ABERDEEN SHOPPING CENTRE AMHERST CENTRE COUNTY FAIR MALL DOWNSVIEW MALL DOWNSVIEW PLAZA EVANGELINE MALL FORT EDWARD MALL HIGHLAND SQUARE MALL NEW MINAS PLAZA PARK LANE PRINCE STREET PLAZA SYDNEY SHOPPING CENTRE RIVER CITY CENTRE BARRINGTON PLACE BARRINGTON TOWER BRUNSWICK PLACE CIBC BUILDING COGSWELL TOWER DUKE TOWER SCOTIA SQUARE MALL SCOTIA SQUARE PARKADE 318 ONTARIO STREET NIAGARA PLAZA PORT COLBORNE MALL QUEENSLAND PLAZA ROSE CITY PLAZA RYMAL ROAD PLAZA SOUTH PELHAM MARKET PLAZA UPPER JAMES SQUARE VILLAGE SQUARE MALL CARLETON MALL CHARLOTTE MALL ELMWOOD PLAZA FREDERICTON MALL LOCH LOMOND PLACE PROSPECT STREET PLAZA RIVERVIEW MALL TERMINAL CENTRES AVALON MALL HAMLYN ROAD PLAZA RANDOM SQUARE VALLEY MALL COUNTY FAIR MALL GREENFIELD PARK CENTRE BRAMPTON PLAZA TAUNTON AND WILSON PLAZA 3250 FAIRVIEW STREET THE MEWS OF CARLETON PLACE, LANSDOWNE AVENUE, CARLETON PLACE 78–80 DUFFERIN STREET, PERTH MEWS SHOPPING MALL INTERNATIONAL GATEWAY CENTRE, 450 GARRISON ROAD, 8200 BOULEVARD, TASCHEREAU IGA STORE 5840 AND 5844 MALDEN ROAD, TOWN CENTRE PLAZA 385 SPRINGBANK AVENUE 434–484 NORFOLK STREET SOUTH, WHITE HORSE PLAZA 115 BOULEVARD GERARD D. LEVESQUE OUEST, PASPEBIAC PLAZA 949–969 AVE. NORDIQUE 5005 BOULEVARD DE L'ORMIERE 2458 KING GEORGE HIGHWAY, BRIDGEVIEW PLAZA 142 HAMPTON ROAD, ROTHESAY, FAIRVALE PLAZA, 426 RUE DE MOULEN 580 VICTORIA STREET, TRACADIE 68 ROBIE STREET, TRURO, FUNDY TRAIL CENTRE 580 VICTORIA STREET, EDMUNDSTON GEORGE STREET, NEW GLASGOW WEST SIDE PLAZA 1092–1020, QUEEN STREET PLAZA 136 EAST VICTORIA STREET, AMHERST PLAZA 961 BEDFORD HIGHWAY, MILL COVE PLAZA 45 WEAVER ROAD, BLINK BONNIE SHOPPING MALL 4 WESTWOOD BOULEVARD, UPPER TANTALLON, TANTALLON PLAZA BELNAN ROAD, ELMSDALE, ELMSDALE SHOPPING CENTRE 128 MAIN STREET, TATAMAGOUCHE, NORTH SHORE CENTRE 350–356 CONCEPTION BAY HIGHWAY, CONCEPTION BAY PLAZA 470 TOPSAIL ROAD, ST. JOHN'S TOPSAIL ROAD PLAZA 272 TORBAY ROAD, ST. JOHN'S, TORBAY ROAD PLAZA 977 GOLF LINKS ROAD, ANCASTER 409 BAYFIELD STREET, BARRIE 215 PARK AVENUE WEST, CHATHAM 34 LIVINGSTONE AVENUE, GRIMSBY 254 HOTEL DE VILLE, RIVIÈRE DU LOUP 1500 RUE DE BRETAGNE, BAIE COMEAU 645 THIBEAU STREET, CAP DE LA MADELEINE 5555 BOUL DES GRADINS, CHARLESBOURG 88–90 BOUL D'ANJOU, CHATEAUGUAY 3950 RUE KING OUEST, SHERBROOKE 8980 BOULEVARD LACROIX, ST. GEORGES DE BEAUCE ST. ROMUALD, 1060 BOULEVARD DE LA RIVE-SUD 850 ST. PETERS AVENUE, BATHURST 477 PAUL STREET, CHAMPLAIN PLACE, DIEPPE 26 MICHAUD STREET, EDMUNDSTON 535 ROAD, COVERDALE RIVERVIEW 463 BROOKSIDE, FREDERICTON 273 PLEASANT STREET, NEWCASTLE 1380 MOUNTAIN ROAD, MONCTON 46 PAUL ST. 501 REGIS STREET, DIEPPE 293 FOORD STREET, STELLARTON, 133 CHURCH STREET, ANTIGONISH 2 FOREST HILLS PARKWAY, DARTMOUTH 25 BROOKSIDE STREET, GLACE BAY 75 EMERALD STREET, NEW WATERFORD NORTH AND WINDSOR ST., HALIFAX 287 LACEWOOD DRIVE, LACEWOOD AND DUNBRACK 39 PITT STREET, SYDNEY MINES 634 REEVES STREET, PORT HAWKESBURY 22579 HIGHWAY #7, SHEET HARBOUR 279 HERRINGCOVE ROAD, SPRYFIELD 95 KELTIC DRIVE, SYDNEY RIVER 531 NORTH MAIN STREET, MONTAGUE 201 BUCHANAN DRIVE, WEST ROYALTY 2 COMMERCE STREET, DEER LAKE 10 ELIZABETH AVENUE, ST. JOHN'S, HOWLEY ESTATES 71 GRAND VIEW BLVD, GRAND BANK 21 CROMER AVENUE, GRAND FALLS 69 BLOCKHOUSE ROAD, PLACENTIA 45 ROPEWALK LANE, ST. JOHN'S

Disciplined.

Sustainable.

Growth.

First Quarter Report
Three Months Ended March 31, 2009

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. Crombie currently owns a portfolio of 113 commercial properties in seven provinces, comprising approximately 11.2 million square feet of rentable space.

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

The REIT provided additional details concerning its first quarter results on a conference call held Thursday, May 7, 2009. Replay of the call is available on Crombie's website www.crombiereit.com.

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 Discussion and Analysis under "Risk Management" in the 2008 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, 2009.

	Three months ended March 31,			
			Variance	
(In millions of dollars, except per unit amounts)	2009	2008	$	%
FFO	$ 20.739	$ 13.839	$ 6.900	49.9%
Per Unit	$ 0.40	$ 0.33	$ 0.07	21.2%
FFO Payout ratio	56.2%	64.1%		7.9%
AFFO	$ 16.026	$ 8.096	$ 7.930	97.9%
Per Unit	$ 0.31	$ 0.19	$ 0.12	63.2%
AFFO Payout ratio	72.7%	109.5%		36.8%

Funds from Operations ("FFO") for the first quarter of 2009 increased to $20.7 million ($0.40 per unit) from $13.8 million ($0.33 per unit) in the first quarter of 2008. The improvement was due to the portfolio acquisition of 61 retail properties from subsidiaries of Empire Company Limited (the "Portfolio Acquisition") on April 22, 2008 and the impact of the Saskatoon property acquisition in June 2008.

Adjusted Funds from Operations ("AFFO") for the first quarter of 2009 was $16.0 million ($0.31 per unit) compared to $8.1 million ($0.19 per unit) for the first quarter of 2008. Growth in AFFO during the first quarter was primarily due to the improved FFO results and lower maintenance capital and leasing costs. The first quarter AFFO payout ratio for 2009 was 72.7% which is substantially below the target payout ratio of 95% and the first quarter of 2008 payout ratio of 109.5%.

2009 First Quarter Highlights

- Crombie completed leasing activity on 47.4% of its 2009 expiring leases as at March 31, 2009.
- Occupancy for the properties was 94.2% at March 31, 2009 compared with 94.9% at December 31, 2008.
- Property revenue for the quarter ended March 31, 2009 increased by $15.7 million, or 42.2%, to $53.0 million compared to $37.3 million for the quarter ended March 31, 2008.
- Same-asset Net Operating Income ("NOI") of $21.9 million decreased 0.1%, compared to $22.0 million for the quarter ended March 31, 2008.
- The FFO payout ratio for the quarter ended March 31, 2009 was 56.2% which was below the target annual payout ratio of 70% and below the payout ratio of 64.1% for the same period in 2008.
- The AFFO payout ratio for the quarter ended March 31, 2009 was 72.7% which was below the target annual AFFO payout ratio of 95% and was below the payout ratio of 109.5% for the same period in 2008.
- Debt to gross book value increased slightly to 54.8% at March 31, 2009 compared to 54.4% at December 31, 2008.
- Crombie's interest service coverage ratio for the quarter ended March 31, 2009 was 2.93 times EBITDA and debt service coverage ratio was 2.08 times EBITDA, compared to 3.08 times EBITDA and 1.98 times EBITDA, respectively, for the same period in 2008.

Financial Overview

Same-asset property revenue of $38.0 million in the first quarter of 2009 was 2.1% higher than the first quarter in 2008 due primarily to increased average rent per square foot results and increased recoverable common area expenses.

Same-asset property expenses of $16.1 million in the first quarter of 2009 were 5.3% higher than the $15.3 million for the first quarter of 2008. The increased property expenses were due to increased recoverable common area expenses primarily from increased utility, snow removal and property taxes.

Closing Remarks

Commenting on the first quarter results, J. Stuart Blair, President and Chief Executive Officer stated: "We are pleased with the results for the first quarter of 2009 given the uncertainty in the economic conditions in Canada and globally. We continue to be cautious with our outlook for the remainder of 2009 and we will maintain our focus on achieving consistent results from our existing portfolio."

J. Stuart Blair
President & Chief Executive Officer

May 7, 2009

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MANAGEMENT DISCUSSION AND ANALYSIS

(In thousands of 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 quarter ended March 31, 2009, with a comparison to the financial condition and results of operations for the comparable period in 2008.

This MD&A should be read in conjunction with Crombie's interim consolidated financial statements and accompanying notes for the period ended March 31, 2009, and the audited consolidated financial statements and accompanying notes for the year ended December 31, 2008 and the related MD&A. 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 development of new properties under a development agreement, which development activities are undertaken by a related party 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 acquisition of accretive 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) reinvesting to make improvements to existing properties, which could be impacted by the availability of labour and capital resource allocation decisions;

(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 competitive supply of competitive locations in proximity to Crombie locations;

(v) overall indebtedness levels, which could be impacted by the level of acquisition activity Crombie is able to achieve and future financing opportunities;

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

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

(viii) anticipated distributions and payout ratios, which could be impacted by seasonality of capital expenditures, results of operations and capital resource allocation decisions;

(ix) anticipated placement of long-term debt financing relating to a portfolio acquisition which is dependent on liquidity risks;

(x) the effect that any contingencies would have on Crombie's financial statements;

(xi) the continued investment in training and resources throughout the international financial reporting standards transition;

(xii) the assumed estimated impact per unit upon future settlement of the interest rate swap agreements which may be impacted by changes in Canadian bond yields and swap spreads, as well as the timing and type of financing available and the related amortization period thereon; and

(xiii) estimated loss that will be reclassified to interest expenses during the remaining three quarters of 2009.

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-GAAP FINANCIAL MEASURES

There are financial measures included in this MD&A that do not have a standardized meaning under Canadian generally accepted accounting principles ("GAAP") as prescribed by the Canadian Institute of Chartered Accountants. These measures are property net operating income ("NOI"), adjusted funds from operations ("AFFO"), debt to gross book value, funds from operations ("FFO") 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

Financial and Operational Summary

(in thousands of dollars, except per unit amounts and as otherwise noted)	Quarter Ended March 31, 2009	Quarter Ended March 31, 2008
Property revenue	$ 52,992	$ 37,262
Net income	$ 4,192	$ 2,783
Basic and diluted net income per unit	$ 0.15	$ 0.13
FFO	$ 20,739	$ 13,839
FFO per unit[1]	$ 0.40	$ 0.33
FFO payout ratio (%)	56.2%	64.1%
AFFO	$ 16,026	$ 8,096
AFFO per unit[1]	$ 0.31	$ 0.19
AFFO payout ratio (%)	72.7%	109.5%
Debt to gross book value[2]	54.8%	48.2%
Total assets	$ 1,466,045	$ 1,007,105
Total commercial property debt and convertible debentures	$ 841,371	$ 502,199

(1) FFO and AFFO per unit are calculated by FFO or AFFO, as the case may be, divided by the diluted weighted average of the total Units and Special Voting Units outstanding of 52,351,464 for the quarter ended March 31, 2009 and 41,728,561 for the quarter ended March 31, 2008.
(2) See "Borrowing Capacity and Debt Coveants" for detailed calculation.

Overview of the Business

Crombie is an unincorporated, open-ended real estate investment trust established pursuant to a 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 units of Crombie trade on the Toronto Stock Exchange 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 retail properties. At March 31, 2009, Crombie owned a portfolio of 113 commercial properties in seven provinces, comprising approximately 11.2 million square feet of gross leaseable area ("GLA").

On April 22, 2008, Crombie closed an acquisition of a 61 retail property portfolio representing approximately 3.3 million square feet of GLA (the "Portfolio Acquisition") from certain affiliates of Empire Company Limited ("Empire Subsidiaries"). The cost of the Portfolio Acquisition to Crombie was $428,500, excluding closing and transaction costs. The portfolio consists of 40 single-use freestanding Sobeys grocery stores of various Sobeys banners, 20 Sobeys anchored retail strip centres and one Sobeys anchored partially enclosed centre. The GLA of the portfolio is as follows: Atlantic Canada – 78%; Quebec – 7%; and Ontario – 15%.

In order to partially finance the Portfolio Acquisition, on March 20, 2008, Crombie completed a public offering of 5,727,750 subscription receipts, including the over-allotment option, at a price of $11.00 per subscription receipt (each subscription receipt converted into one Unit of Crombie upon closing) and $30,000 of convertible extendible unsecured subordinated debentures (the "Debentures") for aggregate gross proceeds of $93,005.

Empire Subsidiaries took $55,000 of the purchase price in Class B LP Units of Crombie Limited Partnership at the $11.00 offering price. Empire Company Limited ("Empire") holds a 47.9% economic and voting interest in Crombie as of March 31, 2009.

The remainder of the purchase price was satisfied with a $280,000, 18 month floating rate term financing ("Term Facility") and a draw on Crombie's revolving credit facility. On September 30, 2008, Crombie completed a refinancing of $100,000 of the Term Facility with fixed rate mortgages. On February 12, 2009, Crombie completed mortgage refinancing on an additional $39,000 of the Term Facility (see "Commercial Property Debt"). It is Crombie's intention to replace the remaining Term Facility with suitable long-term financing.

On October 24, 2008, Crombie completed the sale of West End Mall in Halifax, Nova Scotia. Under GAAP, the financial position and operating results have been reclassified on the financial statements for Crombie as assets and liabilities related to discontinued operations on a retroactive basis. The operating results tables in this MD&A also reflect the sale of the property on Crombie's results.

Business Strategy and Outlook

The objectives of Crombie are threefold:

1. Generate reliable and growing cash distributions;
2. Enhance the value of Crombie's assets and maximize long-term unit value through active management; and
3. Expand the asset base of Crombie and increase its cash available for distribution through accretive acquisitions.

Generate reliable and growing cash distributions: Management focuses on improving both the same-asset results while expanding the asset base with accretive acquisitions to grow the cash distributions to unitholders. As at March 31, 2009, after three years of operations, Crombie has increased its distributions by 11.25% while achieving its annual AFFO payout ratio targets.

Enhance value of Crombie's assets: Crombie anticipates reinvesting approximately 3% to 5% of its property revenue each year into its properties to maintain their productive capacity and thus overall value.

Crombie's internal growth strategy focuses on generating greater rental income from its existing properties. Crombie plans to achieve this by strengthening its asset base through judicious expansion and improvement of existing properties, leasing vacant space at competitive market rates with the lowest possible transaction costs, and maintaining good relations with tenants. Management will continue to conduct regular reviews of properties and, based on its experience and market knowledge, will assess ongoing opportunities within the portfolio.

Expand asset base with accretive acquisitions: Crombie's external growth strategy focuses primarily on acquisitions of income-producing retail properties. Crombie pursues two sources of acquisitions which are third party acquisitions and the relationship with ECL. All acquisitions completed to date have been purchased at costs which ensure they will be immediately accretive to cash available for distribution. The relationship with ECL includes currently owned and future development properties, as well as opportunities through the rights of first refusal that one of Empire's subsidiaries has negotiated in many of their leases. Crombie will seek to identify future property acquisitions using investment criteria that focus on the strength of anchor tenancies, market demographics, terms of tenancies, proportion of revenue from national tenants, opportunities for expansion, security of cash flow, potential for capital appreciation and potential for increasing value through more efficient management of the assets being acquired, including expansion and repositioning.

Crombie plans to work closely with ECL to identify development opportunities that further Crombie's external growth strategy. The relationship is governed by a development agreement described in the Material Contracts section of Crombie's Annual Information Form for the year ended December 31, 2008. Through this relationship, Crombie expects to have the benefits associated with development while limiting its exposure to the inherent risks of development, such as real estate market cycles, cost overruns, labour disputes, construction delays and unpredictable general economic conditions. The development agreement will also enable Crombie to avoid the uncertainties associated with property development, including paying the carrying costs of land, securing construction financing, obtaining development approvals, managing construction projects, marketing in advance of and during construction and earning no return during the construction period.

The development agreement provides Crombie with a preferential right to acquire retail properties developed by ECL, subject to approval by the independent trustees. The history of the relationship between Crombie and ECL continues to provide promising opportunities for growth through future development opportunities on both new and existing sites in Crombie's portfolio.

ECL currently owns approximately 1.6 million square feet in 18 development properties that can be offered to Crombie on a preferential right through the development agreement when the properties are sufficiently developed to meet Crombie's acquisition criteria. The properties are primarily retail plazas and approximately 50% of the GLA of the 18 properties is located outside of Atlantic Canada. These properties are anticipated to be made available to Crombie over the next five years.

Business Environment

During 2008, credit markets experienced a dramatic reduction in liquidity. As the credit crisis deepened during the second half of 2008, both the ability and willingness of financial institutions to lend money was greatly reduced as financial institutions became increasingly risk adverse. This reduced credit availability continues to be a major risk to the capital intensive real estate investment trust ("REIT") business environment. This reduction in available credit, combined with overall volatility in North American stock markets, has negatively impacted the unit price of many REITs.

The turmoil in the financial markets also caused bond yields to materially decline and reduced interest rate swap spreads to unprecedented levels during the fourth quarter of 2008 and continuing through the first quarter of 2009. This resulted in a significant deterioration of the mark-to-market values for the interest rate swap agreements Crombie has entered into to hedge its exposure to potential increases in Canadian bond yields associated with future debt issuances. The impact is more fully explained under the "Borrowing Capacity and Debt Covenants" and "Risk Management" sections of this MD&A.

In light of the widening credit spreads, a limited liquidity credit environment and the recent deterioration in the unit price of many REITs, capitalization rates have begun to expand. As it is very challenging to source accretive acquisitions under these current market conditions, Crombie does not presently anticipate any further third party acquisitions to occur in 2009. Crombie only intends to pursue acquisitions in the long-term that provide an acceptable return, including any acquisitions that may result from the relationship between Crombie and ECL.

In terms of occupancy rates, while both the retail and office markets where Crombie has a prominent presence remain relatively stable, the business environment outlook has become decidedly pessimistic, influenced by the pronounced recession in the U.S. and Canadian economies. One offsetting factor to the economic slowdown is that many of Crombie's retail locations are anchored by food stores, which typically are less affected by swings in consumer spending.

2009 FIRST QUARTER HIGHLIGHTS

- Crombie completed leasing activity on 47.4% of its 2009 expiring leases as at March 31, 2009.

- Occupancy for the properties was 94.2% at March 31, 2009 compared with 94.9% at December 31, 2008.

- Property revenue for the quarter ended March 31, 2009 increased by $15,730, or 42.2%, to $52,992 compared to $37,262 for the quarter ended March 31, 2008.

- Same-asset NOI of $21,920 decreased by $30 or 0.1%, compared to $21,950 for the quarter ended March 31, 2008.

- The FFO payout ratio for the quarter ended March 31, 2009 was 56.2% which was below the target annual payout ratio of 70% and below the payout ratio of 64.1% for the same period in 2008.

- The AFFO payout ratio for the quarter ended March 31, 2009 was 72.7% which was below the target annual AFFO payout ratio of 95% and was below the payout ratio of 109.5% for the same period in 2008.

- Debt to gross book value increased slightly to 54.8% at March 31, 2009 compared to 54.4% at December 31, 2008.

- Crombie's interest service coverage ratio for the quarter ended March 31, 2009 was 2.93 times EBITDA and debt service coverage ratio was 2.08 times EBITDA, compared to 3.08 times EBITDA and 1.98 times EBITDA, respectively, for the same period in 2008.

OVERVIEW OF THE PROPERTY PORTFOLIO

Property Profile

At March 31, 2009 the property portfolio consisted of 113 commercial properties that contain approximately 11.2 million square feet of GLA. The properties are located in seven provinces: Nova Scotia, New Brunswick, Newfoundland and Labrador, Prince Edward Island, Ontario, Quebec and Saskatchewan.

As at March 31, 2009, the portfolio distribution of the GLA by province was as follows:

Province	Number of Properties	GLA (sq. ft.)	% of GLA	% of Annual Minimum Rent	Occupancy[1]
Nova Scotia	41	5,065,000	45.3%	41.0%	94.0%
Ontario	22	1,645,000	14.7%	16.9%	95.4%
New Brunswick	20	1,647,000	14.7%	12.5%	90.0%
Newfoundland and Labrador	13	1,468,000	13.1%	17.0%	94.5%
Quebec	13	821,000	7.3%	7.9%	99.5%
Prince Edward Island	3	385,000	3.5%	3.2%	96.3%
Saskatchewan	1	160,000	1.4%	1.5%	97.8%
Total	113	11,191,000	100.0%	100.0%	94.2%

(1) For purposes of calculating occupancy percentage, Crombie considers GLA covered by the head lease agreement in favour of ECL as occupied as there is head lease revenue being earned on the GLA.

During the first quarter of 2009 there was an increase in GLA due to expansion of retail space at Downsview Plaza and Mill Cove Plaza, both located in Nova Scotia, at Brampton, Ontario and at Valley Mall, Newfoundland and Labrador.

Overall occupancy has reduced from 94.9% at December 31, 2008 to 94.2% at March 31, 2009 due primarily to the expiry of the Sobeys lease at Loch Lomond Mall in New Brunswick, and a number of smaller tenant lease expirations or bankruptcies, totalling approximately 94,000 square feet of GLA. This decrease has been partially offset by new tenancies occupying approximately 26,000 square feet of GLA during the first quarter of 2009. The remaining 146,000 square feet in GLA of new tenancies, as shown in the "2009 Portfolio Lease Expiries and Leasing Activity" table, is related to future quarters in 2009. This additional new leasing represents approximately 1.3% of Crombie's GLA.

Crombie looks to diversify its geographic composition through growth opportunities, as indicated by the seven acquisitions in Ontario, one acquisition in Quebec and one acquisition in Saskatchewan, plus the Portfolio Acquisition since Crombie's initial public offering (the "IPO"). As well, the properties are located in rural and urban locations, which Crombie believes adds stability to the portfolio, while reducing vulnerability to economic fluctuations that may affect any particular region.

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, 2009.

Tenant	% of Annual Minimum Rent	Average Remaining Lease Term
Sobeys[(1)]	33.1%	16.8 years
Empire Theatres	2.2%	9.0 years
Zellers	2.2%	8.7 years
Shoppers Drug Mart	2.0%	7.1 years
Nova Scotia Power Inc.	1.9%	2.0 years
CIBC	1.6%	17.9 years
Province of Nova Scotia	1.5%	6.3 years
Bell (Aliant)	1.4%	9.4 years
Public Works Canada	1.3%	2.1 years
Sears Canada Inc.	1.2%	15.7 years
Total	48.4%	

(1) Excludes Lawtons and Fast Fuel locations.

Crombie's portfolio is leased to a wide variety of tenants. Other than Sobeys, that accounts for 33.1% of the annual minimum rent, no other tenant accounts for more than 2.2% of Crombie's minimum rent.

Lease Maturities

The following table sets out as of March 31, 2009 the number of leases relating to the properties subject to lease maturities 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 net rent per square foot at the time of expiry. The weighted average remaining term of all leases is approximately 10.6 years.

Year	Number of Leases	Renewal Area (sq. ft.)	% of Total GLA	Average Net Rent per Sq. Ft. at Expiry ($)
Remaining 2009	198	480,000	4.3%	$ 15.29
2010	197	646,000	5.8%	$ 13.47
2011	208	1,023,000	9.1%	$ 14.49
2012	154	837,000	7.5%	$ 11.82
2013	153	868,000	7.8%	$ 11.90
Thereafter	403	6,688,000	59.7%	$ 12.63
Total	1,313	10,542,000	94.2%	$ 12.93

2009 Portfolio Lease Expiries and Leasing Activity

As at March 31, 2009, portfolio lease expiries and leasing activity for the year ending December 31, 2009 were as follows:

	Retail - Freestanding	Retail - Plazas	Retail - Enclosed	Office	Mixed-use	Total
Expiries (sq. ft.)	--	160,000	220,000	103,000	220,000	703,000
Average net rent per sq. ft.	$ --	$ 16.28	$ 13.97	$ 12.66	$ 11.64	$ 13.58
Committed renewals (sq. ft.)	--	36,000	51,000	10,000	64,000	161,000
Average net rent per sq. ft.	$ --	$ 15.29	$ 5.40	$ 13.38	$ 7.71	$ 9.03
New leasing (sq. ft.)	--	31,000	90,000	25,000	26,000	172,000
Average net rent per sq. ft.	$ --	$ 15.99	$ 8.78	$ 16.57	$ 11.75	$ 11.66
Total renewals/new leasing (sq. ft.)	--	67,000	141,000	35,000	90,000	333,000
Total average net rent per sq. ft.	$ --	$ 15.62	$ 7.57	$ 15.62	$ 8.88	$ 10.39

During the quarter ended March 31, 2009, Crombie had renewals or entered into new leases in respect of approximately 333,000 square feet at an average net rent of $10.39 per square foot, compared with expiries for 2009 of approximately 703,000 square feet at an average net rent of $13.58 per square foot. Of the 703,000 square feet of expiries, approximately 105,000 square feet involve tenants that are still paying property revenues on a holdover basis. Rent per square foot for the completed leasing activity in retail plaza properties is below the average expiry rate due to the leasing of space during the first quarter of 2009 with limited access in smaller rural locations. Rent per square foot for the completed new leasing activity in the retail enclosed properties is below the average net rent per square foot of total expiries in 2009 due primarily to one relatively large lease in a small rural location to replace the last vacant SAAN store location that went into bankruptcy in 2008 plus two new anchor leases to complete the Highland Square renovation in New Glasgow. Rent per square foot for the renewals in the retail enclosed properties and in the mixed-use properties was lower than the average expiry rate due to the renewal of three long term tenants at previously negotiated terms favourable to the tenants. Excluding the impact of these six new/renewal deals, average net rent per square foot for all remaining leases of approximately 190,000 square feet was $13.77, an increase of 1.4% over the average net rent per square foot for the 2009 expiring rents.

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, 2009, 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	Occupancy(1)
Retail - Freestanding	42	1,696,000	15.2%	15.8%	100.0%
Retail - Plazas	44	3,981,000	35.6%	37.3%	96.4%
Retail - Enclosed	14	2,759,000	24.6%	24.5%	89.2%
Office	5	1,049,000	9.4%	8.8%	87.6%
Mixed-Use	8	1,706,000	15.2%	13.6%	95.4%
Total	113	11,191,000	100.0%	100.0%	94.2%

(1) For purposes of calculating occupancy percentage, Crombie considers GLA covered by the head lease agreement in favour of ECL as occupied.

The following table sets out as of March 31, 2009, the square feet under lease subject to lease maturities during the periods indicated.

Year	Retail - Freestanding		Retail - Plazas		Retail - Enclosed	
	(sq. ft.)	(%)	(sq. ft.)	(%)	(sq. ft.)	(%)
Remaining 2009	--	--%	124,000	3.1%	152,000	5.5%
2010	--	--%	285,000	7.2%	103,000	3.8%
2011	1,000	0.1%	324,000	8.1%	120,000	4.3%
2012	5,000	0.3%	277,000	7.0%	144,000	5.2%
2013	--	--%	386,000	9.7%	219,000	7.9%
Thereafter	1,690,000	99.6%	2,442,000	61.3%	1,724,000	62.5%
Total	1,696,000	100.0%	3,838,000	96.4%	2,462,000	89.2%

Year	Office		Mixed-Use		Total	
	(sq. ft.)	(%)	(sq. ft.)	(%)	(sq. ft.)	(%)
Remaining 2009	71,000	6.8%	133,000	7.8%	480,000	4.3%
2010	75,000	7.1%	183,000	10.7%	646,000	5.8%
2011	360,000	34.3%	218,000	12.8%	1,023,000	9.1%
2012	110,000	10.5%	301,000	17.6%	837,000	7.5%
2013	95,000	9.1%	168,000	9.9%	868,000	7.8%
Thereafter	207,000	19.8%	625,000	36.6%	6,688,000	59.7%
Total	918,000	87.6%	1,628,000	95.4%	10,542,000	94.2%

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

Year	Retail - Freestanding	Retail - Plazas	Retail - Enclosed	Office	Mixed-Use
Remaining 2009	$ --	$ 16.40	$ 17.42	$ 12.01	$ 13.56
2010	$ --	$ 13.61	$ 18.61	$ 11.52	$ 11.15
2011	$ 37.50	$ 14.20	$ 22.08	$ 14.20	$ 11.12
2012	$ 25.00	$ 12.98	$ 18.70	$ 9.70	$ 8.03
2013	$ --	$ 9.66	$ 14.46	$ 13.25	$ 12.91
Thereafter	$ 13.32	$ 13.69	$ 11.47	$ 11.81	$ 11.27
Total	$ 13.37	$ 13.35	$ 13.36	$ 12.63	$ 10.99

2009 RESULTS OF OPERATIONS

Acquisitions

The following table outlines the acquisitions made which affected the results of operations when compared to the previous year's results. The following acquisitions took place between January 2008 and March 2009.

Property	Date Acquired	Property Type	GLA (sq. ft.)	Acquisition Cost(1)
Portfolio Acquisition	April 22, 2008	Retail - Freestanding	1,589,000	$ 428,500
		Retail - Plaza	1,571,000	
		Retail - Enclosed	128,000	
River City Centre, Saskatoon, Saskatchewan	June 12, 2008	Retail - Plaza	160,000	$ 27,200
Total			3,448,000	$ 455,700

(1) Excluding closing and transaction costs.

Comparison to Previous Year

(In thousands of dollars, except where otherwise noted)	Quarter Ended March 31, 2009	March 31, 2008	Variance
Property revenue	$ 52,992	$ 37,262	$ 15,730
Property expenses	19,971	15,312	(4,659)
Property NOI	33,021	21,950	11,071
NOI margin percentage	62.3%	58.9%	3.4%
Expenses:			
General and administrative	1,644	1,952	308
Interest	10,730	6,500	(4,230)
Depreciation and amortization	12,491	7,995	(4,496)
	24,865	16,447	(8,418)
Income from continuing operations before other items, income taxes and non-controlling interest	8,156	5,503	2,653
Other items	92	--	92
Income from continuing operations before income taxes and non-controlling interest	8,248	5,503	2,745
Income taxes expense - Future	200	400	200
Income from continuing operations before non-controlling interest	8,048	5,103	2,945
Income from discontinued operations	--	263	(263)
Income before non-controlling interest	8,048	5,366	2,682
Non-controlling interest	3,856	2,583	(1,273)
Net income	$ 4,192	$ 2,783	$ 1,409
Basic and diluted net income per Unit	$ 0.15	$ 0.13	$ 0.02
Basic weighted average Units outstanding (in 000's)	27,147	21,544	
Diluted weighted average Units outstanding (in 000's)	27,272	21,649	

Net income for the quarter ended March 31, 2009 of $4,192 increased by $1,409 from $2,783 for the quarter ended March 31, 2008. The increase was primarily due to:

- higher property NOI from the individual property acquisition after January 1, 2008 and the Portfolio Acquisition; offset in part by
- higher interest and depreciation charges, due primarily to the individual property acquisition after January 1, 2008 and the Portfolio Acquisition.

Property Revenue and Property Expenses

(In thousands of dollars)	Quarter Ended March 31, 2009	March 31, 2008	Variance
Same-asset property revenue	$ 38,048	$ 37,262	$ 786
Acquisition property revenue	14,944	--	14,944
Property revenue	$ 52,992	$ 37,262	$ 15,730

Same-asset property revenue of $38,048 for the quarter ended March 31, 2009 was 2.1% higher than the quarter ended March 31, 2008 due primarily to the increased average rent per square foot ($12.45 in 2009 and $12.22 in 2008) and increased revenue from higher recoverable common area expenses.

(In thousands of dollars)	Quarter Ended March 31, 2009	March 31, 2008	Variance
Same-asset property expenses	$ 16,128	$ 15,312	$ 816
Acquisition property expenses	3,843	--	3,843
Property expenses	$ 19,971	$ 15,312	$ 4,659

Same-asset property expenses of $16,128 for the quarter ended March 31, 2009 were 5.3% higher than the quarter ended March 31, 2008 due to increased recoverable common area expenses primarily from increased property taxes, utility and snow removal costs.

(In thousands of dollars)	Quarter Ended March 31, 2009	March 31, 2008	Variance
Same-asset property NOI	$ 21,920	$ 21,950	$ (30)
Acquisition property NOI	11,101	--	11,101
Property NOI	$ 33,021	$ 21,950	$ 11,071

Same-asset NOI for the quarter ended March 31, 2009 decreased by 0.1% over the quarter ended March 31, 2008.

Property NOI for the quarter ended March 31, 2009 by region was as follows:

	2009				2008	
(In thousands of dollars)	Property Revenue	Property Expenses	Property NOI	NOI % of revenue	NOI % of revenue	Variance
Nova Scotia	$ 23,521	$ 9,720	$ 13,801	58.7%	56.1%	2.6%
Newfoundland and Labrador	8,584	2,856	5,728	66.7%	64.2%	2.5%
New Brunswick	6,645	2,895	3,750	56.4%	49.1%	7.3%
Ontario	8,392	2,800	5,592	66.6%	64.1%	2.5%
Prince Edward Island	1,283	372	911	71.0%	71.7%	(0.7)%
Quebec	3,869	1,129	2,740	70.8%	72.6%	(1.8)%
Saskatchewan	698	199	499	71.5%	-- %	-- %
Total	$ 52,992	$ 19,971	$ 33,021	62.3%	58.9%	3.4%

The overall 3.4% increase in NOI as a % of revenue, as well as specific provincial increases in Nova Scotia, Newfoundland and Labrador, New Brunswick and Ontario was primarily due to the Portfolio Acquisition. Prince Edward Island's and Quebec's decrease in NOI % of revenue is attributable to the relatively smaller number of properties in these provinces and the timing and nature of expenses occurring during any particular quarter.

General and Administrative Expenses

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

	Quarter Ended		
(In thousands of dollars)	March 31, 2009	March 31, 2008	Variance
Salaries and benefits	$ 569	$ 898	$ (329)
Professional fees	453	339	114
Public company costs	285	252	33
Rent and occupancy	188	183	5
Other	149	280	(131)
General and administrative costs	$ 1,644	$ 1,952	$ (308)
As a percentage of revenue	3.1%	5.2%	(2.1)%

General and administrative expenses decreased by 15.8% for the quarter ended March 31, 2009 to $1,644 compared to $1,952 for the quarter ended March 31, 2008. The decrease in expenses was primarily due to reduced incentive payments partially offset by increased salaries and increased legal and information technology professional fees.

Interest Expense

	Quarter Ended		
(In thousands of dollars)	March 31, 2009	March 31, 2008	Variance
Same-asset interest expense	$ 6,762	$ 6,500	$ 262
Acquisition interest expense	3,968	--	3,968
Interest expense	$ 10,730	$ 6,500	$ 4,230

Same-asset interest expense of $6,762 for the quarter ended March 31, 2009 increased by 4.0% when compared to the quarter ended March 31, 2008 due to the amortization of payments made on the settlement of interest rate swap agreements of $207 and slightly higher average interest rates on mortgages entered into during 2008 for properties held since the IPO, offset in part by a decrease in the floating interest rate on the revolving credit facility.

There is an agreement between ECL and Crombie whereby ECL provides a monthly interest rate subsidy to Crombie to reduce the effective interest rates to 5.54% on certain mortgages that were assumed at Crombie's IPO for their remaining term. Over the term of this agreement, management expects this subsidy to aggregate to the amount of approximately $20,564. The amount of the interest rate subsidy received during the quarter ended March 31, 2009 was $786 (quarter ended March 31, 2008 - $866). The interest rate subsidy is received by Crombie through monthly repayments by ECL of amounts due under one of the demand notes issued by ECL to Crombie Developments Limited ("CDL").

Depreciation and Amortization

	Quarter Ended		
(In thousands of dollars)	March 31, 2009	March 31, 2008	Variance
Same-asset depreciation and amortization	$ 8,265	$ 7,995	$ 270
Acquisition depreciation and amortization	4,226	--	4,226
Depreciation and amortization	$ 12,491	$ 7,995	$ 4,496

Same-asset depreciation and amortization of $8,265 for the quarter ended March 31, 2009 was 3.4% higher than the quarter ended March 31, 2008 due primarily to depreciation on fixed asset additions and amortization on tenant improvement and lease costs incurred since March 31, 2008, combined with the expenses resulting from the reallocation of $3,946 of costs to commercial properties from other assets due to the

retroactive implementation of accounting guidelines as discussed in "Changes in Accounting Policies and Estimates". Depreciation and amortization consists of:

	Quarter Ended		
(In thousands of dollars)	March 31, 2009	March 31, 2008	Variance
Depreciation of commercial properties	$ 4,800	$ 3,403	$ 1,397
Amortization of tenant improvements/lease costs	1,131	768	363
Amortization of intangible assets	6,560	3,824	2,736
Depreciation and amortization	$ 12,491	$ 7,995	$ 4,496

Future 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 or be subject to the restrictions on its growth that would otherwise apply to trusts classified as specified investment flow-through entities ("SIFTs").

Crombie's management and their advisors have completed an extensive review of Crombie's organizational structure and operations to support Crombie's assertion that it currently satisfies the technical tests contained in the Income Tax Act (Canada) in regard to the definition of a REIT (and thus is not a SIFT). However, 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 future income tax expenses represent the future tax provision of the wholly-owned corporate subsidiary which is subject to 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 Freestanding Properties

(In thousands of dollars,	Quarter ended March 31, 2009			Quarter ended March 31, 2008		
except as otherwise noted)	Same-Asset	Acquisitions	Total	Same-Asset	Acquisitions	Total
Property revenue	$ 410	$ 6,562	$ 6,972	$ 375	$ --	$ 375
Property expenses	94	1,457	1,551	62	--	62
Property NOI	$ 316	$ 5,105	$ 5,421	$ 313	$ --	$ 313
NOI Margin %	77.1%	77.8%	77.8%	83.5%	--%	83.5%
Occupancy %	100.0%	100.0%	100.0%	100.0%	--%	100.0%

The improvement in the retail freestanding property NOI was caused by the Portfolio Acquisition. The same-asset NOI % margin is lower as a result of the fluctuations that can occur in a single property's results from quarter to quarter.

Retail Plaza Properties

(In thousands of dollars,	Quarter ended March 31, 2009			Quarter ended March 31, 2008		
except as otherwise noted)	Same-Asset	Acquisitions	Total	Same-Asset	Acquisitions	Total
Property revenue	$ 10,419	$ 7,901	$ 18,320	$ 10,503	$ --	$ 10,503
Property expenses	3,402	2,212	5,614	3,343	--	3,343
Property NOI	$ 7,017	$ 5,689	$ 12,706	$ 7,160	$ --	$ 7,160
NOI Margin %	67.3%	72.0%	69.4%	68.2%	--%	68.2%
Occupancy %	94.9%	98.1%	96.4%	94.3%	--%	94.3%

The improvement in the retail plaza property NOI was primarily caused by the Portfolio Acquisition, partially offset by increased non-recoverable maintenance costs in same-asset properties. Although occupancy in the same-assets at March 31, 2009 is higher than March 31, 2008, slightly lower average net rent per square foot results has led to decreased revenue overall compared to the prior year.

Retail Enclosed Properties

(In thousands of dollars,	Quarter ended March 31, 2009			Quarter ended March 31, 2008		
except as otherwise noted)	Same-Asset	Acquisitions	Total	Same-Asset	Acquisitions	Total
Property revenue	$ 12,427	$ 481	$ 12,908	$ 12,055	$ --	$ 12,055
Property expenses	4,981	174	5,155	4,635	--	4,635
Property NOI	$ 7,446	$ 307	$ 7,753	$ 7,420	$ --	$ 7,420
NOI Margin %	59.9%	63.8%	60.1%	61.6%	--%	61.6%
Occupancy %	89.3%	87.4%	89.2%	91.2%	--%	91.2%

The improvement in NOI was primarily caused by the improved results at Avalon Mall in St. John's, Newfoundland and Labrador and the Portfolio Acquisition. Same-asset NOI margin % is lower than 2008 due to the higher recoverable expenses in 2009. Occupancy is lower due to ongoing redevelopment at Fort Edward Mall in Nova Scotia that is expected to be completed during 2009.

Office Properties

(In thousands of dollars, except as otherwise noted)	Quarter ended March 31, 2009			Quarter ended March 31, 2008		
	Same-Asset	Acquisitions	Total	Same-Asset	Acquisitions	Total
Property revenue	$ 5,887	$ --	$ 5,887	$ 5,516	$ --	$ 5,516
Property expenses	3,228	--	3,228	3,054	--	3,054
Property NOI	$ 2,659	$ --	$ 2,659	$ 2,462	$ --	$ 2,462
NOI Margin %	45.2%	--%	45.2%	44.6%	--%	44.6%
Occupancy %	87.6%	--%	87.6%	90.8%	--%	90.8%

Occupancy levels have decreased slightly at the Halifax Developments Properties and Terminal Centres in Moncton, New Brunswick when compared to the prior year. Higher net rent per square foot at the Halifax Developments Properties resulted in the higher revenue, property NOI and NOI margin % for the office properties in 2009 compared to 2008.

Mixed-use Properties

(In thousands of dollars, except as otherwise noted)	Quarter ended March 31, 2009			Quarter ended March 31, 2008		
	Same-Asset	Acquisitions	Total	Same-Asset	Acquisitions	Total
Property revenue	$ 8,905	$ --	$ 8,905	$ 8,813	$ --	$ 8,813
Property expenses	4,423	--	4,423	4,218	--	4,218
Property NOI	$ 4,482	$ --	$ 4,482	$ 4,595	$ --	$ 4,595
NOI Margin %	50.3%	--%	50.3%	52.1%	--%	52.1%
Occupancy %	95.4%	--%	95.4%	95.1%	--%	95.1%

The increase in mixed-use occupancy levels from 95.1% in 2008 to 95.4% in 2009 and improved average net rent per square foot from leasing activity were offset by higher non-recoverable operating expenses, resulting in the slightly lower NOI results for the quarter ended March 31, 2009 when compared to the quarter ended March 31, 2008. The NOI margin has decreased as a result of increased common area expenses, which are partially recovered from tenants, and an increase in non-recoverable maintenance expenses in 2009 compared to 2008.

OTHER 2009 PERFORMANCE MEASURES

FFO and AFFO are not measures recognized under GAAP and do not have standardized meanings prescribed by GAAP. As such, these non-GAAP financial measures should not be considered as an alternative to net income, cash flow from operations or any other measure prescribed under GAAP. FFO represents a supplemental non-GAAP industry-wide financial measure of a real estate organization's operating performance. AFFO is presented in this MD&A because management believes this non-GAAP measure is relevant to the ability of Crombie to earn and distribute returns to unitholders. Due to the accounting changes related to the capitalization of items previously classified as deferred tenant charges, FFO and AFFO for prior periods have been restated. 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 represents a supplemental non-GAAP industry-wide financial measure of a real estate organization's operating performance. Crombie has calculated FFO in accordance with the recommendations of the Real Property Association of Canada ("RealPAC") which defines FFO as net income (computed in accordance with GAAP), excluding gains (or losses) from sales of depreciable real estate and extraordinary items, plus depreciation and amortization expense, plus future income taxes, and after adjustments for equity-accounted entities and non-controlling interests. 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. A calculation of FFO for the quarter ended March 31, 2009 and 2008 is as follows:

(In thousands of dollars)	Quarter Ended March 31, 2009	Quarter Ended March 31, 2008	Variance
Net income	$ 4,192	$ 2,783	$ 1,409
Add:			
Non-controlling interest	3,856	2,583	1,273
Depreciation and amortization	12,491	7,995	4,496
Depreciation and amortization on discontinued operations	--	78	(78)
Future income taxes	200	400	(200)
FFO	$ 20,739	$ 13,839	$ 6,900

The improvement in FFO for the quarter ended March 31, 2009 was primarily due to higher property NOI as a result of the individual acquisition and the Portfolio Acquisition, offset in part by the increased interest expense related to the individual and Portfolio acquisitions.

Adjusted Funds from Operations

Crombie considers AFFO to be a measure of its distribution-generating ability. AFFO reflects cash available for distribution after the provision for non-cash adjustments to revenue, maintenance capital expenditures and maintenance tenant improvements ("TI") and leasing costs. The calculation of AFFO for the quarters ended March 31, 2009 and 2008 is as follows:

(In thousands of dollars)	Quarter Ended March 31, 2009	Quarter Ended March 31, 2008	Variance
FFO	$ 20,739	$ 13,839	$ 6,900
Add:			
Above market lease amortization	771	753	18
Less:			
Below market lease amortization	(2,145)	(1,185)	(960)
Straight-line rent adjustment	(883)	(318)	(565)
Non-cash revenue impacts on discontinued operations	--	12	(12)
Maintenance capital expenditures	(1,216)	(1,184)	(32)
Maintenance TI and leasing costs	(1,240)	(3,821)	2,581
AFFO	$ 16,026	$ 8,096	$ 7,930

The AFFO result for the quarter ended March 31, 2009 was affected by the increase in FFO for the period and lower maintenance TI and leasing expenditures. Details of the maintenance TI and capital expenditures are outlined in the "Tenant Improvement and Capital Expenditures" section of the MD&A.

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 GAAP measure, which is interpreted to be the cash flow from operating activities rather than net income. The reconciliation is as follows:

(In thousands of dollars)	Quarter Ended March 31, 2009	Quarter Ended March 31, 2008	Variance
Cash provided by operating activities	$ 10,664	$ 5,635	$ 5,029
Add back (deduct):			
Recoverable/productive capacity enhancing TIs	--	736	(736)
Change in non-cash operating items	7,276	3,072	4,204
Unit-based compensation expense	(11)	(9)	(2)
Amortization of deferred financing charges	(480)	(154)	(326)
Amortization of swap settlements	(207)	--	(207)
Maintenance capital expenditures	(1,216)	(1,184)	(32)
AFFO	$ 16,026	$ 8,096	$ 7,930

LIQUIDITY AND CAPITAL RESOURCES

Sources and Uses of Funds

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 TI costs and distributions. In addition, 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 $150,000, of which $111,400 was drawn at March 31, 2009, a demand facility with Empire Company Limited of $13,800, of which $Nil was drawn at March 31, 2009, and the issue of new equity and mortgage debt, pursuant to the Declaration of Trust.

(In thousands of dollars)	Quarter Ended March 31, 2009	Quarter Ended March 31, 2008	Variance
Cash provided by (used in):			
Operating activities	$ 10,664	$ 5,635	$ 5,029
Financing activities	$ (12,504)	$ (5,979)	$ (6,525)
Investing activities	$ (2,020)	$ (2,364)	$ 344

Operating Activities

(In thousands of dollars)	Quarter Ended March 31, 2009	Quarter Ended March 31, 2008	Variance
Cash provided by (used in):			
Net income and non-cash items	$ 19,180	$ 13,264	$ 5,916
TI and leasing costs	(1,240)	(4,557)	3,317
Non-cash working capital	(7,276)	(3,072)	(4,204)
Cash provided by operating activities	$ 10,664	$ 5,635	$ 5,029

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. The details of the TI and leasing costs during the first quarter of 2009 are outlined in the "Tenant Improvements and Capital Expenditures" section of the MD&A.

Financing Activities

(In thousands of dollars)	Quarter Ended March 31, 2009	Quarter Ended March 31, 2008	Variance
Cash provided by (used in):			
Net issue of convertible debentures	$ --	$ 28,624	$ (28,624)
Settlement of interest rate swap agreement	(4,535)	--	(4,535)
Net issue (repayment) of commercial property debt	2,952	(27,157)	30,109
Payment of distributions	(11,649)	(8,867)	(2,782)
Other items (net)	728	1,421	(693)
Cash used in financing activities	$ (12,504)	$ (5,979)	$ (6,525)

Cash used in financing activities for the quarter ended March 31, 2009 was $6,525 higher than the quarter ended March 31, 2008 primarily due to the increase in distributions of $2,782 and the $4,535 for the settlement of an interest rate swap agreement in the first quarter of 2009.

Investing Activities

Cash used in investing activities for the quarter ended March 31, 2009 was $2,020. Of this, $1,730 was used for additions to commercial properties. Cash used in investing activities for the quarter ended March 31, 2008 of $2,364 was primarily due to additions to commercial properties. Included in the 2008 additions to commercial properties is approximately $305 for the commercial properties covered by non-interest bearing demand notes from ECL.

Tenant Improvement and Capital Expenditures

There are two types of TI and capital expenditures:

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

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

Productive capacity enhancement expenditures are costs incurred that increase the property level NOI, or expand the GLA of a property by a minimum threshold and thus enhance the property's overall value. These costs are then evaluated to ensure they are fully financeable. Productive capacity enhancement expenditures are capitalized and depreciated over their useful lives, but not deducted when calculating AFFO as they are considered financeable rather than having to be funded from operations.

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 dollars)	Quarter Ended March 31, 2009	Quarter Ended March 31, 2008
Total additions to commercial properties	$ 1,730	$ 1,712
Less: amounts recoverable from ECL	--	(305)
Net additions to commercial properties	1,730	1,407
Less: productive capacity enhancements	(514)	(223)
Maintenance capital expenditures	$ 1,216	$ 1,184

(In thousands of dollars)	Quarter Ended March 31, 2009	Quarter Ended March 31, 2008
Total additions to TI and leasing costs	$ 1,240	$ 4,557
Less: amounts recoverable from ECL	--	(285)
Net additions to TI and leasing costs	1,240	4,272
Less: productive capacity enhancements	--	(451)
Maintenance TI and leasing costs	$ 1,240	$ 3,821

The lower maintenance TI expenditures during the first quarter of 2009, when compared to the same period in 2008, was primarily due to early renegotiation in the first quarter of 2008 of lease renewals that were scheduled to expire in 2009 at a cost of $2,823.

Productive capacity enhancements during the quarter consisted of additional costs associated with the continued construction of the pad site at TD Bank at Brampton, Ontario.

Capital Structure

(In thousands of dollars)	Mar. 31, 2009	Dec. 31, 2008	Sep. 30, 2008	Jun. 30, 2008	Mar. 31, 2008
Commercial property debt	$ 812,342	$ 808,971	$ 820,634	$ 812,016	$ 466,977
Convertible debentures	$ 29,029	$ 28,968	$ 28,907	$ 28,847	$ 28,624
Non-controlling interest	$ 197,115	$ 199,163	$ 218,205	$ 224,871	$ 172,249
Unitholders' equity	$ 213,351	$ 215,558	$ 236,241	$ 243,472	$ 184,740

Bank Credit Facilities and Commercial Property Debt

Crombie has in place an authorized floating rate revolving credit facility of up to $150,000 (the "Revolving Credit Facility"), $111,400 of which was drawn as at March 31, 2009. The Revolving Credit Facility is secured by a pool of first and second mortgages and negative pledges on certain properties. The floating interest rate is based on specified margins over prime rate or bankers acceptance rates. The specified margin increases as Crombie's overall debt leverage increases. 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, 2009, Crombie had sufficient Borrowing Base to permit $150,000 of funds to be drawn down pursuant to the Revolving Credit Facility, subject to certain other financial covenants. See "Borrowing Capacity and Debt Covenants".

As of March 31, 2009, Crombie had fixed rate mortgages outstanding of $555,846 ($565,980 after including the marked-to-market adjustment of $10,134), carrying a weighted average interest rate of 5.51% (after giving effect to the interest rate subsidy from ECL under an omnibus subsidy agreement) and a weighted average term to maturity of 6.1 years.

In April of 2008, Crombie entered into an 18 month floating rate Term Facility of $280,000 to partially finance the Portfolio Acquisition. The floating interest rate is based on a specified margin over prime rate or bankers acceptance rate, which margin increases over time. As security for the Term Facility, Crombie has granted a charge on all or certain of the acquired properties together with an assignment of leases. The Term Facility contains financial and non-financial covenants that are customary for a credit facility of this nature and which mirror the covenants set forth in the Revolving Credit Facility.

On September 30, 2008, Crombie completed a mortgage financing on certain of the properties acquired pursuant to the Portfolio Acquisition in order to refinance $100,000 of the Term Facility. On February 12, 2009, Crombie completed $39,000 of additional fixed rate mortgage financings for eight of the properties acquired pursuant to the Portfolio Acquisition in order to refinance the Term Facility. A third party provided $32,800 of fixed rate first mortgage financing, while $6,200 of fixed rate second mortgage financing was provided by Empire. As of March 31, 2009, the Term Facility has a remaining balance of $140,323.

Crombie has secured a $13,800 floating rate demand credit facility with Empire (the "Empire Demand Facility") on substantially the same terms and conditions that govern the Revolving Credit Facility. This Empire Demand Facility was put in place to ensure that Crombie maintains adequate liquidity in order to fund its daily operating activities while volatility in the financial markets continues while also mitigating the risk of Crombie not being in compliance with certain covenants under the Revolving Credit Facility (see "Borrowing Capacity and Debt Covenants"). Crombie had $Nil drawn against the Empire Demand Facility as at March 31, 2009.

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").

Principal repayments of the debt are scheduled as follows:

Year	Payments of Principal	Fixed Rate Debt Maturing during Year	Floating Rate Debt	Total Maturity	% of Total
Remaining 2009	$ 14,098	$ --	$ 140,323	$ 154,421	19.1%
2010	15,410	106,079	--	121,489	15.0%
2011	15,308	26,786	111,400	153,494	19.0%
2012	15,863	--	--	15,863	2.0%
2013	16,656	30,042	--	46,698	5.8%
Thereafter	58,848	256,756	--	315,604	39.1%
Total [(1)]	$ 136,183	$ 419,663	$ 251,723	$ 807,569	100.0%

(1) Excludes fair value debt adjustment of $10,134 and the deferred financing costs of $5,361

Convertible debentures

On March 20, 2008, Crombie issued $30,000 in Debentures related to the Portfolio Acquisition.

Each Debenture will be convertible into units of Crombie at the option of the Debenture holder up to the maturity date of March 20, 2013 at a conversion price of $13 per unit.

The Debentures bear interest at an annual fixed rate of 7%, payable semi-annually, on June 30 and December 31 in each year. The Debentures are not redeemable prior to March 20, 2011. From March 20, 2011 to March 20, 2012, 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 Units on the Toronto Stock Exchange for the 20 consecutive trading days ending on the fifth trading day preceding the date on which notice on redemption is given exceeds 125% of the conversion price.

After March 20, 2012, and prior to March 20, 2013, 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 units equal to the principal amount of the Debentures then outstanding divided by 95% of the volume-weighted average trading price of the 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.

Crombie will also have an option to pay interest on any interest payment date by selling units and applying the proceeds to satisfy its interest obligation.

Transaction costs related to the Debentures have been deferred and are being amortized into interest expense over the term of the Debentures using the effective interest rate method.

Unitholders' Equity

In April 2009 there were 43,408 Units awarded as part of the Employee Unit Purchase Plan (April 2008 – 34,053). Total units outstanding at May 7, 2009 were as follows:

Units	27,315,296
Special Voting Units [1]	25,079,576

(1) Crombie Limited Partnership, a subsidiary of Crombie, has also issued 25,079,576 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 history of the taxation of distributions from Crombie:

Taxation Year	Return of Capital	Investment Income	Capital Gains
2006 per $ of distribution	40.0%	60.0%	--%
2007 per $ of distribution	25.5%	74.4%	0.1%
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 coverage ratios above prescribed levels:

- annualized NOI for the prescribed properties must be a minimum of 1.4 times the coverage of the related annualized debt service requirements; and

- annualized NOI on all properties must be a minimum of 1.4 times the coverage of all annualized debt service requirements.

The Revolving Credit Facility also contains a covenant of Crombie that ECL must maintain a minimum 40% voting interest in Crombie. If ECL reduces its voting interest below this level, Crombie will be required to renegotiate the Revolving Credit Facility or obtain alternative financing. Pursuant to an exchange agreement and while such covenant remains in place, ECL will be required to give Crombie at least six months' prior written notice of its intention to reduce its voting interest below 40%.

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 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. In order to hedge its interest rate risk on various debt commitments maturing through 2011, Crombie has entered into a series of interest rate swap agreements on notional principal amounts totalling approximately $288,334 at March 31, 2009 that have settlement dates between August 1, 2009 and July 4, 2011. The unprecedented volatility in the capital markets has caused the mark-to-market adjustment on these interest rate swap agreements to reach an out-of-the-money position of approximately $49,389 at March 31, 2009. There is no immediate cash impact from this mark-to-market adjustment. The unfavourable difference in the mark-to-market amount of these interest rate swap agreements is reflected in other comprehensive income (loss) rather than net income as the swaps are all designated and effective hedges. However, the deterioration in the mark-to-market position has the impact of reducing Crombie's available credit pursuant to the Revolving Credit Facility.

At March 31, 2009, the amount available under the Revolving Credit Facility was $12,254 after calculation of the Aggregate Coverage Amount.

At March 31, 2009, Crombie remained in compliance with all debt covenants.

As previously discussed, Crombie has secured a $13,800 floating rate Empire Demand Facility. The Empire Demand Facility ensures that Crombie maintains adequate liquidity in order to fund its daily operating activities as the volatility in the financial markets continues while also mitigating the risk of Crombie not being in compliance with the Aggregate Coverage Amount which had available capacity of $12,254 at March 31, 2009.

Debt to Gross Book Value Ratio

When calculating debt to gross book value, debt is defined under the terms of the Declaration of Trust as bank loans plus commercial property debt. 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) less (i) the amount of any receivable reflecting interest rate subsidies on any debt assumed by Crombie and (ii) the amount of future income 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 ratio was 54.8% at March 31, 2009 compared to 54.4% at December 31, 2008. This leverage ratio is still 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 in the range of 50% to 55% of gross book value, depending upon Crombie's future acquisitions and financing opportunities.

(In thousands of dollars, except as otherwise noted)	As at Mar. 31, 2009	As at Dec. 31, 2008	As at Sep. 30, 2008	As at Jun. 30, 2008	As at Mar. 31, 2008
Mortgages payable	$ 565,980	$ 531,970	$ 524,307	$ 425,945	$ 421,013
Convertible debentures	30,000	30,000	30,000	30,000	30,000
Term financing	140,323	178,824	180,000	280,000	--
Revolving credit facility payable	111,400	93,400	121,585	111,475	48,038
Demand credit facility payable	--	10,000	--	--	--
Total debt outstanding	847,703	844,194	855,892	847,420	499,051
Less: Applicable fair value debt adjustment	(10,032)	(10,818)	(11,615)	(12,433)	(13,285)
Debt	$ 837,671	$ 833,376	$ 844,277	$ 834,987	$ 485,766
Total assets	$ 1,466,045	$ 1,483,219	$ 1,501,186	$ 1,501,754	$ 1,007,105
Add:					
Deferred financing charges	6,332	6,255	6,351	6,728	3,648
Accumulated depreciation of commercial properties	51,796	45,865	40,105	34,339	29,222
Accumulated amortization of intangible assets	60,836	53,505	45,995	38,454	32,053
Less:					
Assets related to discontinued operations	(7,162)	(7,184)	(9,673)	(10,951)	(10,983)
Interest rate subsidy	(10,032)	(10,818)	(11,615)	(12,433)	(13,285)
Fair value adjustment to future taxes	(39,245)	(39,245)	(39,245)	(39,245)	(39,245)
Gross book value	$ 1,528,570	$ 1,531,597	$ 1,533,104	$ 1,518,646	$ 1,008,515
Debt to gross book value	54.8%	54.4%	55.1%	55.0%	48.2%
Maximum borrowing capacity[1]	65%	65%	65%	65%	65%

(1) Maximum permitted by the Declaration of Trust

Debt and Interest Service Coverage Ratios

Crombie's interest and debt service coverage ratios for the quarter ended March 31, 2009 were 2.93 times EBITDA and 2.08 times EBITDA. This compares to 3.08 times EBITDA and 1.98 times EBITDA respectively for the quarter ended March 31, 2008. EBITDA should not be considered an alternative to net income, cash flow from operations or any other measure of operations or liquidity as prescribed by Canadian GAAP. EBITDA is not a GAAP financial measure; however Crombie believes it is an indicative measure of its ability to service debt requirements, fund capital projects and acquire properties. EBITDA may not be calculated in a comparable measure reported by other entities.

(In thousands of dollars)	Quarter Ended March 31, 2009	Quarter Ended March 31, 2008
Property revenue	$ 52,992	$ 37,262
Amortization of above-market leases	771	753
Amortization of below-market leases	(2,145)	(1,185)
Adjusted property revenue	51,618	36,830
Property expenses	(19,971)	(15,312)
General and administrative expenses	(1,644)	(1,952)
EBITDA (1)	$ 30,003	$ 19,566
Interest expense	$ 10,730	$ 6,500
Amortization of deferred financing charges	(480)	(154)
Adjusted interest expense (2)	$ 10,250	$ 6,346
Debt repayments	$ 53,491	$ 27,319
Debt repayments on discountinued operations	--	(37)
Amortization of fair value debt premium	(1)	(20)
Payments relating to interest rate subsidy	(786)	(866)
Payments relating to Term Facility	(38,501)	--
Payments relating to revolving credit facility	--	(22,862)
Payments relating to demand credit Facility	(10,000)	--
Adjusted debt repayments (3)	$ 4,203	$ 3,534
Interest service coverage ratio {(1)/(2)}	2.93	3.08
Debt service coverage ratio {(1)/(2)+(3)}	2.08	1.98

Distributions and Distribution Payout Ratios

Distribution Policy

Pursuant to Crombie's Declaration of Trust, it is required, at a minimum, to make distributions to Unitholders equal to the amount of net income and net realized capital gains of Crombie as is necessary to ensure that Crombie will not be liable for income taxes. Within these guidelines, Crombie has reduced its annual target payout ratios and intends to make monthly cash distributions to Unitholders equal to approximately 70% of its FFO and 95% of its AFFO on an annual basis.

Details of distributions to Unitholders are as follows:

(Distribution amounts represented in thousands of dollars)	Quarter Ended March 31, 2009	Quarter Ended March 31, 2008
Distributions to Unitholders	$ 6,068	$ 4,599
Distributions to Special Voting Unitholders	5,581	4,268
Total distributions	$ 11,649	$ 8,867
Number of diluted Units	27,271,888	21,648,985
Number of diluted Special Voting Units	25,079,576	20,079,576
Total diluted weighted average Units	52,351,464	41,728,561
Distributions per unit	$ 0.22	$ 0.21
FFO payment ratio (target ratio = 70%)	56.2%	64.1%
AFFO payout ratio (target ratio = 95%)	72.7%	109.5%

The FFO payout ratio of 56.2% was below the target ratio as the improved FFO reflected the stronger same-asset results as well as the individual property acquisition and the Portfolio Acquisition. The AFFO payout ratio of 72.7% was below the target ratio as a result of the higher FFO and lower overall TI and maintenance capital expenditures as previously discussed.

CHANGES IN ACCOUNTING POLICIES

Effective January 1, 2009 Crombie has adopted two new accounting standards that were issued by the CICA in 2008 and the Emerging Committee Abstract issued by the CICA in January 2009. These accounting policy changes have been adopted in accordance with the transitional provisions.

The new standards and accounting policy changes are as follows:

Goodwill and Intangible Assets

Effective January 1, 2009, the accounting and disclosure requirements of the CICA's two new accounting standards were adopted: "Handbook Section 3064, Goodwill and Intangible Assets" and "Handbook Section 3450, Research and Development Costs."

These standards are effective for annual and interim financial statements related to fiscal years beginning on or after October 1, 2008 and are applicable for Crombie's first quarter of fiscal 2009. Section 3064 states that intangible assets may be recognized as assets only if they meet the definition of an intangible asset. Section 3064 also provides further information on the recognition of internally generated intangible assets, (including research and development).

These standards have been applied retrospectively with restatement of prior periods. The adoption of these new standards resulted in an increase of $229 to depreciation of commercial properties and a decrease of $229 to property expenses in the consolidated Statements of Income for the three months ended March 31, 2008. In the consolidated Balance Sheets, there was an increase of $3,946 to commercial properties, an increase of $38 to receivables, a decrease of $4,246 to prepaid expenses, a decrease of $220 to payables and accruals at December 31, 2008, a decrease of $20 to non-controlling interest and a decrease of $22 to opening unitholders' equity at January 1, 2008.

Financial instruments - recognition and measurement

In January 2009, the CICA issued Emerging Issue Committee Abstract 173 ("EIC 173"), "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities". EIC 173 requires that a company take into account its own credit risk and the credit risk of its counterparty in determining the fair value of financial assets and financial liabilities. This Abstract must be applied retrospectively without restatement of prior periods to all financial assets and liabilities measured at fair value in interim and annual financial statements for periods ending on or after January 20, 2009. The adoption of EIC 173 did not have a significant impact on the Crombie's financial results, position or disclosures.

EFFECT OF NEW ACCOUNTING POLICIES NOT YET IMPLEMENTED

International Financial Reporting Standards

On February 13 2008, the Accounting Standards Board of Canada announced that GAAP for publicly accountable enterprises will be replaced by International Financial Reporting Standards (IFRS). IFRS must be adopted for interim and annual financial statements related to fiscal years beginning on or after January 1, 2011, with retroactive adoption and restatement of the comparative fiscal year ended December 31, 2010. Accordingly, the conversion from Canadian GAAP to IFRS will be applicable to Crombie's reporting for the first quarter of fiscal 2011 for which the current and comparative information will be prepared under IFRS.

Crombie, with the assistance of its external advisors, have launched an internal initiative to govern the conversion process and is currently evaluating the potential impact of the conversion to IFRS on its financial statements. At this time, the impact on Crombie's future financial position and results of operations is not reasonably determinable or estimatable. Crombie expects the transition to IFRS to impact accounting, financial reporting, internal control over financial reporting, information systems and business processes.

Crombie has developed a formal project governance structure, and is providing regular progress reports to senior management and the audit committee. Crombie has also completed a diagnostic impact assessment, which involved a high level review of the major differences between current GAAP and IFRS, as well as establishing an implementation guideline. In accordance with this guideline Crombie has established a staff training program and is in the process of completing analysis of the key decision areas and making recommendations on the same.

Crombie will continue to assess the impact of the transition to IFRS and to review all of the proposed and ongoing projects of the International Accounting Standards Board to determine their impact on Crombie. Additionally, Crombie will continue to invest in training and resources throughout the transition period to facilitate a timely conversion.

RELATED PARTY TRANSACTIONS

As at March 31, 2009, Empire, through its wholly-owned subsidiary ECL, holds a 47.9% indirect interest in Crombie. Crombie uses the exchange amount as the measurement basis for the related party transactions.

For a period of five years commencing March 23, 2006, certain executive management individuals and other employees of Crombie will provide general management, financial, leasing, administrative, and other administration support services to certain real estate subsidiaries of Empire on a cost sharing basis. The costs assumed by Empire pursuant to the arrangement during the quarter ended March 31, 2009 were $297 (quarter ended March 31, 2008 - $455) and were netted against general and administrative expenses owing by Crombie to Empire.

For a period of five years, commencing on March 23, 2006, certain on-site maintenance and management employees of Crombie will provide property management services to certain real estate subsidiaries of Empire on a cost sharing basis. In addition, for various periods, ECL has an obligation to provide rental income and interest rate subsidies. The costs assumed by Empire pursuant to the arrangement during the quarter ended March 31, 2009 were $376 (quarter ended March 31, 2008 - $689) and were netted against property expenses owing by Crombie to Empire. The head lease subsidy during the quarter ended March 31, 2009 was $250 (quarter ended March 31, 2008 - $398).

Crombie also earned rental revenue of $14,560 for the quarter ended March 31, 2009 (quarter ended March 31, 2008 - $6,362) from Sobeys Inc., Empire Theatres and ASC Commercial Leasing Limited ("ASC"). These companies were all subsidiaries of Empire until September 8, 2008 when ASC was sold. Property revenue from ASC is included in this note disclosure until the sale date.

Empire has provided Crombie with a $13,800 floating rate Empire Demand Facility on substantially the same terms and conditions that govern the Revolving Credit Facility. The amount borrowed under the Empire Demand Facility at March 31, 2009 is $Nil. During the first quarter of 2009, $10,000 outstanding at December 31, 2008 was repaid to the Empire Demand Facility.

CRITICAL ACCOUNTING ESTIMATES

Critical accounting estimates are discussed under the section "Critical Accounting Estimates" in the 2008 Annual Report.

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, in certain circumstances, the trustees and officers of Crombie.

Crombie has entered into a management cost sharing agreement with a subsidiary of Empire.

Crombie has land leases on certain properties. These leases have annual payments of $969 per year over the next five years. The land leases have terms of between 12 and 76 years remaining, including renewal options.

Crombie obtains letters of credit to support our obligations with respect to construction work on our commercial properties and defeasing commercial property debt. In connection with the defeasance of the discontinued operations commercial property debt, Crombie has issued a standby letter of credit in the amount of $1,715 in favour of the mortgage lender. In addition, Crombie has $145 in standby letters of credit for construction work that is being performed on its commercial properties. Crombie does not believe that any of these standby letters of credit are likely to be drawn upon.

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. An allowance for doubtful accounts is taken for all anticipated problem accounts.

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, 2009;

- Excluding Sobeys (which accounts for 33.1% of Crombie's minimum rent), no other tenant accounts for more than 2.2% of Crombie's minimum rent, and

- Over the next five years, no more than 9.1% of the gross leaseable area of Crombie will expire in any one year.

Crombie earned rental revenue of $14,560 for the three months ended March 31, 2009 (three month ended March 31, 2008 - $6,362) from subsidiaries of Empire.

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, limiting the use of permanent floating rate debt and utilizing interest rate swap agreements. As at March 31, 2009:

- Crombie's weighted average term to maturity of the fixed rate mortgages was 6.1 years, and

- Crombie's exposure to floating rate debt, including the impact of the fixed rate swap agreements discussed below, was 24.8% of the total commercial property debt. Excluding the floating rate term facility, which is to be replaced with permanent fixed rate financing during the next seven months, the exposure to floating rate debt is 9.1%.

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. Recent turmoil in the financial markets has materially affected interest swap rates. This effect was especially pronounced during the fourth quarter of 2008 and the first quarter of 2009. The interest swap rates are based on Canadian bond yields, plus a premium, called the swap spread, which reflects the risk of trading with a private counterparty as opposed to the Canadian government. During the fourth quarter 2008, the swap spread turned negative and remained negative throughout the first quarter of 2009. The effect of the negative swap spreads, combined with the decline in the Canadian bond yields to levels not seen since the late 1940's, has resulted in a significant deterioration of the mark-to-market values for the interest rate swap agreements. At March 31, 2009, the mark-to-market exposure on the interest rate swap agreements was approximately $49,389. There is no immediate cash impact from the mark-to-market adjustment. The unfavourable difference in the mark-to-market amount of these interest rate swap agreements is reflected in other comprehensive income (loss) rather than net income as the swaps are all designated and effective

hedges. The breakdown of the swaps in place as part of the interest rate management program, and their associated mark-to-market amounts are as follows:

- Crombie has entered into a fixed interest rate swap to fix the amount of interest to be paid on $50,000 of the revolving credit facility. The fair value of the fixed interest rate swap at March 31, 2009, had an unfavourable mark-to-market exposure of $4,231 (March 31, 2008 – unfavourable $1,222) compared to its face value. The change in this amount has been recognized in other comprehensive income (loss). The mark-to-market amount of fixed interest rate swaps reduce to $Nil upon maturity of the swaps.

- Crombie has entered into a number of delayed interest rate swap agreements of a notional amount of $100,334 (March 31, 2008 - $118,689) with settlement dates between February 1, 2010 and July 2, 2011, maturing between February 1, 2019 and July 2, 2021 to mitigate exposure to interest rate increases for mortgages maturing in 2010 and 2011. The fair value of these delayed interest rate swap agreements had an unfavourable mark-to-market exposure of $21,330 compared to the face value March 31, 2009 (March 31, 2008 – unfavourable $8,401). The change in these amounts has been recognized in other comprehensive income (loss). Assuming no change in the mark-to-market values upon settlement of these swap agreements, the estimated annual dilutive effect to FFO, AFFO and net income would be approximately $0.05 per unit.

- In relation to the Portfolio Acquisition, Crombie has entered into a number of delayed interest rate swap agreements of a notional amount of $138,000 (March 31, 2008 - $280,000) with a settlement date of August 1, 2009 to mitigate exposure to interest rate increases prior to replacing the Term Facility with long-term financing. The fair value of these agreements had an unfavourable mark-to-market exposure of $23,828 compared to their face value on March 31, 2009 (March 31, 2008 – $4,439). The change in these amounts has been recognized in other comprehensive income (loss). Assuming no change in the mark-to-market values upon settlement of these swap agreements, the estimated annual dilutive effect to FFO, AFFO and net income would be approximately $0.07 per unit.

During the three months ended March 31, 2009, Crombie settled an interest rate swap agreement related to a notional amount of $42,000 for a settlement amount of $4,535. This settlement amount has been recognized in other comprehensive income (loss) since the inception of the interest rate swap agreements. This loss will be reclassified to interest expense using the effective interest rate method.

Crombie estimates that $1,352 of other comprehensive income (loss) will be reclassified to interest expense during the remaining three quarters of 2009 based on interest rate swap agreements settled to March 31, 2009.

A fluctuation in interest rates would have an impact on Crombie's net earnings and other comprehensive income (loss) items. 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:

	Quarter ended Mar. 31, 2009		Quarter ended Mar. 31, 2008	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on net income of interest rate changes the floating rate Revolving Credit Facility	$ (270)	$ 270	$ (25)	$ 25

	Mar. 31, 2009		Mar. 31, 2008	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on other comprehensive income and non-controlling interest items due to changes in fair value of derivatives designated as a cash flow hedge	$ 10,024	$ (9,577)	$ 18,360	$ (19,166)

Crombie does not enter into these interest rate swap transactions on a speculative basis. Crombie is prohibited by its Declaration of Trust in purchasing, selling or trading in interest rate future contracts other than for hedging purposes.

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 the growth program and/or refinance the debt obligations as they mature.

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 improvement 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 debt on terms and conditions acceptable to Crombie or at any terms at all. These risks have heightened during the fourth quarter of 2008 and the first quarter of 2009 due to the turmoil in the financial markets. Crombie seeks to mitigate this risk by staggering the debt maturity dates. There is also a risk that the equity capital markets may not be receptive to an equity 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 also limited to the amount utilized under the facility, plus any negative mark-to-market position on the interest rate swap agreement, not exceeding the security provided by Crombie. The mark-to-market adjustment on the interest rate swap agreements reached an out-of-the-money position of approximately $49,389 at March 31, 2009. The deterioration in the mark-to-market position had the impact of reducing Crombie's available credit in the revolving credit facility.

Crombie has secured a $13,800 floating rate demand credit facility with Empire Company Limited under essentially the same terms and conditions that govern the revolving credit facility. This demand facility has been put in place to ensure Crombie maintains adequate liquidity in order to fund its daily operating activities while the volatility in the financial markets continues, while also mitigating the risk of Crombie not being in compliance with covenants under the revolving credit facility.

Crombie has no mortgages maturing in fiscal 2009. In regard to the floating rate term facility that expires in October 2009, Crombie has successfully refinanced approximately half of the facility at March 31, 2009, and continues to have positive discussions with a number of lenders to refinance the remaining balance. While management can provide no assurances of refinancing, and while the current credit market remains very challenging, management remains confident it will refinance the remaining floating rate term facility with suitable long-term financing prior to its maturity or be able to extend the maturity date.

SUBSEQUENT EVENT

On April 22, 2009, Crombie declared distributions of 7.417 cents per unit for the period from April 1, 2009 to, and including, April 30, 2009. The distribution will be payable on May 15, 2009 to Unitholders of record as at April 30, 2009.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for establishing and maintaining adequate control over financial reporting ("ICFR") to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. The control framework Management used to design ICFR is COSO, which is the Committee of Sponsoring Organizations of the Treadway Commission. The Chief Executive Officer and Chief Financial Officer have evaluated the effectiveness of Crombie's ICFR and have concluded as at March 31, 2009 that Crombie's ICFR were designed and operated effectively, and that there are no material weaknesses relating to the design or operation of Crombie's ICFR. There were no changes to Crombie's ICFR for the quarter ended March 31, 2009 that have materially affected, or are reasonably likely to materially affect Crombie's ICFR.

DISCLOSURE CONTROLS AND PROCEDURES

Management is responsible for establishing and maintaining disclosure controls and procedures ("DC&P") to provide reasonable assurance that material information relating to Crombie is made known to Management by others, particularly during the period in which the annual filings are being prepared, and 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 is recorded, processed, summarized and reported with the time periods specified in securities legislation. The Chief Executive Officer and Chief Financial Officer have evaluated the effectiveness of Crombie's DC&P and have concluded as at March 31, 2009 that these DC&P were designed and operated effectively, and that there are no material weaknesses relating to the design or operation of Crombie's DC&P.

QUARTERLY INFORMATION

The following table shows information for revenues, net income, AFFO, FFO, distributions and per unit amounts for the eight most recently completed quarters.

	Quarter Ended							
(In thousands of dollars, except per unit amounts)	Mar. 31, 2009	Dec. 31, 2008	Sep. 30, 2008	Jun. 30, 2008	Mar. 31, 2008	Dec. 31, 2007	Sep. 30, 2007	Jun. 30, 2007
Property revenue	$ 52,992	$ 52,522	$ 51,044	$ 47,315	$ 37,262	$ 36,455	$ 35,068	$ 34,636
Property expenses	19,971	19,649	18,634	16,776	15,312	14,336	14,682	13,775
Property net operating income	33,021	32,873	32,410	30,539	21,950	22,119	20,386	20,861
Expenses:								
General and administrative	1,644	2,701	2,004	1,979	1,952	2,492	1,843	2,224
Interest	10,730	11,318	11,449	9,965	6,500	6,577	6,413	6,080
Depreciation and amortization	12,491	12,499	12,535	10,757	7,995	8,352	7,575	7,268
	24,865	26,518	25,988	22,701	16,447	17,421	15,831	15,572
Income from continuing operations before other items, income taxes and non-controlling interest	8,156	6,355	6,422	7,838	5,503	4,698	4,555	5,289
Other items	92	55	27	97	--	--	--	--
Income from continuing operations before income taxes and non-controlling interest	8,248	6,410	6,449	7,935	5,503	4,698	4,555	5,289
Income taxes expense - Future	200	(3,450)	859	701	400	(2,994)	718	2,978
Income from continuing operations before non-controlling interest	8,048	9,860	5,590	7,234	5,103	7,692	3,837	2,311
Gain/(loss) on sale of discountinued operations	--	487	(895)	--	--	--	--	--
Income from discontinued operations	--	24	226	136	263	132	108	108
Income before non-controlling interest	8,048	10,371	4,921	7,370	5,366	7,824	3,945	2,419
Non-controlling interest	3,856	4,968	2,358	3,531	2,583	3,766	1,899	1,164
Net income	$ 4,192	$ 5,403	$ 2,563	$ 3,839	$ 2,783	$ 4,058	$ 2,046	$ 1,255
Basic and diluted net income per unit	$ 0.15	$ 0.20	$ 0.09	$ 0.15	$ 0.13	$ 0.19	$ 0.10	$ 0.06

	Quarter Ended							
(In thousands of dollars, except per unit amounts)	Mar. 31, 2009	Dec. 31, 2008	Sep. 30, 2008	Jun. 30, 2008	Mar. 31, 2008	Dec. 31, 2007	Sep. 30, 2007	Jun. 30, 2007
AFFO	$ 16,026	$ 14,681	$ 12,457	$ 11,916	$ 8,096	$ 7,761	$ 6,273	$ 10,513
FFO	$ 20,739	$ 18,933	$ 19,200	$ 18,812	$ 13,839	$ 13,257	$ 12,310	$ 12,736
Distributions	$ 11,649	$ 11,649	$ 11,649	$ 11,879	$ 8,867	$ 8,867	$ 8,867	$ 8,798
AFFO per unit [(1)]	$ 0.31	$ 0.28	$ 0.24	$ 0.24	$ 0.19	$ 0.19	$ 0.15	$ 0.25
FFO per unit [(1)]	$ 0.40	$ 0.36	$ 0.37	$ 0.38	$ 0.33	$ 0.32	$ 0.30	$ 0.31
Distributions per unit [(1)]	$ 0.22	$ 0.22	$ 0.22	$ 0.23	$ 0.21	$ 0.21	$ 0.21	$ 0.21

(1) AFFO, FFO and distributions per unit are calculated by AFFO, FFO or distributions, as the case maybe, divided by the diluted weighted average of the total Units and Special Voting Units outstanding of 52,351,464 for the quarter ended March 31, 2009, 52,351,464 for the quarter ended December 31, 2008, 52,351,464 for the quarter ended September 30, 2008, 49,954,256 for the quarter ended June 30, 2008, 41,728,561 for the quarter ended March 31, 2008, 41,728,561 for the quarter ended December 31, 2007, 41,728,561 for the quarter ended September 30, 2007, 41,728,561 for the quarter ended June 30, 2007. The quarterly results of these calculations may not add to the annual calculations due to rounding.

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 7, 2009

Stellarton, Nova Scotia, Canada

CROMBIE REAL ESTATE INVESTMENT TRUST
CONSOLIDATED BALANCE SHEETS
(In thousands of dollars)
(Unaudited)

	March 31, 2009	December 31, 2008
Assets		Restated (Note 3)
Commercial properties (Note 4)	$ 1,305,699	$ 1,308,347
Intangible assets (Note 5)	124,072	131,403
Notes receivable (Note 6)	10,537	11,323
Other assets (Note 7)	18,407	20,934
Cash and cash equivalents	168	4,028
Assets related to discontinued operations (Note 21)	7,162	7,184
	$ 1,466,045	**$ 1,483,219**
Liabilities and Unitholders' Equity		
Commercial property debt (Note 8)	$ 812,342	$ 808,971
Convertible debentures (Note 9)	29,029	28,968
Payables and accruals (Note 10)	80,048	94,462
Intangible liabilities (Note 11)	38,916	41,061
Employee future benefits obligation	4,911	4,836
Distributions payable	3,883	3,883
Future income tax liability (Note 16)	80,000	79,800
Liabilities related to discontinued operations (Note 21)	6,450	6,517
	1,055,579	1,068,498
Non-controlling interest (Notre 12)	197,115	199,163
Unitholders' equity	213,351	215,558
	$ 1,466,045	**$ 1,483,219**

Commitments and contingencies (Note 18)
Subsequent event (Note 23)

See accompanying notes to the interim consolidated financial statements.

CROMBIE REAL ESTATE INVESTMENT TRUST
CONSOLIDATED STATEMENTS OF INCOME
(In thousands of dollars, except per unit amounts)
(Unaudited)

	Three Months Ended Mar. 31, 2009	Three Months Ended Mar. 31, 2008
Revenues		
Property revenue (Note 14)	$ 52,992	$ 37,262
Lease terminations	92	-
	53,084	37,262
Expenses		
Property expenses	19,971	15,312
General and administrative expenses	1,644	1,952
Interest expense (Note 15)	10,730	6,500
Depreciation of commercial properties	4,800	3,403
Amortization of tenant improvements/lease costs	1,131	768
Amortization of intangible assets	6,560	3,824
	44,863	31,759
Income from continuing operations before income taxes and non-controlling interest	8,248	5,503
Income tax expense - Future (Note 16)	200	400
Income from continuing operations before non-controlling interest	8,048	5,103
Income from discontinued operations (Note 21)	-	263
Income before non-controlling interest	8,048	5,366
Non-controlling interest	3,856	2,583
Net income	**$ 4,192**	**$ 2,783**
Basic and diluted net income per unit		
Continuing operations	**$ 0.15**	**$ 0.12**
Discontinued operations	**$ 0.00**	**$ 0.01**
Net income	**$ 0.15**	**$ 0.13**
Weighted average number of units outstanding		
Basic	**27,147,380**	**21,543,940**
Diluted	**27,271,888**	**21,648,985**

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In thousands of dollars)
(Unaudited)

	Three Months Ended Mar. 31, 2009	Three Months Ended Mar. 31, 2008
Net income	$ 4,192	$ 2,783
Losses on derivatives designated as cash flow hedges transferred to net income in the current year	108	-
Net change in derivatives designated as cash flow hedges	(459)	(4,294)
Other comprehensive loss	(351)	(4,294)
Comprehensive income (loss)	**$ 3,841**	**$ (1,511)**

See accompanying notes to the interim consolidated financial statements.

CROMBIE REAL ESTATE INVESTMENT TRUST
CONSOLIDATED STATEMENTS OF UNITHOLDERS' EQUITY
(In thousands of dollars)
(Unaudited)

	REIT Units (Note 13)	Net Income	Contributed Surplus	Accumulated Other Comprehensive (Loss) Income	Distributions	Total
Unitholders' equity, January 1, 2009	$ 265,096	$ 34,652	$ 34	$ (29,567)	$ (54,635)	$ 215,580
Adjustment due to change in accounting policy (Note 3)	-	(22)	-	-	-	(22)
Unitholders' equity, January 1, 2009 as restated	265,096	34,630	34	(29,567)	(54,635)	215,558
EUPP compensation	-	-	11	-	-	11
Repayment of EUPP loans receivable	9	-	-	-	-	9
Net income	-	4,192	-	-	-	4,192
Distributions	-	-	-	-	(6,068)	(6,068)
Other comprehensive loss	-	-	-	(351)	-	(351)
Unitholders' equity, March 31, 2009	**$ 265,105**	**$ 38,822**	**$ 45**	**$ (29,918)**	**$ (60,703)**	**$ 213,351**
Unitholders' equity, January 1, 2008	$ 205,273	$ 20,064	$ 12	$ (3,000)	$ (31,515)	$ 190,834
Adjustment due to change in accounting policy (Note 3)	-	(22)	-	-	-	(22)
Unitholders' equity, January 1, 2008 as restated	$ 205,273	$ 20,042	$ 12	$ (3,000)	$ (31,515)	$ 190,812
EUPP compensation	-	-	9	-	-	9
Repayment of EUPP loans receivable	7	-	-	-	-	7
Net income	-	2,783	-	-	-	2,783
Distributions	-	-	-	-	(4,599)	(4,599)
Other comprehensive loss	-	-	-	(4,294)	-	(4,294)
Unitholders' equity, March 31, 2008 as restated	**$ 205,280**	**$ 22,825**	**$ 21**	**$ (7,294)**	**$ (36,114)**	**$ 184,718**

See accompanying notes to the interim consolidated financial statements.

CROMBIE REAL ESTATE INVESTMENT TRUST
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands of dollars)
(Unaudited)

	Three Months Ended March 31, 2009	Three Months Ended March 31, 2008
Cash flows provided by (used in)		Restated (Note 3)
Operating Activities		
Net income	$ 4,192	$ 2,783
Items not affecting cash:		
Non-controlling interest	3,856	2,583
Depreciation of commercial properties	4,800	3,438
Amortization of tenant improvements/lease costs	1,131	782
Amortization of deferred financing costs	480	154
Amortization of swap settlements	207	-
Amortization of intangible assets	6,560	3,853
Amortization of above-market leases	771	770
Amortization of below-market leases	(2,145)	(1,190)
Accrued rental revenue	(883)	(318)
Unit based compensation	11	9
Future income taxes	200	400
	19,180	13,264
Additions to tenant improvements and lease costs	(1,240)	(4,557)
Change in other non-cash operating items (Note 17)	(7,276)	(3,072)
Cash provided by operating activities	**10,664**	**5,635**
Financing Activities		
Issue of commercial property debt	57,000	-
Increase in deferred financing charges	(557)	-
Issue of convertible debentures	-	30,000
Issue costs of convertible debentures	-	(1,376)
Settlement of interest rate swap agreements	(4,535)	-
Repayment of commercial property debt	(53,491)	(27,157)
Decrease in liabilities related to discontinued operations	(67)	-
Collection of notes receivable	786	1,414
Repayment of EUPP loan receivable	9	7
Payment of distributions	(11,649)	(8,867)
Cash provided by financing activities	**(12,504)**	**(5,979)**
Investing Activities		
Additions to commercial properties	(1,730)	(1,712)
Additions to recoverable capital expenditures	(312)	(652)
Decrease in assets related to discontinued operations	22	-
Cash used in investing activities	**(2,020)**	**(2,364)**
Decrease in cash and cash equivalents during the period	**(3,860)**	**(2,708)**
Cash and cash equivalents, beginning of period	**4,028**	**2,708**
Cash and cash equivalents, end of period	**$ 168**	**$ Nil**

See accompanying notes to the interim consolidated financial statements.

1) CROMBIE REAL ESTATE INVESTMENT TRUST

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 units of Crombie are traded on the Toronto Stock Exchange ("TSX") under the symbol "CRR.UN".

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

These interim consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles ("GAAP") as prescribed by the Canadian Institute of Chartered Accountants ("CICA"). These interim consolidated financial statements do not include all of the disclosures included in Crombie's annual consolidated financial statements. Accordingly, these interim consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended December 31, 2008 as set out in the 2008 Annual Report.

The accounting policies used in preparation of these interim consolidated financial statements conform with those used in the 2008 annual consolidated financial statements, except as described in Note 3.

(b) Property Acquisitions

Upon acquisition of commercial properties, Crombie performs an assessment of the fair value of the properties' related tangible and intangible assets and liabilities (including land, buildings, origination costs, in-place leases, above and below-market leases, and any other assumed assets and liabilities), and allocates the purchase price to the acquired assets and liabilities. Crombie assesses and considers fair value based on cash flow projections that take into account relevant discount and capitalization rates and any other relevant sources of market information available. Estimates of future cash flow are based on factors that include historical operating results, if available, and anticipated trends, local markets and underlying economic conditions.

Crombie allocates the purchase price based on the following:

Land - The amount allocated to land is based on an appraisal estimate of its fair value.

Buildings - Buildings are recorded at the fair value of the building on an "as-if-vacant" basis, which is based on the present value of the anticipated net cash flow of the building from vacant start up to full occupancy.

Origination costs for existing leases - Origination costs are determined based on estimates of the costs that would be incurred to put the existing leases in place under the same terms and conditions. These costs include leasing commissions as well as foregone rent and operating cost recoveries during an assumed lease-up period.

In-place leases - In-place lease values are determined based on estimated costs required for each lease that represents the net operating income lost during an estimated lease-up period that would be required to replace the existing leases at the time of purchase.

Tenant relationships - Tenant relationship values are determined based on costs avoided if the respective tenants were to renew their leases at the end of the existing term, adjusted for the estimated probability that the tenants will renew.

Above-and below-market existing leases - Values ascribed to above and below market existing leases are determined based on the present value of the difference between the rents payable under the terms of the respective leases and estimated future market rents.

Fair value of debt - Values ascribed to fair value of debt are determined based on the differential between contractual and market interest rates on long term liabilities assumed at acquisition.

(c) Revenue recognition

Property revenue includes rents earned from tenants under lease agreements, percentage rent, realty tax and operating cost recoveries, and other incidental income. Certain leases have rental payments that change over their term due to changes in rates. Crombie records the rental revenue from these leases on a straight-line basis over the term of the lease. Accordingly, an accrued rent receivable/payable is recorded for the difference between the straight-line rent recorded as property revenue and the rent that is contractually due from the tenants. Percentage rents are recognized when tenants are obligated to pay such rent under the terms of the related lease agreements. The value of the differential between original and market rents for existing leases is amortized using the straight-line method over the terms of the tenant lease agreements. Realty tax and other operating cost recoveries, and other incidental income, are recognized on an accrual basis.

(d) Income taxes

Crombie is taxed as a "mutual fund trust" for income tax purposes. Pursuant to the terms of the Declaration of Trust, Crombie must make distributions not less than the amount necessary to ensure that Crombie will not be liable to pay income tax, except for the amounts incurred in its incorporated subsidiaries.

Future income tax liabilities of Crombie relate to tax and accounting basis differences of all incorporated subsidiaries of Crombie. Income taxes are accounted for using the liability method. Under this method, future income taxes are recognized for the expected future tax consequences of differences between the carrying amount of balance sheet items and their corresponding tax values. Future income taxes are computed using substantively enacted corporate income tax rates for the years in which tax and accounting basis differences are expected to reverse.

(e) Employee future benefits obligation

The cost of pension benefits for the defined contribution plans is expensed as contributions are paid. The cost of the defined benefit pension plan and post-retirement benefit plan is accrued based on actuarial valuations, which are determined using the projected benefit method pro-rated on service and management's best estimate of the expected long-term rate of return on plan assets, salary escalation, retirement ages and expected growth rate of health care costs. The defined benefit plan and post-retirement benefit plan are unfunded.

The impact of changes in plan amendments is amortized on a straight-line basis over the expected average remaining service life ("EARSL") of active members. For the supplementary executive retirement plan, the impacts of changes in the plan provisions are amortized over five years. The total defined benefit cost related to pension plans and post retirement benefit plans for the three months ended March 31, 2009 was $75 (three months ended March 31, 2008 - $96).

The compensation expense related to the EUPP during the three months ended March 31, 2009 was $73 (three months ended March 31, 2008 - $96).

(f) Use of estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the balance sheet, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The significant areas of estimation and assumption include:

- Impairment of assets;
- Depreciation and amortization;
- Employee future benefit obligation;
- Future income taxes;
- Allocation of purchase price on property acquisitions; and
- Fair value of commercial property debt, convertible debentures and assets and liabilities related to discontinued operations.

(g) Payment of distributions

The determination to declare and make payable distributions from Crombie are at the discretion of the Board of Trustees of Crombie and, until declared payable by the Board of Trustees of Crombie, Crombie has no contractual requirement to pay cash distributions to Unitholders' of Crombie. During the three months ended March 31, 2009 $11,649 (three months ended March 31, 2008 - $8,867) in cash distributions were declared payable by the Board of Trustees to Crombie Unitholders and Crombie Limited Partnership Unitholders (the "Class B LP Units").

(h) Convertible debentures

Debentures with conversion features are assessed at inception as to the value of both their equity component and their debt component. Based on the assessment, Crombie has determined to date that no amount should be attributed to equity and thus its convertible debentures have been classified as liabilities. Distributions to debenture holders are presented as interest expense. Issue costs on convertible debentures are netted against the convertible debentures and amortized over the original life of the convertible debentures using the effective interest rate method.

(i) Hedges

Crombie has cash flow hedges which are used to manage exposures to increases in variable interest rates. Cash flow hedges are recognized on the balance sheet at fair value with the effective portion of the hedging relationship recognized in other comprehensive (loss) income. Any ineffective portion of the cash flow hedge is recognized in net income. Amounts recognized in accumulated other comprehensive (loss) income are reclassified to net income in the same periods in which the hedged item is recognized in net income. Fair value hedges and the related hedge items are recognized on the balance sheet at fair value with any changes in fair value recognized in net income. To the extent the fair value hedge is effective, the changes in the fair value of the hedge and the hedged item will offset each other.

Crombie has fixed interest rate swap agreements and a number of delayed interest rate swap agreements designated as cash flow hedges. Crombie has identified these hedges against increases in benchmark interest rates and has formally documented all relationships between

these derivative financial instruments and hedged items, as well as the risk management strategy and objectives. Crombie assesses on an ongoing basis whether the derivative financial instrument continues to be effective in offsetting changes in interest rates on the hedged items.

(j) Comprehensive (loss) income

Comprehensive (loss) income is the change in Unitholders' equity during a period from transactions and other events and circumstances from non-owner sources. Crombie reports a consolidated statement of comprehensive (loss) income, comprising net income and other comprehensive (loss) income for the period. Accumulated other comprehensive (loss) income, has been added to the consolidated statements of unitholders' equity.

(k) Discontinued operations

Crombie classifies properties that meet certain criteria as held for sale and separately discloses any net income and gain (loss) on disposal for current and prior periods as discontinued operations. A property is classified as held for sale at the point in time when it is available for immediate sale, management has committed to a plan to sell the property and is actively locating a purchaser for the property at a sales price that is reasonable in relation to the current estimated fair market value of the property, and the sale is expected to be completed within a one year period. Properties held for sale are carried at the lower of their carrying values and estimated fair value less costs to sell. In addition, assets held for sale are no longer depreciated. A property that is subsequently reclassified as held in use is measured at the lower of its carrying value amount before it was classed as held for sale, adjusted for an amortization expense that would have been recognized had it been continuously classified as held and in use, and its estimated fair value at the date of the subsequent decision not to sell.

(l) Impairment of long-lived assets

Long-lived assets are reviewed for impairment annually or whenever events or changes in circumstances indicate the carrying value of an asset may not be recoverable.

If it is determined that the net recoverable value of a long-lived asset is less than its carrying value, the long-lived asset is written down to its fair value. Net recoverable amount represents the undiscounted estimated future cash flow expected to be received from the long-lived asset. Assets reviewed under this policy include commercial properties and intangible assets.

3) CHANGES IN ACCOUNTING POLICIES

Effective January 1, 2009 Crombie has adopted two new accounting standards that were issued by the CICA in 2008 and one Emerging Committee Abstract issued by the CICA in January 2009. These accounting policy changes have been adopted in accordance with the transitional provisions.

The new standards and accounting policy changes are as follows:

Goodwill and Intangible Assets

Effective January 1, 2009, the accounting and disclosure requirements of the CICA's two new accounting standards were adopted: "Handbook Section 3064, Goodwill and Intangible Assets" and "Handbook Section 3450, Research and Development Costs."

These standards are effective for annual and interim financial statements related to fiscal years beginning on or after October 1, 2008 and are applicable for Crombie's first quarter of fiscal 2009. Section 3064 states that intangible assets may be recognized as assets only if they meet the definition of an intangible asset. Section 3064 also provides further information on the recognition of internally generated intangible assets, (including research and development).

These standards have been applied retrospectively with restatement of prior periods. The adoption of these new standards resulted in an increase of $229 to depreciation of commercial properties and a decrease of $229 to property expenses in the consolidated Statements of Income for the three months ended March 31, 2008. In the consolidated Balance Sheets, there was an increase of $3,946 to commercial properties, an increase of $38 to receivables, a decrease of $4,246 to prepaid expenses, and a decrease of $220 to payables and accruals at December 31, 2008, and a decrease of $20 to non-controlling interest and a decrease of $22 to unitholders' equity at January 1, 2008.

Financial instruments - recognition and measurement

In January 2009, the CICA issued Emerging Issue Committee Abstract 173 ("EIC 173"), "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities". EIC 173 requires that a company take into account its own credit risk and the credit risk of its counterparty in determining the fair value of financial assets and financial liabilities. This Abstract must be applied retrospectively without restatement of prior periods to all financial assets and liabilities measured at fair value in interim and annual financial statements for periods ending on or after January 20, 2009. The adoption of EIC 173 did not have a significant impact on Crombie's financial results, position or disclosures.

Effect of new accounting standards not yet Implemented

International Financial Reporting Standards

On February 13 2008, the Accounting Standards Board of Canada announced that GAAP for publicly accountable enterprises will be replaced by International Financial Reporting Standards ("IFRS"). IFRS must be adopted for interim and annual financial statements related to fiscal years beginning on or after January 1, 2011, with retroactive adoption and restatement of the comparative fiscal year ended December 31, 2010. Accordingly, the conversion from Canadian GAAP to IFRS will be applicable to Crombie's reporting for the first quarter of fiscal 2011 for which the current and comparative information will be prepared under IFRS.

Crombie, with the assistance of its external advisors, have launched an internal initiative to govern the conversion process and is currently evaluating the potential impact of the conversion to IFRS on its financial statements. At this time, the impact on Crombie's future financial position and results of operations is not reasonably determinable or estimatable. Crombie expects the transition to IFRS to impact accounting, financial reporting, internal control over financial reporting, information systems and business processes.

Crombie has developed a formal project governance structure, and is providing regular progress reports to senior management and the audit committee. Crombie has also completed a diagnostic impact assessment, which involved a high level review of the major differences between current GAAP and IFRS, as well as establishing an implementation guideline. In accordance with this guideline Crombie has established a staff training program and is in the process of completing analysis of the key decision areas and making recommendations on the same.

Crombie will continue to assess the impact of the transition to IFRS and to review all of the proposed and ongoing projects of the International Accounting Standards Board to determine their impact on Crombie. Additionally, Crombie will continue to invest in training and resources throughout the transition period to facilitate a timely conversion.

4) COMMERCIAL PROPERTIES

	March 31, 2009		
	Cost	Accumulated Depreciation	Net Book Value
Land	$ 288,566	$ Nil	$ 288,566
Buildings	1,037,935	44,032	993,903
Tenant improvements and leasing costs	30,994	7,764	23,230
	$ 1,357,495	**$ 51,796**	**$ 1,305,699**

	December 31, 2008		
	Cost	Accumulated Depreciation	Net Book Value
	Restated (Note 3)	Restated (Note 3)	Restated (Note 3)
Land	$ 288,566	$ Nil	$ 288,566
Buildings	1,035,892	39,232	996,660
Tenant improvements and leasing costs	29,754	6,633	23,121
	$ 1,354,212	**$ 45,865**	**$ 1,308,347**

5) INTANGIBLE ASSETS

	March 31, 2009		
	Cost	Accumulated Amortization	Net Book Value
Origination costs for existing leases	$ 54,419	$ 13,493	$ 40,926
In-place leases	57,376	21,708	35,668
Tenant relationships	57,098	16,857	40,241
Above market existing leases	16,015	8,778	7,237
	$ 184,908	**$ 60,836**	**$ 124,072**

	December 31, 2008		
	Cost	Accumulated Amortization	Net Book Value
Origination costs for existing leases	$ 54,419	$ 11,680	$ 42,739
In-place leases	57,376	19,072	38,304
Tenant relationships	57,098	14,746	42,352
Above market existing leases	16,015	8,007	8,008
	$ 184,908	**$ 53,505**	**$ 131,403**

6) NOTES RECEIVABLE

On March 23, 2006, Crombie acquired 44 properties from Empire Company Limited's subsidiary, ECL Properties Limited ("ECL") and certain affiliates, resulting in ECL issuing two demand non-interest bearing promissory notes in the amounts of $39,600 and $20,564. Payments on the first note of $39,600 are being received as funding is required for a capital expenditure program relating to eight commercial properties over the period from 2006 to 2010. Payments on the second note of $20,564 are being received on a monthly basis to reduce the effective interest rate to 5.54% on certain assumed mortgages with an average term to maturity of approximately 3 years.

The balance of each note is as follows:

	March 31, 2009	December 31, 2008
Capital expenditure program	$ 505	$ 505
Interest rate subsidy	10,032	10,818
	$ 10,537	**$ 11,323**

7) OTHER ASSETS

	March 31, 2009	December 31, 2008 Restated (Note 3)
Gross accounts receivable	$ 6,619	$ 7,286
Provision for doubtful accounts	(360)	(250)
Net accounts receivable	6,259	7,036
Accrued straight-line rent receivable	8,669	7,786
Prepaid expenses	2,550	5,174
Restricted cash	929	938
	$ 18,407	**$ 20,934**

8) COMMERCIAL PROPERTY DEBT

	Range	Weighted average interest rate	Weighted average term to maturity	March 31, 2009
Fixed rate mortgages	4.82-6.44%	5.51%	6.1 years	$ 565,980
Floating rate term facility		3.24%	0.6 years	140,323
Floating rate revolving credit facility		3.59%	2.3 years	111,400
Floating rate demand credit facility		Nil	Demand	-
Deferred financing charges				(5,361)
				$ 812,342

	Range	Weighted average interest rate	Weighted average term to maturity	December 31, 2008
Fixed rate mortgages	5.15-6.44%	5.55%	6.1 years	$ 531,970
Floating rate term facility		4.87%	0.8 years	178,824
Floating rate revolving credit facility		4.37%	2.5 years	93,400
Floating rate demand credit facility		3.50%	Demand	10,000
Deferred financing charges				(5,223)
				$ 808,971

As March 31, 2009, debt retirements for the next five years are:

	Fixed Rate	Floating Rate	Financing Costs	Total
Remaining 2009	$ 14,098	$ 140,323	$ Nil	$ 154,421
2010	121,489	-	-	121,489
2011	42,094	111,400	-	153,494
2012	15,863	-	-	15,863
2013	46,698	-	-	46,698
Thereafter	315,604	-	-	315,604
	555,846	251,723	-	807,569
Deferred financing charges	-	-	(5,361)	(5,361)
Fair value debt adjustment	10,134	-	-	10,134
	$ 565,980	$ 251,723	$ (5,361)	$ 812,342

The floating rate term facility is used to partially finance the acquisition of 61 properties from subsidiaries of Empire Company Limited. The floating interest rate is based on a specific margin over prime rate or the Banker Acceptance Rate, which margin increases over time. It is secured by a charge on the secured properties, together with an assignment of leases. The floating rate term facility contains financial and non-financial covenants that are customary for a credit facility of this nature and which mirror the covenants set forth in the revolving credit facility.

The floating rate revolving credit facility has a maximum principal amount of $150,000 and is used by Crombie for working capital purposes. It is secured by a pool of first and second mortgages and negative pledges on certain properties. The floating interest rate is based on specific margins over prime rate or bankers acceptance rates. The specified margin increases as Crombie's overall debt leverage increases.

On February 12, 2009, Crombie completed mortgage financings of $39,000 to refinance a portion of the floating rate term facility. Fixed rate first mortgages were placed with a third party for a total of $32,800. The first mortgages have a weighted average interest rate of 4.88% with a maturity date of March 2014. In addition, $6,200 of fixed rate second mortgages were provided by Empire Company Limited. The second mortgages have a weighted average interest rate of 5.38% with a maturity date of March 2014.

The floating rate demand credit facility is a $13,800 credit facility with Empire Company Limited on substantially the same terms and conditions that govern the floating rate revolving credit facility.

9) CONVERTIBLE DEBENTURES

	Maturity date	Interest rate	Mar. 31, 2009	Dec. 31, 2008
Series A	March 20, 2013	7.0%	$30,000	$30,000
Transaction costs			(971)	(1,032)
			$29,029	**$28,968**

Series A convertible debentures

On March 20, 2008, Crombie issued $30,000 in unsecured convertible debentures related to the agreements to acquire a portfolio of 61 retail properties from subsidiaries of Empire Company Limited.

Each convertible debenture will be convertible into units of Crombie at the option of the debenture holder up to the maturity date of March 20, 2013 at a conversion price of $13 per unit.

The convertible debentures bear interest at an annual fixed rate of 7.0%, payable semi-annually, on June 30 and December 31 in each year. The convertible debentures are not redeemable prior to March 20, 2011. From March 20, 2011 to March 20, 2012, the convertible 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 units on the TSX for the 20 consecutive trading days ending on the fifth trading day preceding the date on which notice on redemption is given exceeds 125% of the conversion price. After March 20, 2012, and prior to March 20, 2013, the convertible 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 convertible debentures at maturity or upon redemption, in whole or in part, by issuing the number of units equal to the principal amount of the convertible debentures then outstanding divided by 95% of the volume-weighted average trading price of the 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 convertible debentures to Crombie at a price equal to 101% of the principal amount plus accrued and unpaid interest.

Crombie will also have an option to pay interest on any interest payment date by selling units and applying the proceeds to satisfy its interest obligation.

Transaction costs related to the convertible debentures have been deferred and are being amortized into interest expense over the term of the convertible debentures using the effective interest rate method.

10) PAYABLES AND ACCRUALS

	March 31, 2009	December 31, 2008 Restated (Note 3)
Tenant improvements and capital expenditures	$ 11,868	$ 13,384
Property operating costs	14,028	20,166
Advance rents	1,616	5,364
Interest on commercial property debt and debentures	3,147	2,504
Fair value of interest rate swap agreements	49,389	53,044
	$ 80,048	**$ 94,462**

11) INTANGIBLE LIABILITIES

	March 31, 2009		
	Cost	Accumulated Amortization	Net Book Value
Below-market existing leases	**$ 55,703**	**$ 16,787**	**$ 38,916**

	December 31, 2008		
	Cost	Accumulated Amortization	Net Book Value
Below-market existing leases	**$ 55,703**	**$ 14,642**	**$ 41,061**

12) NON-CONTROLLING INTEREST

	Class B LP Units	Net Income	Contributed Surplus	Accumulated Other Comprehensive (Loss) Income	Distributions	Total
Balance, January 1, 2009	$ 244,520	$ 32,118	$ Nil	$ (27,254)	$ (50,201)	$ 199,183
Adjustment due to change in accounting policy (Note 3)	-	(20)	-	-	-	(20)
Balance, January 1, 2009 as restated	$ 244,520	$ 32,098	$ Nil	$ (27,254)	$ (50,201)	$ 199,163
Net income	-	3,856	-	-	-	3,856
Distributions	-	-	-	-	(5,581)	(5,581)
Other comprehensive loss	-	-	-	(323)	-	(323)
Balance, March 31, 2009	**$ 244,520**	**$ 35,954**	**$ Nil**	**$ (27,577)**	**$ (55,782)**	**$ 197,115**

	Class B LP Units	Net Income	Contributed Surplus	Accumulated Other Comprehensive (Loss) Income	Distributions	Total
Balance, January 1, 2008	$ 191,302	$ 18,678	$ Nil	$ (2,784)	$ (29,277)	$ 177,919
Adjustment due to change in accounting policy (Note 3)	-	(20)	-	-	-	(20)
Balance, January 1, 2008 as restated	$ 191,302	$ 18,658	$ Nil	$ (2,784)	$ (29,277)	$ 177,899
Net income	-	2,583	-	-	-	2,583
Distributions	-	-	-	-	(4,268)	(4,268)
Other comprehensive loss	-	-	-	(3,985)	-	(3,985)
Balance, March 31, 2008 as restated	**$ 191,302**	**$ 21,241**	**$ Nil**	**$ (6,769)**	**$ (33,545)**	**$ 172,229**

13) UNITS OUTSTANDING

	Crombie REIT Units		Crombie REIT Special Voting Units and Class B LP Units		Total	
	Number of Units	Amount	Number of Units	Amount	Number of Units	Amount
Balance, January 1, 2009	27,271,888	$ 265,096	25,079,576	$ 244,520	52,351,464	$ 509,616
Net change in EUPP loans receivable	-	9	-	-	-	9
Balance, March 31, 2009	**27,271,888**	**$ 265,105**	**25,079,576**	**$ 244,520**	**52,351,464**	**$ 509,625**

	Crombie REIT Units		Crombie REIT Special Voting Units and Class B LP Units		Total	
	Number of Units	Amount	Number of Units	Amount	Number of Units	Amount
Balance, January 1, 2008	21,648,985	$ 205,273	20,079,576	$ 191,302	41,728,561	$ 396,575
Net change in EUPP loans receivable	-	7	-	-	-	7
Balance, March 31, 2008	**21,648,985**	**$ 205,280**	**20,079,576**	**$ 191,302**	**41,728,561**	**$ 396,582**

Crombie REIT Units

Crombie is authorized to issue an unlimited number of units ("Units") and an unlimited number of Special Voting Units. Issued and outstanding Units may be subdivided or consolidated from time to time by the Trustees without the approval of the Unitholders. Units are redeemable at any time on demand by the holders at a price per Unit equal to the lesser of: (i) 90% of the weighted average price per Crombie Unit during the period of the last ten days during which Crombie's Units traded; and (ii) an amount equal to the price of Crombie's Units on the date of redemption, as defined in the Declaration of Trust.

The aggregate redemption price payable by Crombie in respect of any Units surrendered for redemption during any calendar month will be satisfied by way of a cash payment in Canadian dollars within 30 days after the end of the calendar month in which the Units were tendered for redemption, provided that the entitlement of Unitholders to receive cash upon the redemption of their Units is subject to the limitation that:

i. the total amount payable by Crombie in respect of such Units and all other Units tendered for redemption, in the same calendar month must not exceed $50 (provided that such limitation may be waived at the discretion of the Trustees);

ii. at the time such Units are tendered for redemption, the outstanding Units must be listed for trading on the TSX or traded or quoted on any other stock exchange or market which the Trustees consider, in their sole discretion, provides representative fair market value prices for the Units;

iii. the normal trading of Units is not suspended or halted on any stock exchange on which the Units are listed (or if not listed on a stock exchange, in any market where the Units are quoted for trading) on the Redemption Date or for more than five trading days during the ten-day trading period commencing immediately after the Redemption Date.

Crombie REIT Special Voting Units and Class B LP Units

The Declaration of Trust and the Exchange Agreement provide for the issuance of voting non-participating Units (the "Special Voting Units") to the holders of Class B LP Units used solely for providing voting rights proportionate to the votes of Crombie's Units. The Special Voting Units are not transferable separately from the Class B LP Units to which they are attached and will be automatically transferred upon the transfer of such Class B LP Unit. If the Class B LP Units are exchanged in accordance with the Exchange Agreement, a like number of Special Voting Units will be redeemed and cancelled for no consideration by Crombie.

The Class B LP Units issued by a subsidiary of Crombie to ECL have economic and voting rights equivalent, in all material aspects, to Crombie's Units. They are indirectly exchangeable on a one-for-one basis for Crombie's Units at the option of the holder, under the terms of the Exchange Agreement.

Each Class B LP Unit entitles the holder to receive distributions from Crombie, pro rata with distributions made by Crombie on Units.

The Class B LP Units are accounted for as non-controlling interest.

Employee Unit Purchase Plan ("EUPP")

Crombie provides for unit purchase entitlements under the EUPP for certain senior executives. Awards made under the EUPP will allow executives to purchase units from treasury at the average daily high and low board lot trading prices per unit on the TSX for the five trading days preceding the issuance. Executives are provided non-recourse loans at 3% annual interest by Crombie for the purpose of acquiring Units from treasury and the Units purchased are held as collateral for the loan. The loan is repaid through the application of the after-tax amounts of all distributions received on the Units, as well as the after-tax portion of any Long-Term Incentive Plan ("LTIP") cash awards received, as payments on interest and principal. As at March 31, 2009, there are loans receivable from executives of $1,282 under Crombie's EUPP, representing 124,508 Units, which are classified as a reduction of Unitholders' Equity. Loan repayments will result in a corresponding increase in Unitholders' Equity. Market value of the Units at March 31, 2009 was $828.

Earnings per Unit Computations

Basic net earnings per Unit is computed by dividing net earnings by the weighted average number of Units outstanding during the period. Diluted earnings per Unit is calculated on the assumption that all EUPP loans were repaid at the beginning of the period. For all periods, the assumed exchange of all Class B LP Units would not be dilutive. The convertible debentures are anti-dilutive and have not been included in diluted net earnings per unit or diluted weighted average number of units outstanding. As at March 31, 2009, there are no other dilutive items.

14) PROPERTY REVENUE

	Three Months Ended Mar. 31, 2009	Three Months Ended Mar. 31, 2008
Rental revenue contractually due from tenants	$ 50,735	$ 36,512
Straight-line rent recognition	883	318
Below-market lease amortization	2,145	1,185
Above-market lease amortization	(771)	(753)
	$ 52,992	**$ 37,262**

15) INTEREST

	Three Months Ended Mar. 31, 2009	Three Months Ended Mar. 31, 2008
Floating rate mortgages	$ 8,152	$ 5,575
Floating rate term, revolving and demand facilities	2,060	862
Convertible debentures	518	63
Interest expense	**10,730**	**6,500**
Amortization of fair value debt adjustment	786	866
Interest paid on discontinued operations	-	89
Change in accrued interest	(643)	(220)
Amortization of hedges	(207)	-
Amortization of deferred financing charges	(480)	(154)
Interest paid	**$ 10,186**	**$ 7,081**

16) FUTURE INCOME TAXES

On September 22, 2007, tax legislation Bill C-52, the Budget Implementation Act, 2007 (the "Act") was passed into law. The Act related to the federal income taxation of publicly traded income trusts and partnerships. The Act subjects all existing income trusts, or specified investment flow-through entities ("SIFTs"), to corporate tax rates beginning in 2011, subject to an exemption for real estate investment trusts ("REITs"). 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 or be subject to the restrictions on its growth that would apply to SIFTs.

Crombie's management and their advisors have completed an extensive review of Crombie's organizational structure and operations to support Crombie's assertion that it meets the REIT technical tests contained in the Act. 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 future income tax liability of the wholly-owned corporate subsidiary which is subject to income taxes consists of the following:

	Mar. 31, 2009	Dec. 31, 2008
Tax liabilities relating to difference in tax and book value	$ 86,365	$ 86,060
Tax asset relating to non-capital loss carry-forward	(6,365)	(6,260)
Future income tax liability	**$ 80,000**	**$ 79,800**

The future income tax expense consists of the following:

	Three Months Ended Mar. 31, 2009	Three Months Ended Mar. 31, 2008
Provision for income taxes at the expected rate	$ 2,812	$ 1,960
Tax effect of income attribution to Crombie's unitholders	(2,612)	(1,560)
Income tax expense	**$ 200**	**$ 400**

17) CHANGE IN OTHER NON-CASH OPERATING ITEMS

	Three Months Ended Mar. 31, 2009	Three Months Ended Mar. 31, 2008
		Restated (Note 3)
Cash provided by (used in):		
Receivables	$ 777	$ 327
Prepaid expenses and other assets	2,633	1,106
Payables and other liabilities	(10,686)	(4,505)
	$ (7,276)	**$ (3,072)**

18) 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, in certain circumstances, the trustees and officers of Crombie.

Crombie has entered into a management cost sharing agreement with a subsidiary of Empire Company Limited. Details of this agreement are described in Note 19.

Crombie has land leases on certain properties. These leases have annual payments of $969 per year over the next five years. The land leases have terms of between 12 and 76 years remaining, including renewal options.

Crombie obtains letters of credit to support our obligations with respect to construction work on our commercial properties and defeasing commercial property debt. In connection with the defeasance of the discontinued operations commercial property debt, Crombie has issued a standby letter of credit in the amount of $1,715 in favour of the mortgage lender. In addition, Crombie has $145 in standby letters of credit for construction work that is being performed on its commercial properties. Crombie does not believe that any of these standby letters of credit are likely to be drawn upon.

19) RELATED PARTY TRANSACTIONS

As at March 31, 2009, Empire Company Limited, through its wholly-owned subsidiary ECL, holds a 47.9% indirect interest in Crombie. Crombie uses the exchange amount as the measurement basis for the related party transactions.

For a period of five years commencing March 23, 2006, certain executive management individuals and other employees of Crombie will provide general management, financial, leasing, administrative, and other administration support services to certain real estate subsidiaries of Empire Company Limited on a cost sharing basis. The costs assumed by Empire Company Limited pursuant to the agreement during the three months ended March 31, 2009 were $297 (three months ended March 31, 2008 - $455) and were netted against general and administrative expenses owing by Crombie to Empire Company Limited.

For a period of five years, commencing March 23, 2006, certain on-site maintenance and management employees of Crombie will provide property management services to certain real estate subsidiaries of Empire Company Limited on a cost sharing basis. In addition, for various periods, ECL has an obligation to provide rental income and interest rate subsidies. The costs assumed by Empire Company Limited pursuant to the agreement during the three months ended March 31, 2009 were $376 (three months ended March 31, 2008 - $689) and was netted against property expenses owing by Crombie to Empire Company Limited. The head lease subsidy during the three months ended March 31, 2009 was $250 (three months ended March 31, 2008 - $398).

Crombie also earned rental revenue of $14,560 for the three months ended March 31, 2009 (three months ended March 31, 2008 - $6,362) from Sobeys Inc., Empire Theatres and ASC Commercial Leasing Limited ("ASC"). These companies were all subsidiaries of Empire Company Limited until September 8, 2008 when ASC was sold. Property revenue from ASC is included in this note disclosure until the sale date.

Empire Company Limited has provided Crombie with a $13,800 floating rate demand credit facility on substantially the same terms and conditions that govern the floating rate revolving credit facility. During the first quarter of 2009, $10,000 outstanding at December 31, 2008 was repaid to the demand credit facility.

20) FINANCIAL INSTRUMENTS

a) Fair value of financial instruments

The fair value of a financial instrument is the estimated amount that Crombie would receive or pay to settle the financial assets and financial liabilities as at the reporting date.

Crombie has classified its financial instruments in the following categories:

i. Held for trading - Restricted cash and cash and cash equivalents

ii. Held to maturity investments – Assets related to discontinued operations

iii. Loans and receivables - Notes receivable and accounts receivable

iv. Other financial liabilities - Commercial property debt, liabilities related to discontinued operations, convertible debentures, tenant improvements and capital expenditures payable, property operating costs payable and interest payable

The book value of cash and cash equivalents, restricted cash, receivables, payables and accruals approximate fair values at the balance sheet date.

The fair value of other financial instruments is based upon discounted future cash flows using discount rates that reflect current market conditions for instruments with similar terms and risks. Such fair value estimates are not necessarily indicative of the amounts Crombie might pay or receive in actual market transactions.

The following table summarizes the carrying value (excluding deferred financing charges) and fair value of those financial instruments which have a fair value different from their book value at the balance sheet date.

	March 31, 2009		December 31, 2008	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Assets related to discontinued operations	$ 7,162	$ 7,497	$ 7,184	$ 7,477
Commercial property debt	$ 817,703	$ 822,864	$ 814,194	$ 812,488
Convertible debentures	$ 30,000	$ 26,400	$ 30,000	$ 25,950
Liabilities related to discontinued operations	$ 6,450	$ 6,617	$ 6,487	$ 6,599

The following summarizes the significant methods and assumptions used in estimating the fair values of the financial instruments reflected in the above table:

Assets related to discontinued operations: The fair value of the bonds and treasury bills are based on market trading prices at the reporting date.

Commercial property debt and liabilities related to discontinued operations: The fair value of Crombie's commercial property debt and liabilities related to discontinued operations is estimated based on the present value of future payments, discounted at the yield on a Government of Canada bond with the nearest maturity date to the underlying debt, plus an estimated credit spread at the reporting date.

Convertible debentures: The fair value of the convertible debentures is estimated based on the market trading prices, at the reporting date, of the convertible debentures.

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. An allowance for doubtful accounts is taken for all anticipated problem accounts (see Note 7).

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, 2009;

- Excluding Sobeys (which accounts for 33.1% of Crombie's minimum rent), no other tenant accounts for more than 2.2% of Crombie's minimum rent, and

- Over the next five years, no more than 9.1% of the gross leaseable area of Crombie will expire in any one year.

As outlined in Note 19, Crombie earned rental revenue of $14,560 for the three months ended March 31, 2009 (three months ended March 31, 2008 - $6,362) from subsidiaries of Empire Company Limited.

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, limiting the use of permanent floating rate debt and utilizing interest rate swap agreements. As at March 31, 2009:

- Crombie's weighted average term to maturity of the fixed rate mortgages was 6.1 years, and
- Crombie's exposure to floating rate debt, including the impact of the fixed rate swap agreements discussed below, was 24.8% of the total commercial property debt. Excluding the floating rate term facility, which is to be replaced with permanent fixed rate financing during the next seven months, the exposure to floating rate debt is 9.1%.

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. Recent turmoil in the financial markets has materially affected interest swap rates. This effect was especially pronounced during the fourth quarter of 2008 and the first quarter of 2009. The interest swap rates are based on Canadian bond yields, plus a premium, called the swap spread, which reflects the risk of trading with a private counterparty as opposed to the Canadian government. During the fourth quarter 2008, the swap spread turned negative and remained negative throughout the first quarter of 2009. The effect of the negative swap spreads, combined with the decline in the Canadian bond yields to levels not seen since the late 1940's, has resulted in a significant deterioration of the mark-to-market values for the interest rate swap agreements. At March 31, 2009, the mark-to-market exposure on the interest rate swap agreements was approximately $49,389. There is no immediate cash impact from the mark-to-market adjustment. The unfavourable difference in the mark-to-market amount of these interest rate swap agreements is reflected in other comprehensive income (loss) rather than net income as the swaps are all designated and effective hedges. The breakdown of the swaps in place as part of the interest rate management program, and their associated mark-to-market amounts are as follows:

- Crombie has entered into a fixed interest rate swap to fix the amount of interest to be paid on $50,000 of the revolving credit facility. The fair value of the fixed interest rate swap at March 31, 2009, had an unfavourable mark-to-market exposure of $4,231 (March 31, 2008 – unfavourable $1,222) compared to its face value. The change in this amount has been recognized in other comprehensive income (loss). The mark-to-market amount of fixed interest rate swaps reduce to $Nil upon maturity of the swaps.
- Crombie has entered into a number of delayed interest rate swap agreements of a notional amount of $100,334 (March 31, 2008 - $118,689) with settlement dates between February 1, 2010 and July 2, 2011, maturing between February 1, 2019 and July 2, 2021 to mitigate exposure to interest rate increases for mortgages maturing in 2010 and 2011. The fair value of these delayed interest rate swap agreements had an unfavourable mark-to-market exposure of $21,330 compared to the face value March 31, 2009 (March 31, 2008 – unfavourable $8,401). The change in these amounts has been recognized in other comprehensive income (loss).
- In relation to the acquisition of a portfolio of 61 retail properties from subsidiaries of Empire Company Limited, Crombie has entered into a number of delayed interest rate swap agreements of a notional amount of $138,000 (March 31, 2008 - $280,000) with a settlement date of August 1, 2009 to mitigate exposure to interest rate increases prior to replacing the floating rate term facility with long-term financing. The fair value of these agreements had an unfavourable mark-to-market exposure of $23,828 compared to their face value on March 31, 2009 (March 31, 2008 – $4,439). The change in these amounts has been recognized in other comprehensive income (loss).

During the three months ended March 31, 2009, Crombie settled an interest rate swap agreement related to a notional amount of $42,000 for a settlement amount of $4,535. This settlement amount has been recognized in other comprehensive income (loss) since the inception of the interest rate swap agreements. This loss will be reclassified to interest expense using the effective interest rate method.

Crombie estimates that $1,352 of other comprehensive income (loss) will be reclassified to interest expense during the remaining three quarters of 2009 based on interest rate swap agreements settled to March 31, 2009.

A fluctuation in interest rates would have an impact on Crombie's net earnings and other comprehensive income (loss) items. 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:

	Three months ended Mar. 31, 2009		Three months ended Mar. 31, 2008	
	0.5% increase	**0.5% decrease**	**0.5% increase**	**0.5% decrease**
Impact on net income of interest rate changes on the floating rate revolving credit facility	$ (270)	$ 270	$ (25)	$ 25

	Mar. 31, 2009		Mar. 31, 2008	
	0.5% increase	**0.5% decrease**	**0.5% increase**	**0.5% decrease**
Impact on net income of interest rate changes on the floating rate revolving credit facility	$ 10,024	$ (9,577)	$ 18,360	$ (19,166)

Crombie does not enter into these interest rate swap transactions on a speculative basis. Crombie is prohibited by its Declaration of Trust in purchasing, selling or trading in interest rate future contracts other than for hedging purposes.

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 the growth program and/or refinance the debt obligations as they mature.

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 improvement 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 debt on terms and conditions acceptable to Crombie or at any terms at all. These risks have heightened during the fourth quarter of 2008 and the first quarter of 2009 due to the turmoil in the financial markets. Crombie seeks to mitigate this risk by staggering the debt maturity dates (see Note 8). There is also a risk that the equity capital markets may not be receptive to an equity issue from Crombie with financial terms acceptable to Crombie. As discussed in Note 22, Crombie mitigates its exposure to liquidity risk utilizing a conservative approach to capital management.

Access to the revolving credit facility is also limited to the amount utilized under the facility, plus any negative mark-to-market position on the interest rate swap agreements, not exceeding the security provided by Crombie. The mark-to-market adjustment on the interest rate swap agreements reached an out-of-the-money position of approximately $49,389 at March 31, 2009. The deterioration in the mark-to-market position had the impact of reducing Crombie's available credit in the revolving credit facility.

Crombie has secured a $13,800 floating rate demand credit facility with Empire Company Limited under essentially the same terms and conditions that govern the revolving credit facility. This demand facility has been put in place to ensure Crombie maintains adequate liquidity in order to fund its daily operating activities while the volatility in the financial markets continues, while also mitigating the risk of Crombie not being in compliance with covenants under the revolving credit facility.

Crombie has no mortgages maturing in fiscal 2009. In regard to the floating rate term facility that expires in October 2009, Crombie has successfully refinanced approximately half of the facility at March 31, 2009, and continues to have positive discussions with a number of lenders to refinance the remaining balance. While management can provide no assurances of refinancing, and while the current credit market remains very challenging, management remains confident it will refinance the remaining floating rate term facility with suitable long-term financing prior to its maturity or be able to extend the maturity date.

21) ASSET HELD FOR SALE AND DISCONTINUED OPERATIONS

(a) During the second quarter of 2008, Crombie and a potential purchaser signed a purchase and sale agreement for a commercial property. The purchase and sale agreement closed on October 24, 2008.

(b) During the fourth quarter of 2008, Crombie defeased the mortgage associated with the discontinued operations. The transaction did not qualify for defeasance accounting, therefore the defeased loan and related asset have not been removed from the balance sheet. The defeased loan is payable in monthly payments of $42 and bears interest at 5.46%, was originally amortized over 25 years and is due April 1, 2014. Crombie purchased Government of Canada bonds and treasury bills and Canada mortgage bonds and pledged them as security to the mortgage company. The bonds mature between January 22, 2009 and September 15, 2013, have a weighted average interest rate of 3.56% and have been placed in escrow. The assets and liabilities related to discontinued operations are measured at amortized cost using the effective interest rate method, until April 1, 2014 at which time the debt will be extinguished.

The following tables set forth the balance sheets associated with the income property classified as held for sale as at March 31, 2009 and December 31, 2008 and the statements of income for the property held for sale for the three months ended March 31, 2009 and March 31, 2008.

Balance Sheets

	March 31, 2009	December 31, 2008
Assets		
Assets related to discontinued operations	$ 7,162	$ 7,184
	7,162	7,184
Liabilities		
Accounts payable and accrued liabilities	-	30
Liabilities related to discontinued operations	6,450	6,487
	6,450	6,517
Net investment in property held for sale	**$ 712**	**$ 667**

Statements of Income

	Three Months Ended March 31, 2009	Three Months Ended March 31, 2008
Property revenue		
Rental revenue contractually due from tenants	$ -	$ 808
Below-market lease amortization	-	5
Above-market lease amortization	-	(17)
	-	796
Expenses		
Property expenses	-	366
Interest	-	89
Depreciation of commercial properties	-	35
Amortization of tenant improvements/lease costs	-	14
Amortization of intangible assets	-	29
	-	533
Income from discontinued operations	**$ -**	**$ 263**

22) CAPITAL MANAGEMENT

Crombie's objective when managing capital on a long-term basis is to maintain overall indebtedness in the range of 50% to 55% of gross book value (as defined in the credit facility agreement), utilize staggered debt maturities, minimize long-term exposure to floating rate debt and maintain conservative payout ratios. Crombie's capital structure consists of the following:

	March 31, 2009	December 31, 2008 Restated (Note 3)
Commercial property debt	$ 812,342	$ 808,971
Convertible debentures	29,029	28,968
Non-controlling interest	197,115	199,163
Unitholders' equity	213,351	215,558
	$ 1,251,837	$ 1,252,660

At a minimum, Crombie's capital structure is managed to ensure that it complies with the restrictions 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 the individual property; and

- A restriction that Crombie shall not incur indebtedness of more than 60% of gross book value (65% including any convertible debentures)

Crombie's debt to gross book ratio as defined in Crombie's Declaration of Trust is as follows:

	March 31, 2009	December 31, 2008 Restated (Note 3)
Mortgages payable	$ 565,980	$ 531,970
Convertible debentures	30,000	30,000
Term facility	140,323	178,824
Revolving credit facility	111,400	93,400
Demand credit facility	-	10,000
Total debt outstanding	847,703	844,194
Less: Applicable fair value debt adjustment	(10,032)	(10,818)
Debt	$ 837,671	$ 833,376
Total assets	$ 1,466,045	$ 1,483,219
Add:		
Deferred financing charges	6,332	6,255
Accumulated depreciation of commercial properties	51,796	45,865
Accumulated amortization of intangible assets	60,836	53,505
Less:		
Assets held related to discontinued operations	(7,162)	(7,184)
Interest rate subsidy	(10,032)	(10,818)
Fair value adjustment to future taxes	(39,245)	(39,245)
Gross book value	$ 1,528,570	$ 1,531,597
Debt to gross book value	54.8%	54.4%

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 fair market value over first mortgage financing of assets subject to a second security position or a negative pledge. The terms of the revolving credit facility also require that Crombie must maintain certain covenants:

- annualized net operating income for the prescribed properties must be a minimum of 1.4 times the coverage of the related annualized debt service requirements;
- annualized net operating income on all properties must be a minimum of 1.4 times the coverage of all annualized debt service requirements;
- access to the revolving credit facility is limited by the amount utilized under the facility, and any negative mark-to-market position on the interest rate swap agreements, not to exceed the security provided by Crombie; 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 of Crombie that ECL must maintain a minimum 40% voting interest in Crombie. If ECL reduces its voting interest below this level, Crombie will be required to renegotiate the revolving credit facility or obtain alternative financing. Pursuant to an exchange agreement and while such covenant remains in place, ECL will be required to give Crombie at least six months' prior written notice of its intention to reduce its voting interest below 40%.

As at March 31, 2009, Crombie is in compliance with all externally imposed capital requirements and all covenants relating to its debt facilities.

23) SUBSEQUENT EVENT

On April 22, 2009, Crombie declared distributions of 7.417 cents per unit for the period from April 1, 2009 to, and including, April 30, 2009. The distribution will be payable on May 15, 2009 to Unitholders of record as at April 30, 2009.

24) SEGMENT DISCLOSURE

Crombie owns and operates primarily retail 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 in accordance with GAAP.

25) COMPARATIVE FIGURES

Comparative figures have been reclassified, where necessary, to reflect the current period's presentation.

Corporate and Unitholder Information

BOARD OF TRUSTEES
J. Stuart Blair
Trustee, President and Chief Executive Officer
Frank C. Sobey
Trustee and Chairman
Paul D. Sobey
Trustee
David G. Graham
Independent Trustee
David J. Hennigar
Independent Trustee and Lead Trustee
John E. Latimer
Independent Trustee
John Eby
Independent Trustee
Elisabeth Stroback
Independent Trustee
David Leslie
Independent Trustee
Paul Beesley
Trustee
Kent R. Sobey
Independent Trustee
Brian A. Johnson
Independent Trustee

OFFICERS
J. Stuart Blair
President and Chief Executive Officer
Scott M. Ball
Vice President, Chief Financial Officer and Secretary
Scott R. MacLean
Vice President Operations Atlantic
Patrick G. Martin
Vice President Leasing Atlantic

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Fax: (902) 755-6477
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INVESTOR RELATIONS AND INQUIRIES

Unitholders, analysts, and investors should direct their financial inquiries or requests to:
Scott M. Ball, CA
Vice President, 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, CIBC Mellon Trust Company.

STOCK EXCHANGE LISTING
Toronto Stock Exchange

UNIT SYMBOL
REIT Trust Units - CRR.UN

DISTRIBUTION RECORD AND PAYMENT DATES FOR FISCAL 2009

Record Date	Payment Date
Jan. 31, 2009	Feb. 16, 2009
Feb. 28, 2009	Mar. 16, 2009
Mar. 31, 2009	Apr. 15. 2009
Apr. 30, 2009	May 15, 2009

TRANSFER AGENT

CIBC Mellon Trust Company
Investor Correspondence
P.O. Box 7010
Adelaide Street Postal Station
Toronto, Ontario, M5C 2W9
Telephone: (800) 387-0825
Email: enquires@cibcmellon.com

COUNSEL
Stewart McKelvey
Halifax, Nova Scotia

AUDITORS
Grant Thornton, LLP
New Glasgow, Nova Scotia

MULTIPLE MAILINGS

If you have more than one account, you may receive a separate mailing for each. If this occurs, please contact CIBC Mellon Trust Company at (800) 387-0825 to eliminate the multiple mailings.

Crombie REIT's Portfolio

Province	Retail – Plaza	Retail – Enclosed	Retail – Freestanding	Mixed-Use	Office
New Brunswick	7	2	8	2	1
Newfoundland and Labrador	4	3	6	–	–
Nova Scotia	12	7	12	6	4
Ontario	16	1	5	–	–
Prince Edward Island	–	1	2	–	–
Quebec	4	–	9	–	–
Saskatchewan	1	–	–	–	–
Total Properties	44	14	42	8	5