99.9%	100.0%	99.9%	99.8%	100.0%	99.8%

Same-asset NOI Margin percentage is lower in 2013 due to an increase in non-recoverable expenses. Acquisitions, dispositions and redevelopment property NOI increased significantly from 2012 primarily due to the acquisition of 15 freestanding properties during the second quarter of 2012.

Retail Plaza Properties

(In thousands of CAD dollars, except as otherwise noted)	Three Months Ended March 31, 2013			Three Months Ended March 31, 2012		
	Same-asset	Acquisitions, Dispositions & Redevelopments	Total	Same-asset	Acquisitions, Dispositions & Redevelopments	Total
Property revenue	$ 25,187	$ 7,653	$ 32,840	$ 24,539	$ 829	$ 25,368
Property operating expenses	8,998	2,079	11,077	8,445	422	8,867
Property NOI	$ 16,189	$ 5,574	$ 21,763	$ 16,094	$ 407	$ 16,501
NOI Margin %	64.3%	72.8%	66.3%	65.6%	49.1%	65.0%
Actual occupancy %	94.2%	94.1%	94.1%	94.4%	55.2%	92.3%

Acquisitions, dispositions and redevelopment property NOI increased significantly from the same period in 2012 primarily due to the significant acquisition activity during 2012 and 2013. Same asset property NOI grew by 0.6% due to increases in rental rates, improved operating cost recoveries and land use intensification development.

Mixed Use Properties

(In thousands of CAD dollars, except as otherwise noted)	Three Months Ended March 31, 2013			Three Months Ended March 31, 2012		
	Same-asset	Acquisitions, Dispositions & Redevelopments	Total	Same-asset	Acquisitions, Dispositions & Redevelopments	Total
Property revenue	$ 7,970	$ 1,496	$ 9,466	$ 7,912	$ 862	$ 8,774
Property operating expenses	4,259	782	5,041	4,241	542	4,783
Property NOI	$ 3,711	$ 714	$ 4,425	$ 3,671	$ 320	$ 3,991
NOI Margin %	46.6%	47.7%	46.7%	46.4%	37.1%	45.5%
Actual occupancy %	91.8%	95.9%	93.0%	93.0%	80.0%	89.9%

Acquisition, dispositions and redevelopment property NOI increased by $394 compared to the same period in 2012 due to the acquisition of a property in Newfoundland and Labrador in the third quarter of 2012.

Office Properties

(In thousands of CAD dollars, except as otherwise noted)	Three Months Ended March 31, 2013			Three Months Ended March 31, 2012		
	Same-asset	Acquisitions, Dispositions & Redevelopments	Total	Same-asset	Acquisitions, Dispositions & Redevelopments	Total
Property revenue	$ 4,096	$ 1,220	$ 5,316	$ 4,094	$ 1,108	$ 5,202
Property operating expenses	2,099	1,034	3,133	2,086	1,478	3,564
Property NOI	$ 1,997	$ 186	$ 2,183	$ 2,008	$ (370)	$ 1,638
NOI Margin %	48.8%	15.2%	41.1%	49.0%	(33.4)%	31.5%
Actual occupancy %	93.0%	61.9%	81.6%	88.0%	46.8%	72.7%

Acquisition, dispositions and redevelopment property NOI increased by $556 compared to the same period in 2012 due to improved results at Barrington Tower in Halifax, Nova Scotia where redevelopment work was completed in the third quarter of 2012.

OTHER 2013 PERFORMANCE MEASURES

Per Unit Measures

In order to provide a comparative measure of operating results on a per unit basis, Crombie is providing the following non-IFRS measures:

(In thousands of CAD dollars, except as otherwise noted)	Three Months Ended March 31, 2013	2012
Operating income attributable to Unitholders	$ 12,959	$ 9,563
Operating income attributable to Unitholders per unit – Basic	$ 0.14	$ 0.13
Operating income attributable to Unitholders per unit – Diluted	$ 0.14	$ 0.13
FFO – Basic	$ 25,721	$ 19,301
FFO – Diluted	$ 27,380	$ 21,290
FFO per Unit – Basic	$ 0.28	$ 0.26
FFO per Unit – Diluted	$ 0.28	$ 0.25
AFFO – Basic	$ 21,606	$ 16,007
AFFO – Diluted	$ 22,521	$ 16,831
AFFO per Unit – Basic	$ 0.24	$ 0.22
AFFO per Unit – Diluted	$ 0.23	$ 0.21

Operating income attributable to Unitholders is determined before Finance costs - distributions to Unitholders and Finance costs - change in fair value of financial instruments are deducted and represents the most equivalent measure to net income available to all Unitholders; the measure commonly referred to when units are classified as equity instruments.

The diluted FFO and AFFO are calculated by adding back the finance costs on any convertible debenture series that is dilutive for the reporting period for that specific calculation.

Weighted average number of Units outstanding for per unit measures calculations:

	Three Months Ended March 31, 2013	2012
Basic number of Units for all measures	91,628,740	74,415,232
Diluted for operating income attributable to Unitholders purposes	91,814,774	74,596,046
Diluted for FFO purposes	99,399,836	84,590,182
Diluted for AFFO purposes	96,414,761	79,353,961

The diluted weighted average number of Units outstanding does not include the impact of any series of convertible debentures that would be anti-dilutive for that calculation.

Pursuant to CSA Staff Notice 52-306 "(Revised) Non-GAAP Financial Measures", non-GAAP measures should be reconciled to the most directly comparable GAAP measure, which, in the case of Operating income attributable to Unitholders, is Decrease in net assets attributable to Unitholders from the Statement of Comprehensive Income (Loss). The reconciliation is as follows:

(In thousands of CAD dollars)	Three Months Ended March 31, 2013	2012 (As Restated)
Operating income attributable to Unitholders	$ 12,959	$ 9,563
Finance costs – distributions to Unitholders	(20,438)	(17,167)
Finance costs – change in fair value of financial instruments	617	1,860
Decrease in net assets attributable to Unitholders	$ (6,862)	$ (5,744)

FFO and AFFO

FFO and AFFO are not measures recognized under IFRS and do not have standardized meanings prescribed by IFRS. As such, these non-IFRS financial measures should not be considered as an alternative to cash provided by operating activities or any other measure prescribed under IFRS. FFO represents a supplemental non-IFRS industry-wide financial measure of a real estate organization's operating performance. AFFO is presented in this MD&A because management believes this non-IFRS measure is relevant to the ability of Crombie to earn and distribute returns to Unitholders. FFO and AFFO as computed by Crombie may differ from similar computations as reported by other REIT's and, accordingly, may not be comparable to other such issuers.

Funds from Operations (FFO)

Crombie follows the recommendations of the Real Property Association of Canada ("REALpac") in calculating FFO and defines FFO as increase (decrease) in net assets attributable to Unitholders (computed in accordance with IFRS), adjusted for gains or losses from sales of investment properties, depreciation and amortization expense, deferred taxes, impairment losses (or reversals) on investment properties and transaction costs expensed on an investment property acquisition accounted for as a business combination. Crombie's expenditures on tenant incentives are capital in nature. Crombie considers these costs comparable to other capital costs incurred to earn property revenue. Whereas the depreciation and amortization of other capital costs is added back in the calculation of FFO, Crombie also adds back the amortization of tenant incentives. Crombie's method of calculating FFO may differ from other issuers' methods and accordingly may not be directly comparable to FFO reported by other issuers. The calculation of FFO for the three months ended March 31, 2013 and three months ended March 31, 2012 is as follows:

	Three Months Ended March 31,		
(In thousands of CAD dollars)	2013	2012	Variance
		(As Restated)	
Decrease in net assets attributable to Unitholders	$ (6,862)	$ (5,744)	$ (1,118)
Add (deduct):			
Finance costs – distributions to Unitholders	20,438	17,167	3,271
Finance costs – change in fair value of financial instruments	(617)	(1,860)	1,243
Amortization of tenant incentives	1,970	1,513	457
Depreciation of investment properties	9,282	7,241	2,041
Amortization of intangible assets	1,704	1,138	566
Amortization of deferred leasing costs	136	146	(10)
Gain on derecognition of investment property	(430)	-	(430)
Taxes – deferred	100	(300)	400
FFO	$ 25,721	$ 19,301	$ 6,420

The $6,420 increase in FFO for the three months ended March 31, 2013 was primarily due to the significant acquisition activity during 2012 and 2013.

Adjusted Funds from Operations (AFFO)

Crombie considers AFFO to be a measure useful in evaluating the recurring economic performance of Crombie's operating activities which will be used to support future distribution payments. AFFO reflects cash available for distributions after the provision for non-cash adjustments to revenue, amortization of effective swap agreements, maintenance capital expenditures, maintenance tenant incentives ("TI") and leasing costs and any settlement of effective interest rate swap agreements.

Maintenance Capital Expenditures, Maintenance Tenant Incentives and Leasing Costs ("Maintenance Expenditures")

Crombie's policy is to charge AFFO with a normalized rate per square foot for these maintenance expenditures. Crombie uses an annual rate of $1.05 per square foot to be charged against AFFO. The rate will be reviewed periodically and adjusted if required. The rate is a proxy for actual historic costs, anticipated future costs and any significant changes in the nature and age of the properties in the portfolio as it evolves over time. Crombie continues to track and report actual expenditures and the productive capacity enhancement of those expenditures for comparative purposes. This per square foot charge removes volatility in reported AFFO results from quarter to quarter as costs are not generally incurred on a consistent basis during the year, or from year to year. The calculation of AFFO for the three months ended March 31, 2013 and 2012 is as follows:

	Three Months Ended March 31,		
(In thousands of CAD dollars)	2013	2012	Variance
FFO	$ 25,721	$ 19,301	$ 6,420
Add (deduct):			
Amortization of effective swap agreements	965	1,042	(77)
Straight-line rent adjustment	(1,359)	(1,021)	(338)
Maintenance expenditures on a square footage basis	(3,721)	(3,315)	(406)
AFFO	$ 21,606	$ 16,007	$ 5,599

The AFFO for the quarter ended March 31, 2013 was $21,606, an increase of $5,599 or 35.0% over the same period in 2012, due primarily to the improved FFO results as previously discussed.

Pursuant to CSA Staff Notice 52-306 "(Revised) Non-GAAP Financial Measures", non-GAAP measures such as AFFO should be reconciled to the most directly comparable IFRS measure, which is interpreted to be the cash flow from operating activities. The reconciliation is as follows:

	Three Months Ended March 31,		
(In thousands of CAD dollars)	2013	2012	Variance
Cash provided by (used in) operating activities	$ 5,995	$ (5,249)	$ 11,244
Add back (deduct):			
Finance costs – distributions to Unitholders	20,438	17,167	3,271
Change in other non-cash operating items	(510)	8,106	(8,616)
Unit-based compensation expense	(8)	(7)	(1)
Amortization of deferred financing charges	(588)	(695)	107
Maintenance expenditures on a square footage basis	(3,721)	(3,315)	(406)
AFFO	$ 21,606	$ 16,007	$ 5,599

LIQUIDITY AND CAPITAL RESOURCES

The real estate industry is highly capital intensive.

Cash flow generated from operating the property portfolio represents the primary source of liquidity used to service the finance costs on debt, fund general and administrative expenses, reinvest in the portfolio through capital expenditures, as well as fund TI costs and distributions to Unitholders.

Crombie expects to refinance debt obligations as they mature.

Crombie has the following sources of financing available to finance future growth: secured short-term financing through an authorized revolving credit facility of up to $285,000, subject to available borrowing base, of which $145,000 ($156,329 including outstanding letters of credit) was drawn at March 31, 2013; the issue of new units; mortgage and term debt on unencumbered assets; and, unsecured convertible debentures. The revolving credit facility is only temporarily increased to $285,000 and the borrowing base and limit are expected to be reduced to the previous $200,000 level at such time in 2013 when permanent mortgage financing is put in place on certain recently acquired properties.

Crombie's sources and uses of funds are summarized as follows:

	Three Months Ended March 31,		
(In thousands of CAD dollars)	2013	2012	Variance
Cash provided by (used in):			
Operating activities	$ 5,995	$ (5,249)	$ 11,244
Financing activities	$ 158,496	$ 104,563	$ 53,933
Investing activities	$ (164,105)	$ (16,577)	$ (147,528)

Operating Activities

	Three Months Ended March 31,		
(In thousands of CAD dollars)	2013	2012	Variance
Cash provided by (used in):			
Net assets attributable to Unitholders and non-cash items	$ 5,485	$ 2,857	$ 2,628
Non-cash operating items	510	(8,106)	8,616
Cash provided by operating activities	$ 5,995	$ (5,249)	$ 11,244

Fluctuations in cash provided by operating activities are largely influenced by the change in non-cash working capital which can be affected by the timing of receipts and payments.

Financing Activities

(In thousands of CAD dollars)	Three Months Ended March 31, 2013	2012	Variance
Cash provided by (used in):			
Net issue (repayment) of loans and borrowings	$ 157,963	$ (12,774)	$ 170,737
Net issue of units	-	116,925	(116,925)
Other items (net)	533	412	121
Cash provided by (used in) financing activities	$ 158,496	$ 104,563	$ 53,933

Cash from financing activities in the three months ended March 31, 2013 increased by $53,933 over the same period in 2012. During the three months ended March 31, 2013, Crombie raised cash to finance the acquisitions of investment properties through mortgage financing and the use of Crombie's revolving credit facility. In addition, Crombie repaid and cancelled the $92,697 term facility using proceeds from new mortgages totalling $135,350. The weighted average interest rate and weighted average term to maturity on these new mortgages is 4.22% and 11.3 years, respectively.

Investing Activities

(In thousands of CAD dollars)	Three Months Ended March 31, 2013	2012	Variance
Cash provided by (used in):			
Acquisition of investment properties	$ (154,551)	$ (6,256)	$ (148,295)
Additions to investment properties	(3,820)	(6,318)	2,498
Proceeds on disposal of investment properties	1,700	-	1,700
Additions to tenant incentives	(7,313)	(3,885)	(3,428)
Additions to deferred leasing costs	(144)	(141)	(3)
Other items (net)	23	23	-
Cash used in investing activities	$ (164,105)	$ (16,577)	$ (147,528)

Cash used in investing activities for the three months ended March 31, 2013 was $164,105. The increase of $147,528 is reflective of the significant investment property acquisitions in the first quarter of 2013 as compared to the same period in 2012 in addition to increased tenant incentives related to leasing activity.

Tenant Improvement ("TI") and Capital Expenditures

There are two types of TI and capital expenditures:

- maintenance TI and leasing costs and maintenance capital expenditures that maintain existing productive capacity; and
- productive capacity enhancement expenditures.

Maintenance TI and leasing costs and maintenance capital expenditures are reinvestments in the portfolio to maintain the productive capacity of the existing assets. These costs are capitalized and depreciated or charged against revenue over their useful lives and deducted when calculating AFFO.

Productive capacity enhancement expenditures are costs incurred that increase the property NOI, or expand the GLA of a property by a minimum threshold, or otherwise enhance the property's overall value. Productive capacity enhancement expenditures are capitalized and depreciated or charged against revenue over their useful lives, but not deducted when calculating AFFO.

Obligations for expenditures for TI's occur when renewing existing tenant leases or for new tenants occupying a new space. Typically, leasing costs for existing tenants are lower on a per square foot basis than for new tenants. However, new tenants may provide more overall cash flow to Crombie through higher rents or improved traffic to a property. The timing of such expenditures fluctuates depending on the satisfaction of contractual terms contained in the leases.

(In thousands of CAD dollars)	Three Months Ended March 31, 2013	2012
Total additions to investment properties	$ 3,820	$ 6,318
Less: productive capacity enhancements and recoverable amounts	(2,379)	(4,160)
Maintenance capital expenditures	$ 1,441	$ 2,158

(In thousands of CAD dollars)	Three Months Ended March 31, 2013		2012
Total additions to TI and deferred leasing costs	$	7,457	$ 4,026
Less: productive capacity enhancements		(5,832)	(478)
Maintenance TI and deferred leasing costs	$	1,625	$ 3,548

As maintenance TI and capital expenditures are not incurred or paid for evenly throughout the fiscal year, there can be comparative volatility from period-to-period.

Maintenance capital expenditures for the three months ended March 31, 2013, are primarily payments for costs associated with building interior and exterior maintenance, roof repairs and ongoing parking deck and structural maintenance.

Maintenance TI and deferred leasing costs are the result of both lease renewals and new leases and is reflective of the leasing activity during 2013 with the more significant costs related to new tenants and lease renewals in the office properties.

Productive capacity enhancements during the three months ended March 31, 2013, consisted primarily of GLA expansions at Niagara Plaza, Niagara Falls, Ontario, Rockhaven Peterborough, Ontario and Willowcreek Plaza, Peterborough, Ontario; and redevelopment work at Downsview Plaza in Halifax, Nova Scotia and Terminal Centres in Moncton, New Brunswick.

Capital Structure

(In thousands of CAD dollars)		March 31, 2013			December 31, 2012			March 31, 2012 (As Restated)	
Investment property debt	$	1,234,938	57.9%	$	1,065,411	54.2%	$	873,336	52.0%
Convertible debentures		119,392	5.6%		120,529	6.1%		122,235	7.3%
Crombie REIT Unitholders		469,291	22.0%		470,747	23.9%		385,809	23.0%
Special Voting Units and Class B Limited Partnership Unitholders		308,864	14.5%		311,254	15.8%		298,324	17.7%
	$	2,132,485	100.0%	$	1,967,941	100.0%	$	1,679,704	100.0%

Bank Credit Facilities and Investment Property Debt

Crombie has in place an authorized floating rate revolving credit facility of up to $285,000 (the “revolving credit facility”), of which $145,000 ($156,329 including outstanding letters of credit) was drawn as at March 31, 2013. On February 22, 2013, the borrowing base and available limit on Crombie’s revolving credit facility was temporarily increased to $285,000 to provide temporary financing for the current quarter’s acquisitions. The limit will be reduced to the previous $200,000 level at such time in 2013 when permanent mortgage financing is put in place for the acquired properties. The revolving credit facility is secured by a pool of first and second mortgages on certain properties. The floating interest rate is based on bankers’ acceptance rates plus a spread or specified margins over prime rate. The spread or specified margin increases as Crombie’s overall debt leverage increases beyond specific thresholds. Funds available for drawdown pursuant to the revolving credit facility, are determined with reference to the value of the Borrowing Base (as defined under “Borrowing Capacity and Debt Covenants”) relative to certain financial covenants of Crombie. As at March 31, 2013, Crombie had sufficient Borrowing Base to permit $273,743 of funds to be drawn pursuant to the revolving credit facility, subject to certain other financial covenants. See “Borrowing Capacity and Debt Covenants”.

As of March 31, 2013, Crombie had fixed rate mortgages outstanding of $1,098,165 ($1,106,848 after including the fair value debt adjustment of $8,683), carrying a weighted average interest rate of 5.09% (after giving effect to the interest rate subsidy from ECLD under an omnibus subsidy agreement) and a weighted average term to maturity of 7.7 years.

During the three months ending March 31, 2013, Crombie repaid and cancelled a floating rate term credit facility of $92,695 using proceeds of new mortgages.

From time to time, Crombie has entered into interest rate swap agreements to manage the interest rate profile of its current or future debts without an exchange of the underlying principal amount (see “Risk Management”). As part of the 2012 property acquisitions, Crombie assumed a mortgage of approximately $4,000 containing an interest rate swap. The mortgage matures on April 7, 2014.

Principal repayments of the debt are scheduled as follows:

(In thousands of CAD dollars)	Maturing Debt Balances						
12 Months Ending	Fixed Rate	Floating Rate	Total	% of Total	Payments of Principal	Total Required Payments	% of Total
March 31, 2014	$ 80,908	$ -	$ 80,908	8.7%	$ 35,034	$ 115,942	9.4%
March 31, 2015	47,982	-	47,982	5.2%	33,328	81,310	6.6%
March 31, 2016	53,693	145,000	198,693	21.5%	32,550	231,243	18.7%
March 31, 2017	54,286	-	54,286	5.9%	28,600	82,886	6.7%
March 31, 2018	49,072	-	49,072	5.3%	26,348	75,420	6.1%
Thereafter	493,996	-	493,996	53.4%	153,685	647,681	52.5%
Total (1)	$ 779,937	$ 145,000	$ 924,937	100.0%	$ 309,545	$ 1,234,482	100.0%

(1) Excludes fair value debt adjustment of $8,683 and deferred financing costs of $8,227.

Of the maturing debt balances, only 23.4% of fixed rate debt, and 35.4% of total maturing debt balances matures over the next three years.

Convertible debentures

(In thousands of CAD dollars, except per unit amounts)	Series B	Series C	Series D
Issue value	$ 85,000	$ 45,000	$ 60,000
Outstanding amount as at March 31, 2013	$ 17,362	$ 45,000	$ 60,000
Annual interest rate (payable semi-annually)	6.25%	5.75%	5.00%
Conversion price per Unit	$ 11.00	$ 15.30	$ 20.10
Issue date	September 30, 2009	February 8, 2010	July 3, 2012
Maturity date	June 30, 2015	June 30, 2017	September 30, 2019
Trading symbol	CRR.DB.B	CRR.DB.C	CRR.DB.D

The Series B Debentures and the Series C Debentures pay interest semi-annually on June 30 and December 31 of each year; the Series D Debentures pay interest semi-annually on March 31 and September 30 of each year and Crombie has the option to pay interest on any interest payment date by issuing REIT Units and applying the proceeds to satisfy its interest obligation.

The Series B Debentures, the Series C Debentures and the Series D Debentures (collectively the "Debentures") are convertible into REIT Units at the option of the debenture holder at any time up to the maturity date, at the conversion price indicated in the table above, being a conversion rate per one thousand dollars principal amount of approximately: 90.9091 REIT Units for Series B Convertible Debentures, 65.3595 REIT Units for Series C Convertible Debentures; and, 49.7512 REIT Units for Series D Convertible Debentures. If all conversion rights attaching to the Series B Convertible Debentures, the Series C Convertible Debentures and the Series D Convertible Debentures were exercised, as at March 31, 2013, Crombie would be required to issue approximately 1,578,363 REIT Units, 2,941,176 REIT Units and 2,985,074 REIT Units respectively, subject to anti-dilution adjustments.

The following represents debentures converted and redeemed from date of issue to April 30, 2013:

Conversion (redemption) date	Convertible debenture series	Debentures face value *(In thousands of CAD dollars)*	Units issued
January 2010 through December 2012	7%	$ 30,000	2,022,526
January 2010 through December 2012	Series B	66,321	6,029,137
Conversions and redemptions to December 31, 2012		96,321	8,051,663
January 2013	Series B	203	18,453
February 2013	Series B	445	40,454
March 2013	Series B	669	60,816
Conversions and redemptions to March 31, 2013		$ 97,638	8,171,386
April 2013	Series B	637	57,907
Conversions and redemptions to April 30, 2013		$ 98,275	8,229,293

For the first three years from the date of issue, there is no ability to redeem the Debentures, after which, each series of Debentures has a period, lasting one year, during which the Debentures may be redeemed, in whole or in part, on not more than 60 days' and not less than 30 days' prior notice, at a redemption price equal to the principal amount thereof plus accrued and unpaid interest, provided that the volume-weighted average trading price of the REIT Units on the TSX for the 20 consecutive trading days ending on the fifth trading day preceding the date on which notice of redemption is given exceeds 125% of the conversion price. After the end of the four year period from the date of issue, and to the maturity date, the Debentures may be redeemed, in whole or in part, at anytime at the redemption price equal to the principal amount thereof plus accrued and unpaid interest. Provided that there is not a current event of default, Crombie will have the option to satisfy its obligation to pay the principal amount of the Debentures at maturity or upon redemption, in whole or in part, by issuing the number of REIT Units equal to the principal amount of the Debentures then outstanding divided by 95% of the volume-weighted average trading price of the REIT Units for a stipulated period prior to the date of redemption or maturity, as applicable. Upon change of control of Crombie, Debenture holders have the right to put the Debentures to Crombie at a price equal to 101% of the principal amount plus accrued and unpaid interest.

<u>REIT Units and Class B LP Units and the attached Special Voting Units</u>

In March 2013 there were 43,522 REIT Units awarded as part of the Employee Unit Purchase Plan (March 2012 – 28,893 REIT Units).

For the three months ended March 31, 2013, a total of $1,317 of 6.25% Series B Debentures was converted for a total of 119,723 REIT Units. For the three months ended March 31, 2012, a total of $440 of 7% and $1,953 of 6.25% Series B Debentures were converted for a total of 211,386 REIT Units. For the year ended December 31, 2012, a total of $26,278 of 7% and $33,800 of 6.25% Series B Debentures were converted for a total of 5,094,081 REIT Units.

Total units outstanding at April 30, 2013 were as follows:

Units	53,564,007
Special Voting Units (1)	38,430,221

(1) Crombie Limited Partnership, a subsidiary of Crombie, has also issued 38,430,221 Class B LP Units. These Class B LP Units accompany the Special Voting Units, are the economic equivalent of a Unit, and are convertible into Units on a one-for-one basis.

Taxation of Distributions

Crombie, through its subsidiaries, has a large asset base that is depreciable for Canadian income tax purposes. Consequently, certain of the distributions from Crombie are treated as returns of capital and are not taxable to Canadian resident Unitholders for Canadian income tax purposes. The composition for tax purposes of distributions from Crombie may change from year to year, thus affecting the after-tax return to Unitholders.

The following table summarizes the last five years of the taxation of distributions from Crombie:

Taxation Year	Return of Capital	Investment Income	Capital Gains
2012 per $ of distribution	67.1%	32.9%	0.0%
2011 per $ of distribution	62.5%	37.5%	0.0%
2010 per $ of distribution	64.7%	35.3%	0.0%
2009 per $ of distribution	51.0%	49.0%	0.0%
2008 per $ of distribution	27.2%	72.7%	0.1%

Borrowing Capacity and Debt Covenants

Under the amended terms governing the revolving credit facility, Crombie is entitled to borrow a maximum of 70% of the fair market value of assets subject to a first security position and 60% of the excess of fair market value over first mortgage financing of assets subject to a second security position or a negative pledge (the "Borrowing Base"). The revolving credit facility provides Crombie with flexibility to add or remove properties from the Borrowing Base, subject to compliance with certain conditions. The terms of the revolving credit facility also require that Crombie must maintain certain covenants:

- annualized NOI for the prescribed properties must be a minimum of 1.4 times the coverage of the related annualized debt service requirements;
- annualized NOI on all properties must be a minimum of 1.4 times the coverage of all annualized debt service requirements; and
- distributions to Unitholders are limited to 100% of distributable income as defined in the revolving credit facility.

The revolving credit facility also contains a covenant limiting the amount which may be utilized under the revolving credit facility at any time. This covenant provides that the aggregate of amounts drawn under the revolving credit facility plus any negative mark-to-market position on any interest rate swap agreements or other hedging instruments plus any outstanding letters of credit, may not exceed the "Aggregate Coverage Amount", which is based on a modified calculation of the Borrowing Base, as defined in the revolving credit facility.

At March 31, 2013, the remaining amount available under the revolving credit facility was $128,743 (prior to reduction for standby letters of credit outstanding of $11,329) and was not limited by the Aggregate Coverage Amount.

At March 31, 2013, Crombie remained in compliance with all debt covenants.

Debt to Gross Book Value - Fair Value Basis

(In thousands of CAD dollars, except as otherwise noted)	As at Mar. 31, 2013	Dec. 31, 2012	Sep. 30, 2012	Jun. 30, 2012	Mar. 31, 2012
Fixed rate mortgages	$ 1,098,165	$ 949,571	$ 918,403	$ 995,893	$ 850,626
Convertible debentures	122,362	123,679	124,992	92,980	125,071
Revolving credit facility payable	145,000	30,405	62,558	109,000	30,000
Floating rate term credit facility	-	92,695	92,697	-	-
Total debt outstanding	1,365,527	1,196,350	1,198,650	1,197,873	1,005,697
Less: Applicable fair value debt adjustment	(3,553)	(3,791)	(4,038)	(4,296)	(4,562)
Debt	$ 1,361,974	$ 1,192,559	$ 1,194,612	$ 1,193,577	$ 1,001,135
Investment properties, at fair value	$ 2,828,000	$ 2,574,000	$ 2,459,000	$ 2,334,000	$ 2,026,000
Notes receivable	2,354	2,545	2,743	2,946	3,154
Other assets, cost [1]	21,110	19,675	19,512	26,623	26,524
Cash and equivalents	386	-	-	142	82,791
Deferred financing costs	11,197	10,410	10,525	10,299	10,126
Interest rate subsidy	(3,553)	(3,791)	(4,038)	(4,296)	(4,562)
FV adjustment to deferred taxes	(39,045)	(39,245)	(39,245)	(39,245)	(39,245)
Gross book value - fair value basis	$ 2,820,449	$ 2,563,594	$ 2,448,497	$ 2,330,469	$ 2,104,788
Debt to gross book value - fair value basis	48.3%	46.5%	48.8%	51.2%	47.6%

Debt to Gross Book Value – Cost Basis

Debt - as calculated above	$ 1,361,974	$ 1,192,559	$ 1,194,612	$ 1,193,577	$ 1,001,135
Investment properties, cost	$ 2,319,190	$ 2,158,474	$ 2,096,476	$ 2,059,495	$ 1,759,684
Below-market lease component, cost[2]	70,877	62,753	62,923	61,728	58,468
Intangible assets, cost	78,553	73,853	72,404	70,892	60,991
Notes receivable	2,354	2,545	2,743	2,946	3,154
Other assets, cost[3]	127,650	119,031	114,066	115,484	106,992
Cash and cash equivalents	386	-	-	142	82,791
Deferred financing charges	11,197	10,410	10,525	10,299	10,126
Interest rate subsidy	(3,553)	(3,791)	(4,038)	(4,296)	(4,562)
Fair value adjustment to deferred taxes	(39,045)	(39,245)	(39,245)	(39,245)	(39,245)
Gross book value - cost basis	$ 2,567,609	$ 2,384,030	$ 2,315,854	$ 2,277,445	$ 2,038,399
Debt to gross book value - cost basis	53.0%	50.0%	51.6%	52.4%	49.1%
Maximum borrowing capacity[4]	65.0%	65.0%	65.0%	65.0%	65.0%

(1) Other assets exclude Tenant Incentives, Accumulated straight-line rent and Assets related to derecognized property.
(2) Below market lease component is included in the carrying value of investment properties.
(3) Other assets as per financial statements adjusted for accumulated amortization of tenant incentives and assets related to derecognized property.
(4) Maximum permitted by the Declaration of Trust.

When calculating debt to gross book value, debt is defined under the terms of the Declaration of Trust as bank loans plus investment property debt and convertible debentures. Gross book value means, at any time, the book value of the assets of Crombie and its consolidated subsidiaries plus deferred financing charges, accumulated depreciation and amortization in respect of Crombie's properties (and related intangible assets) and cost of any below-market component of properties less (i) the amount of any receivable reflecting interest rate subsidies on any debt assumed by Crombie and (ii) the amount of deferred tax liability arising out of the fair value adjustment in respect of the indirect acquisitions of certain properties. If approved by a majority of the independent trustees, the appraised value of the assets of Crombie and its consolidated subsidiaries may be used instead of book value.

The debt to gross book value was 53.0% at March 31, 2013 compared to 49.1% at March 31, 2012. This leverage ratio is below the maximum 60%, or 65% including convertible debentures, as outlined by Crombie's Declaration of Trust. On a long-term basis, Crombie intends to maintain overall indebtedness, including convertible debentures, in the range of 50% to 60% of gross book value, depending upon Crombie's future acquisitions and financing opportunities.

Crombie, through the issuance of convertible debentures, mortgage financings, refinancings and bank debt continues to maintain leverage at an appropriate level while staying conservatively within its maximum borrowing capacity.

Debt and Interest Service Coverage

Crombie's interest and debt service coverage ratios for the three months ended March 31, 2013 were 2.82 times EBITDA and 1.86 times EBITDA. This compares to 2.49 times EBITDA and 1.71 times EBITDA respectively for the three months ended March 31, 2012. EBITDA should not be considered an alternative to operating income attributable to Unitholders, cash provided by operating activities or any other measure of operations as prescribed by IFRS. EBITDA is not an IFRS financial measure; however, Crombie believes it is an indicative measure of its ability to service debt requirements, fund capital projects and acquire properties. Crombie's measurement of EBITDA may not be comparable to that used by other entities.

	Three Months Ended March 31,	
(In thousands of CAD dollars, except as otherwise noted)	2013	2012
Property revenue	$ 71,006	$ 59,447
Amortization of tenant incentives	1,970	1,513
Adjusted property revenue	72,976	60,960
Property operating expenses	(26,818)	(23,502)
General and administrative expenses	(3,206)	(2,520)
EBITDA (1)	$ 42,952	$ 34,938
Finance costs – operations	$ 16,807	$ 15,750
Amortization of deferred financing charges	(588)	(695)
Amortization of effective swap agreements	(965)	(1,042)
Adjusted interest expense (2)	$ 15,254	$ 14,013
Debt repayments	$ 103,057	$ 16,805
Amortization of fair value debt premium	(446)	(67)
Payments relating to interest rate subsidy	(238)	(275)
Payments relating to credit facilities	(92,695)	(10,000)
Lump sum payments on mortgages	(1,900)	-
Adjusted debt repayments (3)	$ 7,778	$ 6,463
Interest service coverage ratio {(1)/(2)}	2.82	2.49
Debt service coverage ratio {(1)/((2)+(3))}	1.86	1.71

Distributions and Distribution Payout Ratios

Distribution Policy

Pursuant to Crombie's Declaration of Trust, cash distributions are to be determined by the Trustees at their discretion. Crombie intends, subject to approval of the Board of Trustees, to make distributions to Unitholders of not less than the amount equal to the net income and net realized capital gains of Crombie, to ensure that Crombie will not be liable for income taxes. Crombie, subject to the discretion of the Board of Trustees, targets to make annual cash distributions to Unitholders equal to approximately 95% of its AFFO on an annual basis.

Details of distributions to Unitholders are as follows:

	Three Months Ended March 31,	
(In thousands of CAD dollars, except as otherwise noted)	2013	2012
Distributions to Unitholders	$ 11,887	$ 9,527
Distributions to Special Voting Unitholders	8,551	7,640
Total distributions	$ 20,438	$ 17,167
FFO payout ratio	79.5%	88.9%
AFFO payout ratio (target ratio = 95%)	94.6%	107.2%

Related Party Transactions

Related party transactions are transactions with associates, post employment benefit plans, and key management personnel. Transactions between Crombie and its subsidiaries have been eliminated on consolidation, and as such, are not disclosed in this communication. Related party transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

As at March 31, 2013, Empire, through its wholly-owned subsidiary ECLD, holds a 42.8% (fully diluted 40.8%) indirect interest in Crombie.

Crombie's transactions with related parties are as follows:

	Note	Three Months Ended March 31,	
(In thousands of CAD dollars, except as otherwise noted)		2013	2012
Property revenue	(a)	$ 21,006	$ 18,736
Head lease income	(b)	$ 203	$ 403
Management support services provided	(c)	$ 118	$ 203
Property management services	(d)	$ 60	$ 208
Rental expense	(e)	$ 47	$ 47
Interest rate subsidy	(b)	$ 238	$ 275
Finance costs - operations	(f)	$ 296	$ 156
Finance costs - distributions to Unitholders		$ 8,753	$ 7,640

(a) Crombie earned property revenue from Sobeys Inc., Empire Theatres Limited and other subsidiaries of Empire.

(b) For various periods, ECLD has an obligation to provide rental income and interest rate subsidies pursuant to an Omnibus Subsidy Agreement dated March 23, 2006, between CDL, Crombie Limited Partnership and ECLD. The rental income is included in Property revenue and the interest rate subsidy is netted against Finance costs - operations.

(c) Certain executive management individuals and other employees of Crombie provide general management, financial, leasing, administrative, and other administration support services to certain real estate subsidiaries of Empire on a cost sharing basis pursuant to a Management Cost Sharing Agreement, dated March 23, 2006, between CDL, a subsidiary of Crombie and ECLD, a subsidiary of Empire.

(d) Certain on-site maintenance and management employees of Crombie provide property management services to certain subsidiaries of Empire on a cost sharing basis pursuant to the Management Cost Sharing Agreement. The costs recovered by Crombie pursuant to the Agreement were netted against property expenses.

(e) Crombie leases its head office space from ECLD under a lease that expires December 2027.

(f) Empire holds $24,000 of Series D Convertible Debentures with an annual interest rate of 5.00%.

In addition to the above:

- During the first quarter of 2013, Crombie acquired two properties and acquired one development addition to an existing retail property from subsidiaries of Empire for a total purchase price of $32,555 excluding closing and transaction costs.
- During the fourth quarter of 2012, Crombie acquired two properties and acquired development additions to two existing properties from subsidiaries of Empire for a total purchase price of $53,099 excluding closing and transaction costs.
- On December 14, 2012, concurrently with a public offering of units, ECLD purchased 1,659,661 Class B LP Units and the attached Special Voting Units at a price of $14.75 per Class B LP Unit for gross proceeds of $24,480 on a private placement basis.
- On September 17, 2012, Empire exercised its right to convert its $10,000 Series B Convertible Debentures with an annual interest rate of 6.25%, into 909,090 Units.
- On July 3, 2012, Empire acquired $24,000 Series D Convertible Debentures with an annual interest rate of 5.00% in satisfaction of wholly-owned ECL Developments Limited's pre-emptive right with respect to the Debenture offering.
- On March 29, 2012, concurrently with a public offering of units, ECLD purchased 3,655,200 Class B LP Units and the attached Special Voting Units at a price of $14.50 per Class B LP Unit for gross proceeds of $53,000, on a private placement basis.

Key Management Personnel Compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of Crombie. The following are considered to be Crombie's key management personnel: the Chief Executive Officer, Chief Financial Officer and the three other highest compensated executives.

The remuneration of members of key management during the period was approximately as follows:

	Three Months Ended March 31,	
(In thousands of CAD dollars)	2013	2012
Salary, bonus and other short-term employee benefits	$ 796	$ 643
Other long-term benefits	25	24
	$ 821	$ 667

Critical Accounting Estimates

Critical accounting estimates are discussed under the section "Critical Accounting Estimates" in the 2012 Annual Report.

Financial Instruments

The fair value of a financial instrument is the estimated amount that Crombie would receive to sell a financial asset or pay to transfer a financial liability in an orderly transaction between market participants at the measurement date.

Fair value determination is classified within a three-level hierarchy, based on observability of significant inputs, as follows:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 - unobservable inputs for the asset or liability.

The following table provides information on financial assets and liabilities measured at fair value as at March 31, 2013:

	Level 1	Level 2	Level 3	Total
Financial liabilities				
Interest rate swaps	$ -	$ 41	$ -	$ 41
Embedded derivatives in convertible debentures	-	4,110	-	4,110
Total liabilities	$ -	$ 4,151	$ -	$ 4,151

There were no transfers between Level 1 and Level 2 during the three months ended March 31, 2013.

The fair value of other financial instruments is based on discounted cash flows using discount rates that reflect current market conditions for instruments with similar terms and risks. The following table summarizes the estimated fair value of other financial instruments which have a fair value different from their carrying value:

	March 31, 2013		**December 31, 2012**		**March 31, 2012**	
	Fair value	Carrying Value	Fair value	Carrying Value	Fair value	Carrying Value
Financial assets						
Assets related to derecognized property	$ 6,060	$ 6,097	$ 6,116	$ 6,120	$ 6,472	$ 6,378
Notes receivable	2,571	2,354	2,781	2,545	3,437	3,154
Total assets	$ 8,631	$ 8,451	$ 8,897	$ 8,665	$ 9,909	$ 9,532
Financial liabilities						
Investment property debt	$ 1,323,964	$ 1,243,165	$ 1,150,888	$ 1,072,671	$ 960,039	$ 880,626
Convertible debentures	133,527	122,362	134,276	123,679	142,451	125,071
Liabilities related to derecognized property	5,920	5,771	5,997	5,818	6,239	5,955
Total liabilities	$ 1,463,411	$ 1,371,298	$ 1,291,161	$ 1,202,168	$ 1,108,729	$ 1,011,652

Due to their short-term nature, the carrying value of the following financial instruments approximates their fair value at the balance sheet date:

Cash and cash equivalents
Trade receivables
Restricted cash
Trade and other payables (excluding interest rate swaps, embedded derivatives and liabilities related to derecognized property)

Commitments and Contingencies

There are various claims and litigation which Crombie is involved with arising out of the ordinary course of business operations. In the opinion of management, any liability that would arise from such contingencies would not have a significant adverse effect on these operating results.

Crombie has agreed to indemnify its trustees and officers, and particular employees, in accordance with Crombie's policies. Crombie maintains insurance policies that may provide coverage against certain claims.

Crombie has entered into a management cost sharing agreement with a subsidiary of Empire. Details of this agreement are disclosed in "Related Party Transactions".

Crombie obtains letters of credit to support its obligations with respect to construction work on its investment properties, defeasing investment property debt and satisfying mortgage financing requirements. As at March 31, 2013, Crombie has a total of $11,329 in outstanding letters of credit related to:

- $714 for construction work that is being performed on investment properties;
- $1,715 in favour of the mortgage lender in connection with the defeasance of derecognized property;
- $8,900 in favour of mortgage lenders primarily to satisfy mortgage financings on redevelopment properties.

Crombie does not believe that any of these standby letters of credit are likely to be drawn upon.

Land leases have varying terms ranging from 12 to 72 years including renewal options. For the three months ended March 31, 2013, Crombie paid $309 in land lease payments to third party landlords (three months ended March 31, 2012 - $301).

As at March 31, 2013, Crombie had signed construction contracts totalling $13,648 of which $3,786 has been paid.

RISK MANAGEMENT

In the normal course of business, Crombie is exposed to a number of financial risks that can affect its operating performance. These risks are discussed more fully under the section "Risk Management" in the 2012 Annual Report. There has been no significant change in Crombie's risk management since that time. These risks, and the action taken to manage them, are as follows:

Credit risk

Credit risk arises from the possibility that tenants may experience financial difficulty and be unable to fulfill their lease commitments. Crombie's credit risk is limited to the recorded amount of tenant receivables. A provision for doubtful accounts is taken for all anticipated collectability risks.

Crombie mitigates credit risk by geographical diversification, utilizing staggered lease maturities, diversifying both its tenant mix and asset mix and conducting credit assessments for new and renewing tenants. As at March 31, 2013:

- Excluding Sobeys (which accounts for 33.6% of Crombie's minimum rent), no other tenant accounts for more than 6.7% of Crombie's minimum rent; and
- Over the next five years, leases on no more than 7.3% of the GLA area of Crombie will expire in any one year.

Crombie earned property revenue of $21,006 for the three months ended March 31, 2013 (three months ended March 31, 2012 - $18,736) from subsidiaries of Empire.

Receivables are substantially comprised of current balances due from tenants. The balance of accounts receivable past due is not significant. Generally, rents are due the first of each month and other tenant billings are due 30 days after invoiced, and in general, balances over 30 days are considered past due. None of the receivable balances are considered impaired.

Provision for doubtful accounts is reviewed at each balance sheet date. A provision is taken on accounts receivable from independent accounts and is recorded as a reduction to its respective receivable account on the balance sheet. Crombie updates its estimate of provision for doubtful accounts based on past due balances on accounts receivable. Current and long-term accounts receivable are reviewed on a regular basis and are provided for when collection is considered uncertain.

There have been no significant changes to Crombie's credit risk since December 31, 2012.

	Three Months Ended March 31,	
(In thousands of CAD dollars)	2013	2012
Provision for doubtful accounts, beginning of period	$ 439	$ 401
Additional provision	131	298
Recoveries	(47)	(16)
Write-offs	(102)	(47)
Provision for doubtful accounts, end of period	$ 421	$ 636

Interest rate risk

Interest rate risk is the potential for financial loss arising from increases in interest rates. Crombie mitigates interest rate risk by utilizing staggered debt maturities and limiting the use of permanent floating rate debt. As at March 31, 2013:

- Crombie's weighted average term to maturity of its fixed rate mortgages was 7.7 years;
- Crombie had a floating rate revolving credit facility available to a maximum of $285,000, subject to available borrowing base, with a balance of $145,000.

Crombie estimates that $2,795 of accumulated other comprehensive income (loss) will be reclassified to finance costs during the remaining three quarters of 2013, based on all settled swap agreements to March 31, 2013.

A fluctuation in interest rates would have had an impact on Crombie's operating income related to the use of floating rate debt. Based on the previous year's rate changes, a 0.5% interest rate change would reasonably be considered possible. The changes would have had the following impact:

(In thousands of CAD dollars)	Impact of a 0.5% interest rate change	
Impact on operating income attributable to Unitholders of interest rate changes on the floating rate credit facilities	Decrease in rate	Increase in rate
Three months ended March 31, 2013	$ 213	$ (213)
Three months ended March 31, 2012	$ 48	$ (48)

Crombie does not enter into interest rate swap transactions on a speculative basis. As part of 2012 property acquisitions, Crombie assumed a mortgage of approximately $4,000 containing an interest rate swap. The mortgage matures on April 7, 2014. Crombie is prohibited by its Declaration of Trust in purchasing, selling or trading in interest rate future contracts other than for hedging purposes.

There have been no significant changes to Crombie's interest rate risk since December 31, 2012.

Liquidity risk

The real estate industry is highly capital intensive. Liquidity risk is the risk that Crombie may not have access to sufficient debt and equity capital to fund its growth program, refinance the debt obligations as they mature or meet its ongoing obligations as they arise.

Cash flow generated from operating the property portfolio represents the primary source of liquidity used to service the interest on debt, fund general and administrative expenses, reinvest into the portfolio through capital expenditures, as well as fund tenant incentive costs and make distributions to Unitholders. Debt repayment requirements are primarily funded from refinancing Crombie's maturing debt obligations. Property acquisition funding requirements are funded through a combination of accessing the debt and equity capital markets.

There is a risk that the debt capital markets may not refinance maturing fixed rate and floating rate debt on terms and conditions acceptable to Crombie or at any terms at all. Crombie seeks to mitigate this risk by staggering its debt maturity dates. There is also a risk that the equity capital markets may not be receptive to a REIT unit offering issue from Crombie with financial terms acceptable to Crombie. Crombie mitigates its exposure to liquidity risk utilizing a conservative approach to capital management.

Access to the revolving credit facility is limited to the amount utilized under the facility, the amount of any outstanding letters of credit, plus any unfavorable mark-to-market position on any interest rate swap agreements, and cannot exceed the borrowing base security provided by Crombie. Any deterioration in the mark-to-market position may reduce Crombie's available credit in the revolving credit facility.

The estimated payments, including principal and interest, on non-derivative financial liabilities to maturity date are as follows:

(In thousands of CAD dollars)	Contractual Cash Flows[1]	Twelve Months Ending March 31, 2014	2015	2016	2017	2018	Thereafter
Fixed rate mortgages[2]	$ 1,432,284	$ 168,776	$ 128,410	$ 128,677	$ 121,295	$ 110,418	$ 774,708
Convertible debentures	155,302	6,673	6,673	23,221	5,588	48,647	64,500
	1,587,586	175,449	135,083	151,898	126,883	159,065	839,208
Floating rate revolving credit facility	155,017	4,452	4,452	146,113	-	-	-
Total	$ 1,742,603	$ 179,901	$ 139,535	$ 298,011	$ 126,883	$ 159,065	$ 839,208

(1) Contractual cash flows include principal and interest and ignore extension options.
(2) Reduced by the interest rate subsidy payments to be received from ECLD.

SUBSEQUENT EVENTS

On April 18, 2013, Crombie declared distributions of 7.417 cents per unit for the period from April 1, 2013 to, and including, April 30, 2013. The distributions will be paid on May 15, 2013 to Unitholders of record as of April 30, 2013.

On April 30, 2013, Crombie completed the acquisition of an approximate 59,000 square foot retail property in Beaumont, Alberta from a subsidiary of Empire. The total purchase price was $20,875, excluding closing adjustments and transaction costs. The purchase price was funded through Crombie's revolving credit facility.

CONTROLS AND PROCEDURES

Crombie maintains a set of disclosure controls and procedures designed to ensure that information required to be disclosed by Crombie in its annual filings, interim filings or other reports filed or submitted by it under securities legislation recorded, processed, summarized and reported within the time periods specified in the securities legislation and include controls and procedures designed to ensure that information required to be disclosed by Crombie in its annual filings, interim filings or other reports filed or submitted under securities legislation is accumulated and communicated to Crombie's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding disclosure. Canadian Securities Administrators' rules and forms. Our Chief Executive Officer and Chief Financial Officer have evaluated the design and effectiveness of our disclosure controls and procedures as of March 31, 2013. They have concluded that our current disclosure controls and procedures are effective.

In addition, our Chief Executive Officer and Chief Financial Officer have designed or caused to be designed under their supervision, internal controls over financial reporting ("ICFR") to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes as defined in National Instrument 52-109. Further, our Chief Executive Officer and Chief Financial Officer have evaluated, or caused to be evaluated under their supervision, the effectiveness of the design and operation of ICFR at the financial quarter end and have concluded that our current ICFR was effective at the financial quarter end based on that evaluation. There have been no material changes to Crombie's internal controls during the quarter.

QUARTERLY INFORMATION

The following table shows information for revenues, expenses, increase (decrease) in net assets attributable to Unitholders, AFFO, FFO, distributions and per unit amounts for the eight most recently completed quarters.

(In thousands of CAD dollars, except per unit amounts)	Three Months Ended Mar. 31, 2013	Dec. 31, 2012	Sep. 30, 2012	Jun. 30, 2012	Mar. 31, 2012	Dec. 31, 2011	Sep. 30, 2011	Jun. 30, 2011
			(As Restated)					
Property revenue	$ 71,006	$ 68,470	$ 64,459	$ 63,646	$ 59,447	$ 58,682	$ 54,781	$ 56,357
Property operating expenses	26,818	25,804	22,181	23,035	23,502	22,938	20,021	21,049
Property net operating income	44,188	42,666	42,278	40,611	35,945	35,744	34,760	35,308
Lease terminations	6	3,458	273	-	113	5	-	163
Expenses:								
General and administrative	(3,206)	(3,667)	(2,655)	(2,688)	(2,520)	(2,396)	(2,077)	(2,451)
Finance costs - operations	(16,807)	(16,639)	(20,285)	(16,735)	(15,750)	(14,978)	(16,075)	(15,684)
Depreciation and amortization	(11,122)	(12,493)	(12,200)	(11,352)	(8,525)	(8,302)	(7,718)	(7,610)
Operating income before taxes	13,059	13,325	7,411	9,836	9,263	10,073	8,890	9,726
Taxes - deferred	(100)	(1,500)	500	600	300	600	200	(600)
Operating income	12,959	11,825	7,911	10,436	9,563	10,673	9,090	9,126
Finance costs - distributions to Unitholders	(20,438)	(19,809)	(19,343)	(18,760)	(17,167)	(16,530)	(15,132)	(14,870)
Finance costs - change in fair value of financial instruments	617	3,984	(4,047)	(3,675)	1,860	(6,417)	3,372	(4,066)
Increase (decrease) in net assets attributable to Unitholders	$ (6,862)	$ (4,000)	$ (15,479)	$ (11,999)	$ (5,744)	$ (12,274)	$ (2,670)	$ (9,810)
Basic and diluted operating income per unit	$ 0.14	$ 0.13	$ 0.09	$ 0.12	$ 0.13	$ 0.15	$ 0.13	$ 0.14

(In thousands of CAD dollars, except per unit amounts)	Three Months Ended Mar. 31, 2013	Dec. 31, 2012	Sep. 30, 2012	Jun. 30, 2012	Mar. 31, 2012	Dec. 31, 2011	Sep. 30, 2011	Jun. 30, 2011
AFFO	$ 21,606	$ 23,407	$ 18,237	$ 18,954	$ 16,007	$ 16,486	$ 14,851	$ 13,456
FFO	$ 25,721	$ 27,351	$ 21,338	$ 22,747	$ 19,301	$ 19,708	$ 17,977	$ 18,457
Distributions	$ 20,438	$ 19,809	$ 19,343	$ 18,760	$ 17,167	$ 16,530	$ 15,132	$ 14,870
AFFO per unit - basic	$ 0.24	$ 0.27	$ 0.21	$ 0.23	$ 0.22	$ 0.23	$ 0.22	$ 0.20
AFFO per unit - diluted(1)	$ 0.23	$ 0.26	$ 0.21	$ 0.22	$ 0.21	$ 0.22	$ 0.22	$ 0.20
FFO per unit - basic	$ 0.28	$ 0.31	$ 0.25	$ 0.27	$ 0.26	$ 0.27	$ 0.27	$ 0.28
FFO per unit - diluted(1)	$ 0.28	$ 0.30	$ 0.24	$ 0.26	$ 0.25	$ 0.26	$ 0.26	$ 0.26
Distributions per unit	$ 0.22	$ 0.22	$ 0.22	$ 0.22	$ 0.22	$ 0.22	$ 0.22	$ 0.22

(1) FFO and AFFO per unit are calculated on a diluted basis. The diluted weighted average number of total Units and Special Voting Units included the conversion of all series of convertible debentures outstanding during the period, excluding any series that is anti-dilutive. Distributions per unit for each period are based on the total distributions per unit declared during the specific period.

Variations in quarterly results over the past eight quarters have been influenced by the following specific transactions and ongoing events:

- Property acquisitions – during the three months ended March 31, 2013, Crombie acquired six retail properties and one development addition to an existing retail property for a total purchase price of $164,445; during the three months ended December 31, 2012, Crombie acquired two retail plazas for a total purchase price of $43,475; during the three months ended September 30, 2012, Crombie acquired a retail plaza for a total purchase price of $9,600 and a mixed use property for a total purchase price of $20,000; during the three months ended June 30, 2012, Crombie acquired 15 freestanding properties and 12 retail plazas for a total purchase price of $297,448; during the first quarter of 2012, Crombie acquired a freestanding property for a purchase price of $13,800; during the fourth quarter of 2011, Crombie acquired three retail plazas and a freestanding addition to an existing property for a total purchase price of the $72,878; during the third quarter of 2011, Crombie acquired three retail properties for a purchase price of $24,820; and during the quarter ended June 30, 2011, acquired three retail properties for a total purchase price of $49,340. The purchase prices exclude closing and transaction costs.

- Property revenue and property operating expenses - Crombie's business is not subject to significant seasonal fluctuations. However, property operating expenses during winter months include such expenses as snow removal, which is a recoverable expense, thus increasing property revenue during these same periods. Property operating expenses during the summer and fall periods include such expenses as paving and roof repairs.

Per unit amounts for FFO and AFFO are influenced by operating results as detailed above and by the timing of the issuance of REIT Units and Class B LP Units. Crombie had issuances, net of issue costs, of $58,256 in the quarter ended December 31, 2012; of $116,925 in the quarter ended March 31, 2012 and of $72,858 in the quarter ended December 31, 2011.

Additional information relating to Crombie, including its latest Annual Information Form, can be found on the SEDAR web site for Canadian regulatory filings at www.sedar.com.

Dated: May 9, 2013
Stellarton, Nova Scotia, Canada

CROMBIE REAL ESTATE INVESTMENT TRUST
Consolidated Balance Sheets
(In thousands of CAD dollars)
(Unaudited)

	Note	March 31, 2013	December 31, 2012	March 31, 2012	January 1, 2012
Assets	3			**(As Restated)**	**(As Restated)**
Non-current assets					
Investment properties	4	$ 2,151,615	$ 1,999,225	$ 1,631,730	$ 1,622,083
Intangible assets	5	36,803	33,549	25,437	26,232
Other assets	6	78,159	73,313	60,886	56,436
Notes receivable	7	1,554	1,716	2,248	2,440
		2,268,131	2,107,803	1,720,301	1,707,191
Current assets					
Cash and cash equivalents		386	-	82,791	54
Other assets	6	28,768	26,988	32,453	20,610
Notes receivable	7	800	829	906	927
		29,954	27,817	116,150	21,591
Total Assets		**2,298,085**	**2,135,620**	**1,836,451**	**1,728,782**
Liabilities					
Non-current liabilities					
Investment property debt	8	1,116,489	997,953	841,722	847,201
Convertible debentures	9	119,392	120,529	92,690	124,351
Deferred taxes	10	82,600	82,500	82,100	82,400
Employee future benefits obligation		6,949	6,920	7,141	7,069
Trade and other payables	11	9,689	10,689	16,305	18,621
		1,335,119	1,218,591	1,039,958	1,079,642
Current liabilities					
Investment property debt	8	118,449	67,458	31,614	30,806
Convertible debentures	9	-	-	29,545	-
Employee future benefits obligation		225	225	214	214
Trade and other payables	11	66,137	67,345	50,987	49,262
		184,811	135,028	112,360	80,282
Total liabilities excluding net assets attributable to Unitholders		**1,519,930**	**1,353,619**	**1,152,318**	**1,159,924**
Net assets attributable to Unitholders		**$ 778,155**	**$ 782,001**	**$ 684,133**	**$ 568,858**
Net assets attributable to Unitholders represented by:					
Crombie REIT Unitholders		$ 469,291	$ 470,747	$ 385,809	$ 321,288
Special Voting Units and Class B Limited Partnership Unitholders		308,864	311,254	298,324	247,570
		$ 778,155	**$ 782,001**	**$ 684,133**	**$ 568,858**
Commitments and contingencies	21				
Subsequent events	22				

See accompanying notes to the interim consolidated financial statements.

CROMBIE REAL ESTATE INVESTMENT TRUST
Consolidated Statements of Comprehensive Income (Loss)
(In thousands of CAD dollars)
(Unaudited)

	Note	Three Months Ended March 31, 2013	2012
	3		(As Restated)
Property revenue	12	$ 71,006	$ 59,447
Property operating expenses		26,818	23,502
Net property income		**44,188**	**35,945**
Lease terminations		6	113
Depreciation of investment properties	4	(9,282)	(7,241)
Amortization of deferred leasing costs	4	(136)	(146)
Amortization of intangible assets	5	(1,704)	(1,138)
General and administrative expenses		(3,206)	(2,520)
Operating income before finance costs and taxes		**29,866**	**25,013**
Finance costs - operations	15	(16,807)	(15,750)
Operating income before taxes		**13,059**	**9,263**
Taxes - deferred	10	(100)	300
Operating income attributable to Unitholders		**12,959**	**9,563**
Finance costs - other			
Distributions to Unitholders		(20,438)	(17,167)
Change in fair value of financial instruments	3,11	617	1,860
		(19,821)	(15,307)
Decrease in net assets attributable to Unitholders		**(6,862)**	**(5,744)**
Other comprehensive income			
Items that will be subsequently reclassified to decrease in net assets attributable to Unitholders:			
Costs incurred on derivatives designated as cash flow hedges transferred to finance costs - operations		965	1,042
Net change in derivatives designated as cash flow hedges		2	-
Other comprehensive income		**967**	**1,042**
Comprehensive income (loss)		**$ (5,895)**	**$ (4,702)**

See accompanying notes to the interim consolidated financial statements.

CROMBIE REAL ESTATE INVESTMENT TRUST
Consolidated Statement of Changes in Net Assets Attributable to Unitholders
(In thousands of CAD dollars)
(Unaudited)

	Note	REIT Units, Special Voting Units and Class B LP Units	Net Assets Attributable to Unitholders	Accumulated Other Comprehensive Income (Loss)	Total	Attributable to REIT Units	Attributable to Class B LP Units
		(Note 16)					
Balance, January 1, 2013		$ 977,112	$ (175,124)	$ (19,987)	$ 782,001	$ 470,747	$ 311,254
Adjustments related to EUPP		433	(36)	-	397	397	-
Conversion of debentures		1,317	-	-	1,317	1,317	-
Conversion feature of debentures	11	335	-	-	335	335	-
Statements of comprehensive income (loss)		-	(6,862)	967	(5,895)	(3,505)	(2,390)
Balance, March 31, 2013		**$ 979,197**	**$ (182,022)**	**$ (19,020)**	**$ 778,155**	**$ 469,291**	**$ 308,864**

See accompanying notes to the interim consolidated financial statements.

CROMBIE REAL ESTATE INVESTMENT TRUST
Consolidated Statement of Changes in Net Assets Attributable to Unitholders
(In thousands of CAD dollars)
(Unaudited)

						Attributable to	
	Note	REIT Units, Special Voting Units and Class B LP Units	Net Assets Attributable to Unitholders	Accumulated Other Comprehensive Income (Loss)	Total	REIT Units	Class B LP Units
		(Note 16)					
				(As Restated)			
Balance, January 1, 2012	3	$ 731,916	$ (137,909)	$ (25,149)	$ 568,858	$ 321,288	$ 247,570
Adjustments related to EUPP		272	(22)	-	250	250	-
Conversion of debentures		2,393	-	-	2,393	2,393	-
Conversion feature of debentures	11	409	-	-	409	409	-
Statements of comprehensive income (loss)		-	(5,744)	1,042	(4,702)	(2,666)	(2,036)
Unit issue proceeds, net of costs of $3,210		116,925	-	-	116,925	64,135	52,790
Balance, March 31, 2012		**$ 851,915**	**$ (143,675)**	**$ (24,107)**	**$ 684,133**	**$ 385,809**	**$ 298,324**

See accompanying notes to the interim consolidated financial statements.

CROMBIE REAL ESTATE INVESTMENT TRUST
Consolidated Statements of Cash Flows
(In thousands of CAD dollars)
(Unaudited)

Cash flows provided by (used in)	**Note**	**Three Months Ended March 31, 2013**	**2012 (As Restated)**
Operating Activities			
Decrease in net assets attributable to Unitholders		$ (6,862)	$ (5,744)
Items not affecting operating cash	17	12,347	8,601
Change in other non-cash operating items	17	510	(8,106)
Cash provided by (used in) operating activities		**5,995**	**(5,249)**
Financing Activities			
Issue of investment property debt		262,395	4,256
Increase in deferred financing charges		(1,375)	(225)
Repayment of investment property debt		(103,057)	(16,805)
REIT Units and Class B LP Units issued		-	120,135
REIT Units and Class B LP Units issue costs		-	(3,210)
Repayment of EUPP loans receivable		389	243
Decrease in liabilities related to derecognized property		(47)	(44)
Collection of notes receivable		191	213
Cash provided by (used in) financing activities		**158,496**	**104,563**
Investing Activities			
Acquisition of investment properties		(154,551)	(6,256)
Additions to investment properties		(3,820)	(6,318)
Proceeds on disposal of investment properties		1,700	-
Additions to tenant incentives		(7,313)	(3,885)
Additions to deferred leasing costs		(144)	(141)
Decrease in assets related to derecognized property		23	23
Cash provided by (used in) investing activities		**(164,105)**	**(16,577)**
Net change in cash and cash equivalents		**386**	**82,737**
Cash and cash equivalents, beginning of period		**-**	**54**
Cash and cash equivalents, end of period		**$ 386**	**$ 82,791**

See accompanying notes to the interim consolidated financial statements.

1) GENERAL INFORMATION AND NATURE OF OPERATIONS

Crombie Real Estate Investment Trust ("Crombie") is an unincorporated "open-ended" real estate investment trust created pursuant to the Declaration of Trust dated January 1, 2006, as amended. The principal business of Crombie is the acquisition of retail and office properties for purposes of leasing. Crombie is registered in Canada and the address of its registered office is 115 King Street, Stellarton, Nova Scotia, Canada, B0K 1S0. The interim consolidated financial statements for the three months ended March 31, 2013 and March 31, 2012 include the accounts of Crombie and all of its subsidiary entities. The units of Crombie are traded on the Toronto Stock Exchange ("TSX") under the symbol "CRR.UN".

The consolidated financial statements were authorized for issue by the Board of Trustees on May 9, 2013.

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting and do not contain all of the information required by IAS 1, Presentation of Financial Statements. Therefore, they should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2012.

(b) Basis of presentation

The interim consolidated financial statements are presented in Canadian dollars ("CAD"); Crombie's functional and reporting currency, rounded to the nearest thousand. The interim consolidated financial statements are prepared on a historical cost basis except for any financial assets and liabilities classified as fair value with changes in fair value recognized in Decrease in net assets attributable to Unitholders ("FVTPL" classification) or designated as available for sale ("AFS") that have been measured at fair value.

(c) Presentation of financial statements

When Crombie: (i) applies an accounting policy retrospectively, (ii) makes a retrospective restatement of items in its financial statements, or (iii) reclassifies items on the balance sheet; it will present an additional balance sheet as at the beginning of the earliest comparative period.

(d) Basis of consolidation

Crombie's financial statements consolidate those of Crombie and all of its subsidiary entities as at March 31, 2013. Subsidiaries are all entities over which Crombie has control. All subsidiaries have a reporting date of March 31, 2013.

All intercompany transactions, balances, income and expenses are eliminated in preparing the interim consolidated financial statements. Where unrealized losses on intercompany asset sales are reversed on consolidation, the underlying asset is also tested for impairment from an entity perspective.

Operating income (loss) and other comprehensive income (loss) of subsidiaries acquired or disposed of during the period are recognized from the effective date of acquisition, or up to the effective date of disposal, as applicable.

(e) Significant accounting policies

The Company describes its significant accounting policies in its audited consolidated financial statements for the year ended December 31, 2012.

New standards adopted

There has been no change in the Company's significant accounting policies since December 31, 2012, except for the application of the following standards as of January 1, 2013:

- IFRS 10 - Consolidated Financial Statements ("IFRS 10")
- IFRS 11 - Joint Arrangements ("IFRS 11")
- IFRS 12 - Disclosure of Interests in Other Entities ("IFRS 12")
- IFRS 13 - Fair Value Measurement ("IFRS 13")
- Revised version of IAS 19, Employee Future Benefits ("IAS 19R")

The effects of applying these standards are described below.

(i) IFRS 10 - Consolidated Financial Statements

IFRS 10 revises the definition of control as a determining factor in whether an entity should be included in the consolidated financial statements of the parent company. Management has reviewed its control assessments in accordance with IFRS 10 and has concluded that there is no impact on Crombie.

(In thousands of CAD dollars)

(ii) IFRS 11 - Joint Arrangements

IFRS 11 replaces the current IAS 31 - Interests in Joint Ventures. IFRS 11 classifies joint arrangements as either joint ventures or joint operations. Interests in joint ventures are accounted for using equity accounting, eliminating the proportionate consolidation option previously available under IAS 31. The new standard did not have an impact on Crombie.

(iii) IFRS 12 - Disclosure of Interests in Other Entities

IFRS 12 establishes disclosure requirements for interests in other entities, including joint arrangements, associates, special purpose vehicles, and other off balance sheet vehicles. The new standard did not have an impact on Crombie's March 31, 2013 disclosure.

(iv) IFRS 13 - Fair Value Measurement

IFRS 13 is a comprehensive standard for fair value measurement and disclosure of fair value measurements across various IFRS standards. IFRS 13 provides a definition of fair value, sets out a single IFRS framework for measuring fair value, and outlines requirements for disclosures of fair value measurements. The new standard requires additional disclosures in the interim consolidated financial statements which are provided in Note 19 – Financial Instruments.

(v) IAS 19R - Employee Future Benefits

IAS 19R makes a number of changes to the accounting for employee benefits, the most significant relating to defined benefit plans. Management has reviewed the standard and has determined there is no impact on Crombie for the three months ended March 31, 2013; however, additional disclosures will be required for the annual financial statements for the year ended December 31, 2013.

(f) Comparative figures

Certain comparative figures have been reclassified to conform to the current year's consolidated financial statement presentation.

3) RESTATEMENT OF FINANCIAL STATEMENTS

During 2012, Crombie determined that the conversion feature and redemption option attached to the convertible debentures represent compound embedded derivatives requiring fair value measurement each reporting period, with any adjustment to fair value being recognized through comprehensive income.

These interim financial statements have been restated to retrospectively account for the fair value of the embedded derivatives from the issue date of each series of convertible debentures. The fair value adjustment is being accounted for as Finance costs – change in fair value of financial instruments on the Statements of Comprehensive Income (Loss). The impact on specific financial statement items is summarized below.

The comparative Consolidated Balance Sheets have been restated as follows:

	March 31, 2012	January 1, 2012
Increase in Trade and other payables	$ 10,534	$ 12,803
Decrease in Net assets attributable to Unitholders	(10,534)	(12,803)
Decrease in Net assets attributable to Crombie REIT Unitholders	(3,761)	(5,199)
Decrease in Net assets attributable to Special Voting Units and Class B Limited Partnership Unitholders	(6,773)	(7,604)

The consolidated Statement of Comprehensive Income (Loss) for the three months ended March 31, 2012 has been restated as follows:

Increase in Change in fair value of financial instruments	1,860
Increase in Net assets attributable to Unitholders	1,860
Increase in Comprehensive Income (Loss)	1,860

There was no net impact on cash flows as a result of the restatement.

(In thousands of CAD dollars)

4) INVESTMENT PROPERTIES

	Land	Buildings	Deferred Leasing Costs	Total
Cost				
Opening balance, January 1, 2013	$ 545,337	$ 1,608,276	$ 4,861	$ 2,158,474
Acquisitions	43,165	117,559	-	160,724
Additions	15	2,175	181	2,371
Dispositions	(806)	(1,573)	-	(2,379)
Balance, March 31, 2013	587,711	1,726,437	5,042	2,319,190
Accumulated depreciation and amortization				
Opening balance, January 1, 2013	-	157,009	2,240	159,249
Depreciation and amortization	-	9,282	136	9,418
Dispositions	-	(1,092)	-	(1,092)
Balance, March 31, 2013	-	165,199	2,376	167,575
Net carrying value, March 31, 2013	$ 587,711	$ 1,561,238	$ 2,666	$ 2,151,615

	Land	Buildings	Deferred Leasing Costs	Total
Cost				
Opening balance, January 1, 2012	$ 455,713	$ 1,283,032	$ 3,905	$ 1,742,650
Acquisitions	89,573	302,597	-	392,170
Additions	51	22,647	956	23,654
Balance, December 31, 2012	545,337	1,608,276	4,861	2,158,474
Accumulated depreciation and amortization				
Opening balance, January 1, 2012	-	118,914	1,653	120,567
Depreciation and amortization	-	38,095	587	38,682
Balance, December 31, 2012	-	157,009	2,240	159,249
Net carrying value, December 31, 2012	$ 545,337	$ 1,451,267	$ 2,621	$ 1,999,225

	Land	Buildings	Deferred Leasing Costs	Total
Cost				
Opening balance, January 1, 2012	$ 455,713	$ 1,283,032	$ 3,905	$ 1,742,650
Acquisitions	2,607	10,991	-	13,598
Additions	2	3,325	109	3,436
Balance, March 31, 2012	458,322	1,297,348	4,014	1,759,684
Accumulated depreciation and amortization				
Opening balance, January 1, 2012	-	118,914	1,653	120,567
Depreciation and amortization	-	7,241	146	7,387
Balance, March 31, 2012	-	126,155	1,799	127,954
Net carrying value, March 31, 2012	$ 458,322	$ 1,171,193	$ 2,215	$ 1,631,730

The estimated fair values of Crombie's investment properties are as follows:

	Fair Value	Carrying Value
March 31, 2013	$ 2,828,000	$ 2,268,138
December 31, 2012	$ 2,574,000	$ 2,107,280
March 31, 2012	$ 2,026,000	$ 1,717,604

(In thousands of CAD dollars)

Carrying value consists of the net carrying value of:

	Note	March 31, 2013	December 31, 2012	March 31, 2012
Investment properties		$ 2,151,615	$ 1,999,225	$ 1,631,730
Intangible assets	5	36,803	33,549	25,437
Accrued straight-line rent receivable	6	23,953	22,594	18,806
Tenant incentives	6	55,767	51,912	41,631
Total carrying value		$ 2,268,138	$ 2,107,280	$ 1,717,604

Crombie has utilized the following weighted average capitalization rates and has determined that an increase (decrease) in this applied capitalization rate of 0.25% would result in an increase (decrease) in the fair value of the investment properties as follows:

	Weighted Average Capitalization Rate	Impact of a 0.25% change in Capitalization Rate: Increase in Rate	Impact of a 0.25% change in Capitalization Rate: Decrease in Rate
March 31, 2013	6.33%	$ (101,000)	$ 110,000
December 31, 2012	6.60%	$ (96,000)	$ 101,000
March 31, 2012	7.04%	$ (70,000)	$ 76,000

Investment Property Acquisitions and Dispositions

The operating results of acquired properties are included from the respective date of acquisition and for disposed properties up to the date of disposition.

2013

Acquisition/Disposition Date	Properties Acquired (Disposed)	Approximate Square Footage	Initial Purchase (Disposition) Price	Assumed Mortgages	New Mortgages
February 22, 2013	4	311,000	$ 131,890	$ 10,744	$ -
March 22, 2013	1	66,000	14,650	-	10,750
March 27, 2013	1	45,000	15,450	-	-
March 28, 2013(1)	-	9,000	2,455	-	-
		431,000	**164,445**	**10,744**	**10,750**
February 4, 2013	(1)	(31,000)	(1,700)	-	-
		400,000	**$ 162,745**	**$ 10,744**	**$ 10,750**

(1) Relates to an acquisition of additional development on a pre-existing retail property.

All of the properties acquired and disposed in February were transacted with third parties. The March acquisitions were acquired from subsidiaries of Empire Company Limited ("Empire"), a related party. The initial purchase prices stated above exclude closing and transaction costs. The disposal price of the derecognized property on February 4, 2013 approximated its carrying value, resulting in a small gain. The balance of the acquisitions, after deducting assumed and new mortgage proceeds, was funded through Crombie's floating rate revolving credit facility.

2012

Acquisition/Disposition Date	Properties Acquired (Disposed)	Approximate Square Footage	Initial Purchase (Disposition) Price	Assumed Mortgages	New Mortgages
March 9, 2012	1	40,000	$ 13,800	$ 7,604	$ 1,356

The March 9, 2012 property acquisition was from a third party. The initial purchase price stated above excludes closing and transaction costs. The balance of the acquisition, after deducting assumed and new mortgage proceeds, was funded through Crombie's floating rate revolving credit facility.

(In thousands of CAD dollars)

The allocation of the total cost of the acquisitions (including closing and transaction costs) is as follows:

	Three Months Ended March 31, 2013	Three Months Ended March 31, 2012	Year Ended December 31, 2012
Investment property acquired, net:			
Land	$ 43,165	$ 2,607	$ 89,573
Buildings	117,559	10,991	302,597
Intangible assets	4,983	343	13,205
Fair value debt adjustment on assumed mortgages	(412)	(81)	(4,807)
Net purchase price	165,295	13,860	400,568
Assumed mortgages	(10,744)	(7,604)	(108,484)
	$ 154,551	$ 6,256	$ 292,084
Consideration funded by:			
Revolving credit facility	$ 143,801	$ 4,900	$ 81,713
Mortgage financing	10,750	1,356	93,446
Cash from REIT Unit offering	-	-	116,925
Total consideration paid	$ 154,551	$ 6,256	$ 292,084

5) INTANGIBLE ASSETS

Tenant Relationships	**Cost**	**Accumulated Amortization**	**Net Carrying Value**
Balance, January 1, 2013	$ 73,853	$ 40,304	$ 33,549
Acquisitions	4,983	-	4,983
Dispositions	(283)	(258)	(25)
Amortization	-	1,704	(1,704)
Balance, March 31, 2013	**$ 78,553**	**$ 41,750**	**$ 36,803**
Balance, January 1, 2012	$ 60,648	$ 34,416	$ 26,232
Acquisitions	343	-	343
Amortization	-	1,138	(1,138)
Balance, March 31, 2012	**$ 60,991**	**$ 35,554**	**$ 25,437**

6) OTHER ASSETS

	March 31, 2013	**December 31, 2012**	**March 31, 2012**
Trade receivables	$ 11,504	$ 10,538	$ 8,350
Provision for doubtful accounts	(421)	(439)	(636)
Net trade receivables	11,083	10,099	7,714
Accrued straight-line rent receivable	23,953	22,594	18,806
Tenant incentives	55,767	51,912	41,631
Prepaid expenses and deposits	9,291	8,851	17,465
Restricted cash	736	725	1,345
Assets related to derecognized property	6,097	6,120	6,378
	$ 106,927	**$ 100,301**	**$ 93,339**

(In thousands of CAD dollars)

Tenant Incentives	Cost	Accumulated Amortization	Net Carrying Value
Balance, January 1, 2013	$ 76,762	$ 24,850	$ 51,912
Additions	5,825	-	5,825
Amortization	-	1,970	(1,970)
Balance, March 31, 2013	**$ 82,587**	**$ 26,820**	**$ 55,767**
Balance, January 1, 2012	$ 56,413	$ 18,518	$ 37,895
Additions	5,249	-	5,249
Amortization	-	1,513	(1,513)
Balance, March 31, 2012	**$ 61,662**	**$ 20,031**	**$ 41,631**

7) NOTES RECEIVABLE

	March 31, 2013	December 31, 2012	March 31, 2012
Capital expenditure program	$ 105	$ 105	$ 105
Interest rate subsidy	2,249	2,440	3,049
	$ 2,354	**$ 2,545**	**$ 3,154**

8) INVESTMENT PROPERTY DEBT

	Range	Weighted Average Interest Rate	Weighted Average Term to Maturity	March 31, 2013
Fixed rate mortgages	3.12 - 7.48%	5.09%	7.7 years	$ 1,098,165
Floating rate revolving credit facility		3.07%	2.2 years	145,000
Deferred financing charges				(8,227)
				$ 1,234,938

	Range	Weighted Average Interest Rate	Weighted Average Term to Maturity	December 31, 2012
Fixed rate mortgages	3.12 - 6.90%	5.21%	7.4 years	$ 949,571
Floating rate revolving credit facility		3.08%	2.5 years	30,405
Floating rate term credit facility		3.08%	2.2 years	92,695
Deferred financing charges				(7,260)
				$ 1,065,411

	Range	Weighted Average Interest Rate	Weighted Average Term to Maturity	March 31, 2012
Fixed rate mortgages	3.33 - 6.90%	5.59%	7.7 years	$ 850,626
Floating rate revolving credit facility		3.20%	2.3 years	30,000
Deferred financing charges				(7,290)
				$ 873,336

(In thousands of CAD dollars)

As at March 31, 2013, debt retirements for the next 5 years are:

12 Months Ending	Fixed Rate Principal Payments	Fixed Rate Maturities	Floating Rate Maturities	Total
March 31, 2014	$ 35,034	$ 80,908	$ -	$ 115,942
March 31, 2015	33,328	47,982	-	81,310
March 31, 2016	32,550	53,693	145,000	231,243
March 31, 2017	28,600	54,286	-	82,886
March 31, 2018	26,348	49,072	-	75,420
Thereafter	153,685	493,996	-	647,681
	$ 309,545	$ 779,937	$ 145,000	1,234,482
Deferred financing charges				(8,227)
Unamortized fair value debt adjustment				8,683
				$ 1,234,938

Specific investment properties with a carrying value of $2,068,631 as at March 31, 2013 (December 31, 2012 - $2,001,074; March 31, 2012 - $1,639,703) are currently pledged as security for mortgages or provided as security for the floating rate credit facilities. Carrying value includes investment properties, intangible assets, as well as accrued straight-line rent and tenant incentives which are included in other assets.

Mortgage Activity During 2013

Date		Number of Mortgages	Rates	Terms in Years	Amortization Period in Years	Proceeds (Repayments)
January 30, 2013	New	1	4.10%	9	25	$ 1,700
February 22, 2013	Assumed	1	5.71%	1	20	5,666
February 22, 2013	Assumed	1	7.48%	2	7	5,078
February 27, 2013	New	3	4.68%	15	25	23,625
February 27, 2013	New	3	4.68%	15	20	8,475
February 27, 2013	New	1	4.18%	8	15	2,600
February 28, 2013	New	1	4.12%	10	25	34,425
February 28, 2013	New	1	4.19%	10	25	17,000
February 28, 2013	New	1	4.37%	12	25	9,500
March 28, 2013	New	3	3.90%	10	25	27,475
March 28, 2013	New	1	3.90%	10	23	16,000
March 28, 2013	New	1	4.01%	10	25	7,000
						$ 158,544

Floating Rate Revolving Credit Facility

The floating rate revolving credit facility has a maximum principal amount of $285,000 (December 31, 2012 - $200,000; March 31, 2012 - $150,000) and matures June 30, 2015. The facility is used by Crombie for working capital purposes and to provide temporary financing for future acquisitions and is secured by a pool of first and second mortgages on certain properties and the maximum principal amount is subject to available borrowing base (March 31, 2013 – borrowing base of $273,743). The floating interest rate is based on bankers' acceptance rates plus a spread or specific margin over prime rate. The specified spread or margin increases as Crombie's overall debt leverage increases beyond specific thresholds.

On February 22, 2013, the available limit on Crombie's revolving credit facility was temporarily increased to $285,000 to provide temporary financing for the current quarter's acquisitions. The limit will be reduced to the previous $200,000 level at such time in 2013 when permanent mortgage financing is put in place for the acquired properties.

(In thousands of CAD dollars)

Floating Rate Term Credit Facility

On September 21, 2012, Crombie renegotiated the terms of debt, with a weighted average interest rate of 5.91%, assigned to a portfolio of 23 properties and entered into a 30 month floating rate term credit facility for $92,697. The floating interest rate was based, at the option of Crombie, on Bankers' Acceptance rates or Prime Rates plus, in each case, a spread resulting in an interest rate of 3.08%. During the three months ended March 31, 2013, the term facility was repaid and cancelled using proceeds from new mortgages totalling $135,350. The weighted average interest rate on these new mortgages is 4.22%.

See Note 19(a) for fair value information.

9) CONVERTIBLE DEBENTURES

	Conversion Price	Maturity Date	Interest Rate	March 31, 2013	December 31, 2012	March 31, 2012
7% (CRR.DB)	$ 13.00	Mar. 20, 2013	7.00%	$ -	$ -	$ 29,545
Series B (CRR.DB.B)	$ 11.00	June 30, 2015	6.25%	17,362	18,679	50,526
Series C (CRR.DB.C)	$ 15.30	June 30, 2017	5.75%	45,000	45,000	45,000
Series D (CRR.DB.D)	$ 20.10	Sept. 30, 2019	5.00%	60,000	60,000	-
Deferred financing charges				(2,970)	(3,150)	(2,836)
				$ 119,392	**$ 120,529**	**$ 122,235**

Debenture Conversions	Conversion Price	Three Months Ended March 31, 2013	Year Ended December 31, 2012	Three Months Ended March 31, 2012
7%	$ 13.00	$ -	$ 26,278	$ 440
Series B	$ 11.00	1,317	33,800	1,953
		$ 1,317	**$ 60,078**	**$ 2,393**
REIT Units Issued		119,723	5,094,081	211,386

As at March 31, 2013, debenture retirements for the next 5 years are:

12 Months Ending	Series B	Series C	Series D	Total
March 31, 2014	$ -	$ -	$ -	$ -
March 31, 2015	-	-	-	-
March 31, 2016	17,362	-	-	17,362
March 31, 2017	-	-	-	-
March 31, 2018	-	45,000	-	45,000
Thereafter	-	-	60,000	60,000
	$ 17,362	$ 45,000	$ 60,000	122,362
Deferred financing charges				(2,970)
				$ 119,392

10) INCOME TAXES

The deferred tax liability of the wholly-owned corporate subsidiaries which are subject to income taxes consist of the following:

	March 31, 2013	December 31, 2012	March 31, 2012
Tax liabilities relating to difference in tax and book value	$ 95,113	$ 94,892	$ 93,821
Tax asset relating to non-capital loss carry-forward	(12,513)	(12,392)	(11,721)
Deferred tax liability	**$ 82,600**	**$ 82,500**	**$ 82,100**

(In thousands of CAD dollars)

The tax recovery (expense) consists of the following:

	Three Months Ended March 31, 2013	Three Months Ended March 31, 2012
Provision for income taxes at the expected rate	$ (3,882)	$ (2,895)
Tax effect of income attribution to Crombie's Unitholders	3,782	3,195
Taxes - deferred	**$ (100)**	**$ 300**

There are no corporate tax implications to Crombie from any of the components of accumulated other comprehensive income.

11) TRADE AND OTHER PAYABLES

	March 31, 2013	December 31, 2012	March 31, 2012 (As Restated)
Tenant incentives and capital expenditures	$ 19,595	$ 22,795	$ 17,438
Property operating costs	30,318	27,908	17,669
Advance rents	4,028	3,083	3,776
Finance costs on investment property debt and debentures	5,144	6,518	5,777
Distributions payable	6,819	6,807	6,143
Fair value of interest rate swap agreements	41	43	-
Fair value of embedded derivatives in convertible debentures	4,110	5,062	10,534
Liabilities related to derecognized property	5,771	5,818	5,955
	$ 75,826	**$ 78,034**	**$ 67,292**

Fair value of embedded derivatives in convertible debentures:

Balance, beginning of period	$ 5,062	$ 12,803	$ 12,803
Change in fair value of financial instruments	(617)	1,878	(1,860)
Impact on debentures converted	(335)	(9,619)	(409)
Balance, end of period	**$ 4,110**	**$ 5,062**	**$ 10,534**

12) PROPERTY REVENUE

	Three Months Ended March 31, 2013	Three Months Ended March 31, 2012
Rental revenue contractually due from tenants	$ 70,920	$ 59,252
Contingent rental revenue	697	687
Straight-line rent recognition	1,359	1,021
Tenant incentive amortization	(1,970)	(1,513)
	$ 71,006	**$ 59,447**

The following table sets out tenants that contribute in excess of 10% of total property revenue:

	Three Months Ended March 31, 2013		2012	
	Revenue	**Percentage**	**Revenue**	**Percentage**
Sobeys Inc.	$ 19,091	26.9%	$ 16,780	28.2%

(In thousands of CAD dollars)

13) OPERATING LEASES

Crombie as a Lessor

Crombie's operations include leasing commercial real estate. Future minimum rental income under non-cancellable tenant leases as at March 31, 2013, is as follows:

	Remaining 2013	Year Ending December 31, 2014	2015	2016	2017	Thereafter	Total
Future minimum rental income	$ 136,498	$ 173,582	$ 164,049	$ 153,568	$ 140,921	$1,132,609	$ 1,901,227

Crombie as a Lessee

Operating lease payments primarily represent rentals payable by Crombie for all of its land leases. These land leases have varying terms ranging from 12 to 72 years including renewal options:

	Remaining 2013	Year Ending December 31, 2014	2015	2016	2017	Thereafter	Total
Future minimum lease payments	$ 939	$ 1,235	$ 1,236	$ 1,238	$ 1,292	$ 46,179	$ 52,119

14) EMPLOYEE BENEFIT EXPENSE

Crombie's payroll expenses are included in property expenses and in general and administrative expenses.

	Three Months Ended March 31, 2013	2012
Wages and salaries	$ 7,230	$ 6,052
Post-employment benefits	165	134
	$ 7,395	**$ 6,186**

15) FINANCE COSTS – OPERATIONS

	Three Months Ended March 31, 2013	2012
Fixed rate mortgages	$ 13,728	$ 13,300
Floating rate term, revolving and demand facilities	1,420	461
Convertible debentures	1,659	1,989
Finance costs - operations	**16,807**	**15,750**
Amortization of fair value debt adjustment and accretion income	730	404
Change in accrued finance costs	1,374	(2,153)
Amortization of effective swap agreements	(965)	(1,042)
Amortization of deferred financing charges	(588)	(695)
Finance costs - operations, paid	**$ 17,358**	**$ 12,264**

(In thousands of CAD dollars)

16) UNITS OUTSTANDING

	Crombie REIT Units			Class B LP Units and attached Special Voting Units			Total		
	Number of Units		Amount	Number of Units		Amount	Number of Units		Amount
Balance, January 1, 2013	53,342,855	$	575,506	38,430,221	$	401,606	91,773,076	$	977,112
Units issued under EUPP	43,522		634	-		-	43,522		634
Units released under EUPP	-		44	-		-	-		44
Net change in EUPP loans receivable	-		(245)	-		-	-		(245)
Conversion of debentures	119,723		1,317	-		-	119,723		1,317
Conversion feature of debentures	-		335	-		-	-		335
Balance, March 31, 2013	**53,506,100**	**$**	**577,591**	**38,430,221**	**$**	**401,606**	**91,936,321**	**$**	**979,197**

	Crombie REIT Units			Class B LP Units and attached Special Voting Units			Total		
	Number of Units		Amount	Number of Units		Amount	Number of Units		Amount
			(As Restated)						(As Restated)
Balance, January 1, 2012 (As Restated)	41,181,881	$	407,452	33,115,360	$	324,464	74,297,241	$	731,916
Units issued (proceeds are net of issue costs)	4,630,000		64,135	3,655,200		52,790	8,285,200		116,925
Units issued under EUPP	28,893		409	-		-	28,893		409
Units released under EUPP	-		29	-		-	-		29
Net change in EUPP loans receivable	-		(166)	-		-	-		(166)
Conversion of debentures	211,386		2,393	-		-	211,386		2,393
Conversion feature of debentures	-		409	-		-	-		409
Balance, March 31, 2012	**46,052,160**	**$**	**474,661**	**36,770,560**	**$**	**377,254**	**82,822,720**	**$**	**851,915**

17) SUPPLEMENTARY CASH FLOW INFORMATION

a) Items not affecting operating cash

	Three Months Ended March 31,			
		2013		**2012**
Items not affecting operating cash:				
Accrued straight-line rent	$	(1,359)	$	(1,021)
Amortization of tenant incentives		1,970		1,513
Depreciation of investment properties		9,282		7,241
Amortization of deferred leasing costs		136		146
Amortization of intangible assets		1,704		1,138
Unit based compensation		8		7
Gain on derecognition of investment property		(430)		-
Amortization of effective swap agreements		965		1,042
Amortization of deferred financing charges		588		695
Taxes - deferred		100		(300)
Change in fair value of financial instruments		(617)		(1,860)
	$	**12,347**	**$**	**8,601**

(In thousands of CAD dollars)

b) Change in other non-cash operating items

	Three Months Ended March 31, 2013	2012
Cash provided by (used in):		
Trade receivables	$ (984)	$ (348)
Prepaid expenses and deposits and other assets	(451)	(11,211)
Payables and other liabilities	1,945	3,453
	$ 510	**$ (8,106)**

18) RELATED PARTY TRANSACTIONS

Related party transactions are transactions with associates, post-employment benefit plans, and key management personnel. Transactions between Crombie and its subsidiaries have been eliminated on consolidation, and as such, are not disclosed in this note. Related party transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

As at March 31, 2013, Empire, through its wholly-owned subsidiary ECL Developments Limited, holds a 42.8% (fully diluted 40.8%) indirect interest in Crombie.

Crombie's transactions with related parties are as follows:

		Three Months Ended March 31, 2013	2012
Property revenue	(a)	$ 21,006	$ 18,736
Head lease income	(b)	$ 203	$ 403
Management support services provided	(c)	$ 118	$ 203
Property management services	(d)	$ 60	$ 208
Rental expense	(e)	$ 47	$ 47
Interest rate subsidy	(b)	$ 238	$ 275
Finance costs - operations	(f)	$ 296	$ 156
Finance costs - distributions to Unitholders		$ 8,753	$ 7,640

(a) Crombie earned property revenue from Sobeys Inc., Empire Theatres Limited and other subsidiaries of Empire.

(b) For various periods, ECL Developments Limited has an obligation to provide rental income and interest rate subsidies pursuant to an Omnibus Subsidy Agreement dated March 23, 2006, between Crombie Developments Limited, Crombie Limited Partnership and ECL Developments Limited. The rental income is included in Property revenue and the interest rate subsidy is netted against Finance costs – operations.

(c) Certain executive management individuals and other employees of Crombie provide general management, financial, leasing, administrative, and other administration support services to certain real estate subsidiaries of Empire on a cost sharing basis pursuant to a Management Cost Sharing Agreement, dated March 23, 2006, between Crombie Developments Limited, a subsidiary of Crombie, and ECL Developments Limited, a subsidiary of Empire.

(d) Certain on-site maintenance and management employees of Crombie provide property management services to certain subsidiaries of Empire on a cost sharing basis pursuant to the Management Cost Sharing Agreement. The costs recovered by Crombie pursuant to the Agreement were netted against property expenses.

(e) Crombie leases its head office space from ECL Developments Limited under a lease that expires December 2027.

(f) Empire holds $24,000 of Series D Convertible Debentures with an annual interest rate of 5.00%.

In addition to the above:

- During the first quarter of 2013, Crombie acquired two properties and acquired one development addition to an existing property from subsidiaries of Empire for a total purchase price of $32,555 excluding closing and transaction costs.

- During the fourth quarter of 2012, Crombie acquired two properties and acquired development additions to two existing properties from subsidiaries of Empire for a total purchase price of $53,099 excluding closing and transaction costs.

(In thousands of CAD dollars)

- On December 14, 2012, concurrently with a public offering of units, ECL Developments Limited purchased 1,659,661 Class B LP Units and the attached SVUs at a price of $14.75 per Class B LP Unit for proceeds of $24,332 net of issue costs, on a private placement basis

- On September 17, 2012, Empire exercised its right to convert its $10,000 Series B Convertible Debentures with an annual interest rate of 6.25%, into 909,090 Units.

- On July 3, 2012, Empire acquired $24,000 Series D Convertible Debentures with an annual interest rate of 5.00% in satisfaction of wholly-owned ECL Developments Limited's pre-emptive right with respect to the Debenture offering.

- On March 29, 2012, concurrently with a public offering of units, ECL Developments Limited purchased 3,655,200 Class B LP Units and the attached SVUs at a price of $14.50 per Class B LP Unit for proceeds of $52,810 net of issue costs, on a private placement basis.

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of Crombie. The following are considered to be Crombie's key management personnel: the Chief Executive Officer, Chief Financial Officer and the three other highest compensated executives.

The remuneration of members of key management during the period was approximately as follows:

	Three Months Ended March 31,	
	2013	**2012**
Salary, bonus and other short-term employee benefits	$ 796	$ 643
Other long-term benefits	25	24
	$ 821	$ 667

19) FINANCIAL INSTRUMENTS

a) Fair value of financial instruments

The fair value of a financial instrument is the estimated amount that Crombie would receive to sell a financial asset or pay to transfer a financial liability in an orderly transaction between market participants at the measurement date.

Fair value determination is classified within a three-level hierarchy, based on observability of significant inputs, as follows:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 - unobservable inputs for the asset or liability.

The following table provides information on financial assets and liabilities measured at fair value as at March 31, 2013:

	Level 1	Level 2	Level 3	Total
Financial liabilities				
Interest rate swaps	$ -	$ 41	$ -	$ 41
Embedded derivatives in convertible debentures	-	4,110	-	4,110
Total liabilities	$ -	$ 4,151	$ -	$ 4,151

There were no transfers between Level 1 and Level 2 during the three months ended March 31, 2013.

(In thousands of CAD dollars)

The fair value of other financial instruments is based on discounted cash flows using discount rates that reflect current market conditions for instruments with similar terms and risks. The following table summarizes the estimated fair value of other financial instruments which have a fair value different from their carrying value:

	March 31, 2013		December 31, 2012		March 31, 2012	
	Fair value	Carrying Value	Fair value	Carrying Value	Fair value	Carrying Value
Financial assets						
Assets related to derecognized property	$ 6,060	$ 6,097	$ 6,116	$ 6,120	$ 6,472	$ 6,378
Notes receivable	2,571	2,354	2,781	2,545	3,437	3,154
Total assets	$ 8,631	$ 8,451	$ 8,897	$ 8,665	$ 9,909	$ 9,532
Financial liabilities						
Investment property debt	$ 1,323,964	$ 1,243,165	$ 1,150,888	$ 1,072,671	$ 960,039	$ 880,626
Convertible debentures	133,527	122,362	134,276	123,679	142,451	125,071
Liabilities related to derecognized property	5,920	5,771	5,997	5,818	6,239	5,955
Total liabilities	$ 1,463,411	$ 1,371,298	$ 1,291,161	$ 1,202,168	$ 1,108,729	$ 1,011,652

Due to their short-term nature, the carrying value of the following financial instruments approximates their fair value at the balance sheet date:

Cash and cash equivalents
Trade receivables
Restricted cash
Trade and other payables (excluding interest rate swaps, embedded derivatives and liabilities related to derecognized property)

b) Risk Management

In the normal course of business, Crombie is exposed to a number of financial risks that can affect its operating performance. These risks, and the action taken to manage them, are as follows:

Credit risk

Credit risk arises from the possibility that tenants may experience financial difficulty and be unable to fulfill their lease commitments. Crombie's credit risk is limited to the recorded amount of tenant receivables. A provision for doubtful accounts is taken for all anticipated collectability risks (Note 6).

Crombie mitigates credit risk by geographical diversification, utilizing staggered lease maturities, diversifying both its tenant mix and asset mix and conducting credit assessments for new and renewing tenants.

There have been no significant changes to Crombie's credit risk since December 31, 2012.

Interest rate risk

Interest rate risk is the potential for financial loss arising from increases in interest rates. Crombie mitigates this risk by utilizing staggered debt maturities and limiting the use of permanent floating rate debt. A fluctuation in interest rates would have had an impact on Crombie's operating income related to the use of floating rate debt. Based on the previous year's rate changes, a 0.5% interest rate change would reasonably be considered possible. The changes would have had the following impact:

	Impact of a 0.5% interest rate change	
Impact on operating income attributable to Unitholders of interest rate changes on the floating rate credit facilities	**Decrease in rate**	**Increase in rate**
Three Months Ended March 31, 2013	$ 213	$ (213)
Three Months Ended March 31, 2012	$ 48	$ (48)

There have been no significant changes to Crombie's interest rate risk since December 31, 2012.

(In thousands of CAD dollars)

Liquidity risk

The real estate industry is highly capital intensive. Liquidity risk is the risk that Crombie may not have access to sufficient debt and equity capital to fund its growth program, refinance debt obligations as they mature or meet its ongoing obligations as they arise.

The estimated payments, including principal and interest, on non-derivative financial liabilities to maturity date are as follows:

		Twelve Months Ending March 31,					
	Contractual Cash Flows(1)	2014	2015	2016	2017	2018	Thereafter
Fixed rate mortgages(2)	$ 1,432,284	$ 168,776	$ 128,410	$ 128,677	$ 121,295	$ 110,418	$ 774,708
Convertible debentures	155,302	6,673	6,673	23,221	5,588	48,647	64,500
	1,587,586	175,449	135,083	151,898	126,883	159,065	839,208
Floating rate revolving credit facility	155,017	4,452	4,452	146,113	-	-	-
Total	$ 1,742,603	$ 179,901	$ 139,535	$ 298,011	$ 126,883	$ 159,065	$ 839,208

(1) Contractual cash flows include principal and interest and ignore extension options.
(2) Reduced by the interest rate subsidy payments to be received from ECL Developments Limited.

There have been no significant changes to Crombie's liquidity risk since December 31, 2012.

20) CAPITAL MANAGEMENT

Crombie's objective when managing capital on a long-term basis is to maintain overall indebtedness, including convertible debentures, in the range of 50% to 60% of gross book value, utilize staggered debt maturities, minimize long-term exposure to excessive levels of floating rate debt and maintain conservative payout ratios.

Crombie's capital structure consists of the following:

	March 31, 2013	December 31, 2012	March 31, 2012 (As Restated)
Investment property debt	$ 1,234,938	$ 1,065,411	$ 873,336
Convertible debentures	119,392	120,529	122,235
Crombie REIT Unitholders	469,291	470,747	385,809
SVU and Class B LP Unitholders	308,864	311,254	298,324
	$ 2,132,485	$ 1,967,941	$ 1,679,704

At a minimum, Crombie's capital structure is managed to ensure that it complies with the limitations pursuant to Crombie's Declaration of Trust, the criteria contained in the Income Tax Act (Canada) in regard to the definition of a REIT and existing debt covenants. Some of the restrictions pursuant to Crombie's Declaration of Trust would include, among other items:

- A restriction that Crombie shall not incur indebtedness (other than by the assumption of existing indebtedness) where the indebtedness would exceed 75% of the market value of an individual property; and
- A restriction that Crombie shall not incur indebtedness of more than 60% of gross book value (65% including any convertible debentures).

(In thousands of CAD dollars)

For debt to gross book value calculation, Crombie does not include in total debt the financial liabilities to REIT Unitholders and to holders of Class B LP Units, as shown on the balance sheet as Net assets attributable to Unitholders. Crombie's debt to gross book value as defined in Crombie's Declaration of Trust is as follows:

	March 31, 2013	December 31, 2012	March 31, 2012
Fixed rate mortgages	$ 1,098,165	$ 949,571	$ 850,626
Convertible debentures	122,362	123,679	125,071
Revolving credit facility	145,000	30,405	30,000
Floating rate term credit facility	-	92,695	-
Total debt outstanding	1,365,527	1,196,350	1,005,697
Less: Applicable fair value debt adjustment	(3,553)	(3,791)	(4,562)
Debt	$ 1,361,974	$ 1,192,559	$ 1,001,135
Investment properties, cost	$ 2,319,190	$ 2,158,474	$ 1,759,684
Below-market lease component, cost (1)	70,877	62,753	58,468
Intangible assets, cost	78,553	73,853	60,991
Notes receivable	2,354	2,545	3,154
Other assets, cost (see below)	127,650	119,031	106,992
Cash and cash equivalents	386	-	82,791
Deferred financing charges	11,197	10,410	10,126
Interest rate subsidy	(3,553)	(3,791)	(4,562)
Fair value adjustment to deferred taxes	(39,045)	(39,245)	(39,245)
	$ 2,567,609	$ 2,384,030	$ 2,038,399
Debt to gross book value	53.0%	50.0%	49.1%

(1) Below market lease component is included in the carrying value of investment properties.

Other assets are calculated as follows:

	March 31, 2013	December 31, 2012	March 31, 2012
Other assets per Note 6	$ 106,927	$ 100,301	$ 93,339
Add back (deduct):			
Tenant incentive accumulated amortization	26,820	24,850	20,031
Assets related to derecognized property	(6,097)	(6,120)	(6,378)
Other assets, cost	$ 127,650	$ 119,031	$ 106,992

As at March 31, 2013, Crombie is in compliance with all externally imposed capital requirements and all covenants relating to its debt facilities.

21) COMMITMENTS AND CONTINGENCIES

There are various claims and litigation which Crombie is involved with arising out of the ordinary course of business operations. In the opinion of management, any liability that would arise from such contingencies would not have a significant adverse effect on these financial statements.

Crombie has agreed to indemnify its trustees and officers, and particular employees, in accordance with Crombie's policies. Crombie maintains insurance policies that may provide coverage against certain claims.

Crombie has entered into a management cost sharing agreement with a subsidiary of Empire. Details of this agreement are disclosed in "Related Party Transactions" (Note 18).

Crombie obtains letters of credit to support its obligations with respect to construction work on its investment properties, defeasing investment property debt and satisfying mortgage financing requirements. As at March 31, 2013, Crombie has a total of $11,329 in outstanding letters of credit related to:

- $714 for construction work that is being performed on investment properties;
- $1,715 in favour of the mortgage lender in connection with the defeasance of derecognized property;
- $8,900 in favour of mortgage lenders primarily to satisfy mortgage financings on redevelopment properties.

Crombie does not believe that any of these standby letters of credit are likely to be drawn upon.

Land leases have varying terms ranging from 12 to 72 years including renewal options. For the three months ended March 31, 2013, Crombie paid $309 in land lease payments to third party landlords (three months ended March 31, 2012 - $301). Crombie's commitments under the land leases are disclosed in Note 13.

As at March 31, 2013, Crombie had signed construction contracts totaling $13,648 of which $3,786 has been paid.

22) SUBSEQUENT EVENTS

(a) On April 18, 2013, Crombie declared distributions of 7.417 cents per unit for the period from April 1, 2013, to and including, April 30, 2013. The distributions will be paid May 15, 2013, to Unitholders of record as of April 30, 2013.

(b) On April 30, 2013, Crombie completed the acquisition of an approximate 59,000 square foot retail property in Beaumont, Alberta from a subsidiary of Empire. The total purchase price was $20,875, excluding closing adjustments and transaction costs. The purchase price was funded through Crombie's revolving credit facility.

23) SEGMENT DISCLOSURE

Crombie owns and operates primarily retail and office real estate assets located in Canada. Management, in measuring Crombie's performance or making operating decisions, does not distinguish or group its operations on a geographical or other basis. Accordingly, Crombie has a single reportable segment for disclosure purposes.

UNITHOLDERS' INFORMATION

OFFICERS

Frank C. Sobey
Chairman

Donald E. Clow
President and Chief Executive Officer

Glenn R. Hynes
Chief Financial Officer and Secretary

Patrick G. Martin
Regional Vice President Atlantic

Gary Finkelstein
Regional Vice President Central & Western Canada

Scott R. MacLean
Senior Vice President Operations Atlantic

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UNIT SYMBOL

REIT Trust Units – CRR.UN

STOCK EXCHANGE LISTING

Toronto Stock Exchange

DISTRIBUTION RECORD AND PAYMENT DATES FOR FISCAL 2013

Record Date	Payment Date
January 31, 2013	February 15, 2013
February 28, 2013	March 15, 2013
March 31, 2013	April 15, 2013
April 30, 2013	May 15, 2013

COUNSEL

Stewart McKelvey
Halifax, Nova Scotia

AUDITORS

Grant Thornton, LLP
New Glasgow, Nova Scotia

INVESTOR RELATIONS AND INQUIRIES

Unitholders, analysts, and investors should direct their financial inquiries or request to:
Glenn R. Hynes, F.C.A.
Chief Financial Officer and Secretary
Email: investing@crombie.ca

Communication regarding investor records, including changes of address or ownership, lost certificates or tax forms, should be directed to the company's transfer agent and registrar, Canadian Stock Transfer Company.

TRANSFER AGENT

Canadian Stock Transfer Company
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