PLAZA RETAIL REIT

QUARTERLY REPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED IN CANADIAN DOLLARS)

FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014

DATED: MAY 7, 2015

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PART I

BASIS OF PRESENTATION

Financial information included in this Management's Discussion and Analysis ("MD&A") includes material information up to May 7, 2015. Financial information provided has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

This MD&A has been reviewed and approved by management of Plaza Retail REIT (hereinafter referred to as "Plaza" or the "Trust") and the Audit Committee on behalf of the Board of Trustees.

FORWARD-LOOKING DISCLAIMER

The MD&A of the Trust for the three months ended March 31, 2015 should be read in conjunction with the Trust's Condensed Interim Consolidated Financial Statements and the notes thereto for the three months ended March 31, 2015 and 2014, along with the MD&A of the Trust for the year ended December 31, 2014, including the section on "Risks and Uncertainties". Historical results, including trends which might appear, should not be taken as indicative of future operations or results.

Certain information contained in this MD&A contains forward-looking statements, based on the Trust's estimates and assumptions, which are subject to risks and uncertainties. This may cause the actual results and performance of the Trust to differ materially from the forward-looking statements contained in this MD&A. Such factors include, but are not limited to, economic, capital market, and competitive real estate conditions. These forward-looking statements are made as of May 7, 2015 and Plaza assumes no obligation to update or revise them to reflect new events or circumstances, except for forward-looking information disclosed in a prior MD&A which, in light of intervening events, required further explanation to avoid being misleading.

OVERVIEW OF THE BUSINESS

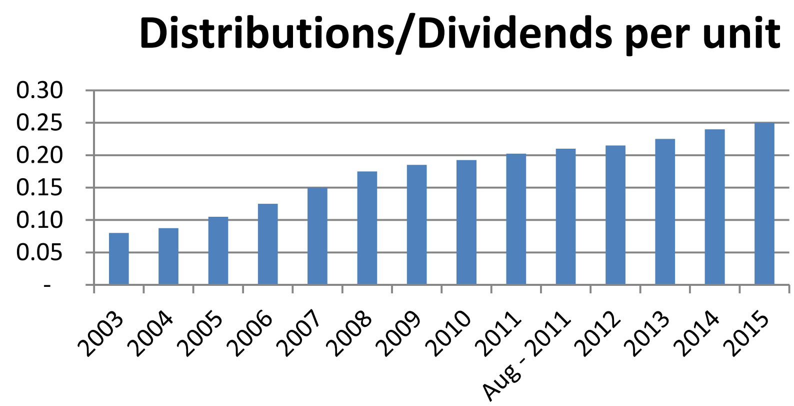
Headquartered in Fredericton, New Brunswick, Plaza is an unincorporated "open-ended" real estate investment trust established pursuant to its declaration of trust dated as of November 1, 2013 (the "Declaration of Trust") and governed by the laws of the Province of Ontario. It trades on the TSX under the symbol "PLZ.UN".

Plaza is a developer, owner and manager of retail real estate. Plaza offers a unique business strategy that differs from many of its peers in the real estate industry. Plaza's main business is driven by value-add opportunities to develop and redevelop, for its own account, unenclosed and enclosed retail real estate throughout Canada. The Trust's developments and redevelopments are generally focused in Eastern Canada, where it has a competitive advantage. Plaza also finances differently than many of its peers, by minimizing the amount of short-term debt that it obtains, therefore locking in returns for unitholders and minimizing financing risk. Plaza is focused on cash flow per unit and conducts its business in order to maximize this and, accordingly, distributions for unitholders.

Plaza's growth is driven by value-add developments and redevelopments as well as organic growth from the existing portfolio as leases roll-over. Plaza's unique business strategy and focus on cash flow per unit has allowed it to increase its distribution every year since it began paying distributions in November 2002 (thirteen times over the past twelve years). Plaza is one of only two REITs in Canada to have increased its distribution every year for such a period of time. Plaza's distribution compounded annual growth rate is approximately 10%.

Yearly Distribution/Dividend Growth

2003	8.00¢	n/a
2004	8.75¢	9.4%
2005	10.50¢	20.0%
2006	12.50¢	19.0%
2007	15.00¢	20.0%
2008	17.50¢	16.7%
2009	18.50¢	5.7%
2010	19.25¢	4.1%
2011	20.25¢	5.2%
2011-Aug	21.00¢	3.7%
2012	21.50¢	2.4%
2013	22.50¢	4.7%
2014	24.00¢	6.7%
2015	25.00¢	4.2%



The Trust's portfolio at March 31, 2015 includes interests in 306 properties totaling approximately 6.7 million square feet (which are predominantly occupied by national tenants) and additional lands held for development. These include properties indirectly held by Plaza through its subsidiaries and through joint arrangements.

Summary of Properties

	Number of Properties March 31, 2015[(1)]	**Gross Leasable Area (sq. ft.) March 31, 2015[(1) (2)]**	Number of Properties March 31, 2014[(1)]	Gross Leasable Area (sq. ft.) March 31, 2014[(1) (2)]
Alberta	**11**	**50,829**	12	53,426
British Columbia	**-**	**-**	2	3,038
Newfoundland and Labrador	**10**	**641,403**	10	633,395
New Brunswick	**49**	**1,723,664**	48	1,700,609
Nova Scotia	**37**	**1,167,068**	38	1,154,280
Manitoba	**8**	**34,524**	8	34,524
Ontario	**84**	**720,100**	104	757,011
Prince Edward Island	**10**	**508,966**	9	493,053
Quebec	**97**	**1,835,613**	101	1,755,756
Total	**306**	**6,682,167**	332	6,585,092

(1) Includes properties under development and non-consolidated investments.
(2) At 100%, regardless of the Trust's ownership interest in the properties

BUSINESS ENVIRONMENT AND OUTLOOK

Plaza's entrepreneurial culture and adaptability, combined with its strong fully internalized platform has allowed, and will continue to allow, Plaza to grow and take advantage of opportunities in the market place. Plaza has always had a focused strategy of growing the business through value-add developments and redevelopments and opportunistic acquisitions. Its properties are primarily leased to national retailers, with a focus on retailers in the consumer staples market segment – a segment that tends to withstand broader economic conditions or other retail trends such as online sales. Plaza's execution of this strategy and its leasing efforts over the years have produced a portfolio that is dominated by national retailers, providing investors with a stable and growing cash flow. Barring unforeseen events, management believes it can continue to deliver growth and a solid performance in 2015.

Despite negative press surrounding various tenant bankruptcies in Canada, Plaza continues to sign deals with quality growth-oriented retailers across its geography. Obviously the Target withdrawal from Canada has dominated the news. What management is observing is that some retailers are being distracted by possible opportunities to take certain Target locations, which is slowing leasing velocity somewhat for mid-sized and big users. That being said, Plaza has signed a number of mid-sized deals both before and after the Target announcement. The Target store closings will not impact Plaza in any material way as Plaza only owns a 10% interest in a very well located strip centre with a Target store in Moncton, New Brunswick. Management has re-leased this space to a National retailer, subject to court approval. In terms of the Future Shop/Best Buy closings/re-branding announcement, Plaza only has two Future Shops and one Best Buy in its portfolio, representing only 1.8% of the portfolio. Only the two Future Shops have permanently closed (representing 1.0% of the portfolio). However, both Future Shops are in relatively newly built, well located centres, with interest already being expressed by national retailers for the spaces. As well, both leases have significant term left to them and therefore Plaza will continue to receive rent in the meantime. In general, Plaza does not believe that the recent tenant bankruptcies or restructuring of particular tenants will create great over-supply of space in the long term in Canada or in Plaza's geography – and in fact it may create some opportunities for Plaza in the short term. The principal regions in which Plaza operates continue to exhibit stability in retailer demand for space and in consumer spending.

With the unexpected Bank of Canada rate cut earlier this year, interest rates remain low and are expected to continue to be low for the balance of 2015. Long-term debt financing continues to be readily available from lenders, not only at historically competitive fixed rates, but with long amortization periods and long terms as well. Plaza believes that this will continue to be the case for the balance of 2015. In 2014 Plaza took advantage of the debt markets and low interest rates to early refinance many of its 2015, 2016 and 2017 mortgages, which continue to have a positive impact on Plaza's cash flows.

Although the equity markets for Plaza, and for real estate entities in general, has strengthened over the last several months, Plaza may engage in some minor capital recycling in 2015 in order to take advantage of the continued strong buying market for real estate assets. As a result, it will look to sell assets that may have become non-core to the portfolio and reinvest the sale proceeds in new, higher yielding projects.

Plaza's development pipeline is robust and will continue to drive growth going forward. Plaza currently owns an interest in the following projects under development or redevelopment which, upon completion, are expected to be accretive to Plaza's earnings. The following properties are under construction, active development or active planning and are anticipated to be completed at various points over the next three years as follows:

Properties under development/redevelopment	Property Type	Status	Square Footage(1)	Ownership	Occupied or Committed at March 31, 2015	Completed
90 Blvd. Tache Ouest, Montmagny, QC	Strip Plaza	In Planning	6,000	50%	n/a	2016
Plaza de L'Ouest, Sherbrooke, QC – Phase III	Strip Plaza	In Planning	40,000	50%	n/a	2-3 years
Fairville Boulevard – Phase III, Saint John, NB	Strip Plaza	In Planning	24,000	100%	n/a	1-2 years
Oromocto Mall, Oromocto, NB(2)(4)	Strip Plaza	In Construction	76,150	100%	100%	Q2 2015
Grand Falls Shopping, Centre, Grand Falls, NB(2)(4)	Strip Plaza	In Construction	105,647	100%	83%	Q3 2015
St. Jerome, St. Jerome (Montreal), QC - Phase I(3)	Strip Plaza	In Construction	26,083	20%	91%	Q2 2015
St. Jerome, St. Jerome (Montreal), QC -Phase II(3)	Strip Plaza	In Construction	41,983	20%	85%	Q4 2015
St. Jerome, St. Jerome (Montreal), QC -Phase III(3)	Strip Plaza	In Planning	120,000	20%	n/a	2-3 years
Lansdowne Place Phase II, Saint John, NB	Strip Plaza	In Planning	60,000	100%	n/a	2016
Plaza Chemin Chambly, Longueuil (Montréal), QC(4)	Strip Plaza	In Construction	37,099	100%	100%	Q3 2015
Starrs Rd., Yarmouth, NS(4)	Strip Plaza	In Construction	49,189	100%	100%	Q3 2015
960 Cole Harbour Rd, Dartmouth (Halifax), NS(4)	Single Use	In Planning	4,000	100%	n/a	Q4 2015
9 James St., Antigonish, NS(4)	Single Use	In Planning	3,000	100%	n/a	Q1 2016
Lakeshore Blvd., Toronto, ON(4)	Single Use	In Construction	1,878	100%	100%	Q3 2015
280 Main St, Fredericton, NB	Strip Plaza	In Construction	35,000	100%	n/a	Q4 2015
Beauport, Beauport, QC(4)	Single Use	In Development	2,600	100%	100%	Q4 2015
St. Charles, Kirkland, QC(4)	Single Use	In Planning	2,554	100%	n/a	Q4 2015
Buchanan II, Charlottetown, PE	Strip Plaza	In Construction	63,601	100%	35%	Q4 2015
37th Street SW, Calgary, AB(4)	Single Use	In Development	2,161	100%	100%	Q4 2015
274 North Front St., Belleville, ON(4)	Single Use	In Construction	2,100	100%	100%	Q4 2015
Total			703,045			

(1) Approximate square footage.
(2) This is an existing mall that is being de-malled.
(3) This is owned in a limited partnership that is part of the Trust's non-consolidated trusts and partnerships.
(4) This is an existing property being redeveloped.

There is excess density and expansions at existing properties that the Trust plans to develop in the short term which would represent approximately 44 thousand additional square feet at completion. The Trust is currently developing approximately 6 thousand square feet of the 44 thousand additional square feet.

At March 31, 2015, there were two conditional land assemblies under purchase agreement and are subject to due diligence or other conditions. These land assemblies will represent 180 thousand additional square feet of retail space at completion (at the Trust's proposed ownership percentage). As well, during the quarter, conditions were waived on a land assembly representing approximately 25 thousand square feet of retail space. Subsequent to quarter end, that land was purchased.

At the date of this MD&A, there were two properties for redevelopment which are under purchase agreement and are subject to due diligence or other conditions. These properties will represent approximately 150 thousand additional square feet of retail space after redevelopment (at the Trust's ownership percentage).

The total estimated costs for the developments and redevelopments (noted in the chart above), the excess density being developed and the firm land assembly are between $50.0 million and $60.0 million, of which approximately $15.0 million was spent in 2014 and approximately $12.0 million has been spent to-date in 2015 (at the Trust's ownership percentage).

SIGNIFICANT EVENTS DURING 2015

Roll-Ins

Effective January 1, 2015, Plaza closed the purchase of interests of certain equity partners in eight properties located in New Brunswick and Prince Edward Island. The net purchase price (after assumption of debt) of $6.1 million was satisfied by the issuance of 1,319,000 Class B exchangeable limited partnership ("LP") units of a subsidiary LP at a price of $4.60 per unit, which are exchangeable at any time into units of Plaza on a one-for-one basis. Plaza owned interests in each of the eight properties of between 43% and 85%, and now owns between 86% and 100% of each. Based on the purchase price and the unit price used to issue the exchangeable units, this transaction is accretive to Plaza.

SUMMARY OF SELECTED YEAR TO DATE INFORMATION

(000s, except square footage and as otherwise noted)	3 Months Ended March 31, 2015 (unaudited)	3 Months Ended March 31, 2014 (unaudited)
Property rental revenue	**$ 23,902**	$ 23,318
Total revenue	**$ 27,458**	$ 24,169
NOI[1]	**$ 14,878**	$ 14,440
Same-asset NOI[1]	**$ 13,791**	$ 13,366
FFO[1]	**$ 7,489**	$ 5,499
AFFO[1]	**$ 7,385**	$ 5,776
EBITDA[1]	**$ 13,977**	$ 13,019
Total assets	**$ 978,129**	$ 954,973
Total mortgages, mortgage bonds, notes payable, bank credit facilities and bridge facilities	**$ 465,034**	$ 459,487
Total debentures	**$ 65,582**	$ 65,741
Weighted average units outstanding [2]	**93,916**	89,281
Amounts on a Per Unit Basis		
FFO[1]	**$ 0.080**	$ 0.062
AFFO[1]	**$ 0.079**	$ 0.065
Distributions	**$ 0.0625**	$ 0.060
Financial Ratios		
Weighted average interest rate – fixed rate mortgages	**4.75%**	5.33%
Debt to gross assets (excluding converts)	**47.7%**	48.0%
Debt to gross assets (including converts)	**53.9%**	54.3%
Interest coverage ratio[1]	**2.11x**	1.76x
Debt service coverage ratio[1]	**1.59x**	1.33x
Distributions as a % of FFO	**78.4%**	97.0%
Distributions as a % of AFFO	**79.5%**	92.4%
Leasing Information		
Square footage leased during the period (total portfolio)	**217,143**	278,000
Committed occupancy – income producing properties	**95.6%**	95.7%
Same-asset occupancy	**96.0%**	95.5%
Mix of Tenancy Based on Square Footage		
National	**90.4%**	90.1%
Regional	**4.1%**	4.5%
Local	**4.2%**	4.1%
Non retail	**1.3%**	1.3%
Other		
Average term to maturity - mortgages	**6.4 years**	5.5 years
Average term to maturity - leases	**6.6 years**	6.8 years
IFRS capitalization rate	**7.06%**	7.07%

Property Type Breakdown	**Number of Properties March 31, 2015**	**Square Footage (000s)**	Number of Properties March 31, 2014	Square Footage (000s)
Strip	**95**	**4,368**	89	4,030
Enclosed	**4**	**897**	6	1,110
Single Use – Quick Service Restaurant	**144**	**365**	172	389
Single Use – Retail	**63**	**1,052**	65	1,056
Total	**306**	**6,682**	332	6,585

(1) Refer to “Non-GAAP Measures” and “Additional GAAP Measures” for further explanations.
(2) Includes Class B exchangeable units.

EXPLANATION OF NON-GAAP MEASURES USED IN THIS DOCUMENT

Funds From Operations (FFO) is not an IFRS financial measure. FFO is an industry term and its calculation is prescribed in publications of the Real Property Association of Canada (REALpac). FFO as calculated by Plaza may not be comparable to similar titled measures reported by other entities. FFO is an industry standard widely used for measuring operating performance and is exclusive of unrealized changes in the fair value of investment properties, deferred income taxes and gains or losses on property dispositions (see reconciliation to profit for the period attributable to unitholders on page 11). Plaza considers FFO a meaningful additional measure as it adjusts for certain non-cash items that do not necessarily provide an appropriate picture of a Trust's recurring performance. It more reliably shows the impact on operations of trends in occupancy levels, rental rates, net property operating income and interest costs compared to profit determined in accordance with IFRS. As well, FFO allows some comparability amongst different real estate entities that have adopted different accounting with respect to investment properties (some entities use the cost model and some entities use the fair value model to account for investment properties).

FFO per unit is not an IFRS financial measure. Plaza calculates FFO per unit as FFO divided by the weighted average number of units outstanding.

Adjusted Funds From Operations (AFFO) is an industry term used to help evaluate dividend or distribution capacity. AFFO as calculated by Plaza may not be comparable to similar titled measures reported by other entities. AFFO primarily adjusts FFO for other non-cash revenues and expenses and operating capital and leasing requirements that must be made merely to preserve the existing rental stream (see reconciliation to FFO on page 13). Most of these expenditures would normally be considered investing activities in the statement of cash flows. Capital expenditures which generate a new investment or revenue stream, such as the development of a new property or the construction of a new retail pad during property expansion or intensification would not be included in determining AFFO. AFFO excludes the impact of working capital changes as they are viewed as short term cash requirements or surpluses and are deemed financing activities. AFFO also excludes salaries and other costs related to development activities that should otherwise form part of the costs of its development projects and that management views as capital in nature and, therefore, not indicative of regular income producing activities. In addition, non-recurring costs that impact operating cash flow may be adjusted (see reconciliation to operating cash flow on page 14).

AFFO per unit is not an IFRS financial measure. Plaza calculates AFFO per unit as AFFO divided by the weighted average number of units outstanding.

Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) is not an IFRS financial measure. EBITDA, as calculated by Plaza, may not be comparable to similarly titled measures reported by other entities. EBITDA is used in calculations that measure the Trust's ability to service debt. Its calculation is profit before finance costs, income tax expense, gains/losses on property dispositions, unrealized changes from fair value adjustments, transaction costs expensed as a result of the purchase of a business or properties, and net revaluation of interest rate swaps (see reconciliation to profit for the period on page 12).

FFO, AFFO and EBITDA are not defined by IFRS, and therefore should not be considered as alternatives to profit or net income calculated in accordance with IFRS.

EXPLANATION OF ADDITIONAL GAAP MEASURES USED IN THIS DOCUMENT

Net Property Operating Income (NOI) is an industry term in widespread use. The Trust includes NOI as an additional IFRS measure in its consolidated statement of comprehensive income. NOI as calculated by Plaza may not be comparable to similar titled measures reported by other entities. Plaza considers NOI a meaningful additional measure of operating performance of property assets, prior to financing considerations. Its calculation is total revenues less total operating expenses as shown in the consolidated statements of comprehensive income (property revenues less total property operating costs, including operating ground rents).

PART II

STRATEGY

Plaza's principal goal is to deliver a reliable and growing yield to unitholders from a diversified portfolio of retail properties. To achieve this goal the Trust's Board of Trustees has set development criteria of a minimum cash yield (unlevered yield) equal to 100 basis points above the mortgage constant for a 10 year mortgage at prevailing rates and assuming a 25 year amortization period.

The Trust strives to:

- maintain access to cost effective sources of debt and equity capital to finance acquisitions and new developments;
- acquire or develop properties at a cost that is consistent with the Trust's targeted returns on investment;
- maintain high occupancy rates on existing properties while sourcing tenants for properties under development and future acquisitions; and
- diligently manage its properties to ensure tenants are able to focus on their businesses.

The Trust invests in the following property types:

- new properties developed on behalf of existing clients or in response to demand;
- well located but significantly amortized shopping malls and strip plazas to be redeveloped; and
- existing properties that will provide stable recurring cash flows with opportunity for growth.

Management intends to achieve Plaza's goals by:

- acquiring or developing high quality properties with the potential for increases in future cash flows;
- focusing on property leasing, operations and delivering superior services to tenants;
- managing properties to maintain high occupancies and staggering lease maturities appropriately;
- increasing rental rates when market conditions permit;
- achieving appropriate pre-leasing prior to commencing construction;
- managing debt to obtain both a low cost of debt and a staggered debt maturity profile;
- matching, as closely as practical, the weighted average term to maturity of mortgages to the weighted average lease term;
- retaining sufficient capital to fund capital expenditures required to maintain the properties well;
- raising capital where required in the most cost-effective manner;
- properly integrating new properties acquired;
- using internal expertise to ensure that value is surfaced from all of the properties; and
- periodically reviewing the portfolio to determine if opportunities exist to re-deploy equity from slow growth properties into higher growth investments.

KEY PERFORMANCE DRIVERS AND INDICATORS

There are numerous performance drivers, many beyond management's control, that affect Plaza's ability to achieve its above-stated goals. These key drivers can be divided into internal and external factors.

Management believes that the key internal performance drivers are:

- occupancy rates;
- rental rates;
- tenant service; and
- maintaining competitive operating costs.

Management believes that the key external performance drivers are:

- the availability of new properties for acquisition and development;
- the availability and cost of equity and debt capital; and
- a stable retail market.

The key performance indicators by which management measures Plaza's performance are as follows:

- FFO;
- AFFO;
- FFO/AFFO payout ratios;
- debt service ratios;
- debt to gross assets;
- "same-asset" NOI;
- weighted average effective cost of debt; and
- occupancy levels.

The key performance indicators discussed throughout the MD&A are summarized in the table that follows. Management believes that its key performance indicators allow it to track progress towards the achievement of Plaza's primary goal of providing a steady and increasing cash flow to unitholders. The following chart discusses the key performance indicators for the three months ended March 31, 2015 compared to the three months ended March 31, 2014.

Funds from Operations[(1)]

(unaudited)	YTD Q1 2015	YTD Q1 2014
FFO	**$7,489**	$5,499
FFO per unit	**$0.080**	$0.062

The principal factors influencing FFO were:
- An increase in same-asset NOI of approximately $425 thousand;
- An increase in other income of $160 thousand;
- A decrease in administrative expenses of $453 thousand mainly due to one-time costs incurred for the REIT conversion in the prior year;
- A decrease in finance costs of $758 thousand mainly due to a reduction in interest paid and amortization of deferred financing charges on the KEYreit bridge facility as it was repaid in May 2014; and
- A decrease in current income tax expense of $160 thousand, mainly due to one-time taxes paid in the prior year for the REIT conversion.

Adjusted Funds from Operations[(1)]

(unaudited)	YTD Q1 2015	YTD Q1 2014
AFFO	**$7,385**	$5,776
AFFO per unit	**$0.079**	$0.065

- The principal factor influencing AFFO was the incremental FFO growth.

FFO/AFFO Payout Ratios

(unaudited)	YTD Q1 2015	YTD Q1 2014
Distributions as a % of FFO	**78.4%**	97.0%
Distributions as a % of AFFO	**79.5%**	92.4%

- The current quarter payout ratios are more in line with management's expectations and more representative of Plaza's normal operations. The prior year payout ratios were impacted by one-time costs and taxes paid for Plaza's conversion to a REIT structure, a property tax settlement which negatively impacted NOI and higher finance costs

Debt Service Ratios[(1)]

(unaudited)	YTD Q1 2015	YTD Q1 2014
Interest coverage ratio	**2.11x**	1.76x
Debt service coverage ratio	**1.59x**	1.33x

- Debt service ratios were impacted by lower finance costs, higher NOI and a reduction in administrative costs incurred.

Debt to Gross Assets

(unaudited)	Q1 2015	Q1 2014
Debt to gross assets (excluding converts)	**47.7%**	48.0%
Debt to gross assets (including converts)	**53.9%**	54.3%

- Debt to gross assets ratios are within Plaza's general leverage philosophy of 50% excluding converts and 55% including converts.

Same-Asset Net Property Operating Income[(1)]

(unaudited)	YTD Q1 2015	YTD Q1 2014
Same-asset NOI	**$13,791**	$13,366

- Same-asset NOI was impacted by an improvement in occupancy and a decrease in non-recoverable costs, mainly from a property tax settlement in the prior year.

Weighted Average Interest Rate – Fixed Rate Mortgages

(unaudited)	Q1 2015	Q1 2014
Weighted average interest rate – fixed rate mortgages	**4.75%**	5.33%

- The decrease was a result of continued financings and refinancings at historically low interest rates.

Occupancy Levels

(unaudited)	YTD Q1 2015	YTD Q1 2014
Committed occupancy	**95.6%**	95.7%
Same-asset occupancy	**96.0%**	95.5%

(1) Refer to Non-GAAP Measures" and "Additional GAAP Measures" for further explanations.

PROPERTY AND CORPORATE PERFORMANCE 2015 AND 2014

Funds from Operations (FFO)

Plaza's summary of FFO for the three months ended March 31, 2015, compared to the three months ended March 31, 2014 is presented below:

(000s – except per unit amounts)	3 Months Ended March 31, 2015 (unaudited)	3 Months Ended March 31, 2014 (unaudited)
Profit for the period attributable to unitholders	**$ 16,103**	$ 65,377
Add (deduct):		
Incremental leasing costs included in administrative expenses	**249**	243
Distributions on Class B exchangeable units included in finance costs	**82**	-
Deferred income taxes	**326**	(59,699)
Fair value adjustment to restricted share units	**12**	(8)
Fair value adjustment to investment properties	**(7,330)**	(1,353)
Fair value adjustment to investments	**(2,595)**	91
Fair value adjustment to Class B exchangeable units	**396**	-
Fair value adjustment to convertible debentures	**68**	772
Equity accounting adjustment	**115**	79
Non-controlling interest adjustment	**63**	(3)
Basic and diluted FFO	**$ 7,489**	$ 5,499
Basic Weighted Average Units Outstanding [1]	**93,916**	89,281
Diluted Weighted Average Units Outstanding	**93,916**	89,281
Basic and diluted FFO per unit	**$ 0.080**	$ 0.062

(1) Includes Class B exchangeable units.

Basic FFO for the three months ended March 31, 2015 increased by 36.2% over the prior year and basic FFO per unit for the three months ended March 31, 2015 increased by 29.0% over the prior year.

Positively impacting FFO was:

(i) an increase in same-asset NOI of $425 thousand;

(ii) an increase in other income of $160 thousand mainly due to an insurance recovery;

(iii) a decrease in administrative expenses (net of incremental leasing costs) of $453 thousand mainly due to one-time costs incurred in the prior year for Plaza's conversion to a REIT structure;

(iv) a decrease in finance costs (net of distributions on Class B exchangeable units) of $758 thousand due to a reduction in interest paid and amortization of deferred financing charges on the KEYreit bridge facility, which was repaid in May 2014, as well as interest rate savings from Plaza's significant refinancing program undertaken in 2014; and

(v) a decrease in current income tax expense of $160 thousand, mainly due to one-time taxes paid in the prior year for the conversion to a REIT structure.

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) and Debt Coverage Ratios

Plaza's summary of EBITDA and debt coverage ratios for the three months ended March 31, 2015, compared to the three months ended March 31, 2014 is presented below:

(000s – except debt coverage ratios)	3 Months Ended March 31, 2015 (unaudited)	3 Months Ended March 31, 2014 (unaudited)
Profit for the period	**$ 16,250**	$ 65,564
Add (deduct):		
Income taxes	**362**	(59,503)
Finance costs	**6,721**	7,397
Fair value adjustment to investment properties	**(7,330)**	(1,353)
Fair value adjustment to investments	**(2,595)**	91
Fair value adjustment to convertible debentures	**68**	772
Fair value adjustment to Class B exchangeable units	**396**	-
Fair value adjustment to restricted share units	**12**	(8)
Equity accounting adjustment	**93**	59
EBITDA	**$ 13,977**	$ 13,019
Finance costs [1]	**$ 6,639**	$ 7,397
Periodic mortgage principal repayments	**2,145**	2,414
Total debt service	**$ 8,784**	$ 9,811
Debt coverage ratios		
Interest coverage ratio	**2.11 times**	1.76 times
Debt service coverage ratio	**1.59 times**	1.33 times

(1) Excludes distributions on Class B exchangeable units recorded in finance costs.

For the three months ended March 31, 2015, the debt coverage ratios increased over the prior year reflecting lower finance costs and higher EBITDA resulting mainly from higher NOI and a reduction in administrative costs incurred. The debt service coverage and interest coverage ratios exceed the requirements under borrowing arrangements and overall leverage is at the Trust's targeted leverage.

Adjusted Funds from Operations (AFFO)

Plaza's summary of AFFO for the three months ended March 31, 2015, compared to the three months ended March 31, 2014 is presented below:

(000s, except per unit amounts and percentage data)	3 Months Ended March 31, 2015 (unaudited)	3 Months Ended March 31, 2014 (unaudited)
Basic FFO[1]	**$ 7,489**	$ 5,499
Add: Amortization of finance charges included in interest expense	**305**	934
Principal repayment of tenant loans	**36**	48
Non-controlling interest adjustment	**14**	3
Development/redevelopment costs included in administrative expenses [2]	**268**	253
Less: Non-cash revenue – straight-line rent	**(46)**	(30)
Amortization of mark-to-market on debt assumed from KEYreit included in interest expense	**(210)**	(570)
Equity accounting adjustment	**(15)**	(8)
Maintenance capital expenditures – existing properties	**(269)**	(146)
Leasing costs – existing properties	**(138)**	(180)
Mortgage placement fees – existing properties	**(49)**	(27)
Basic and diluted AFFO	**$ 7,385**	$ 5,776
Basic and diluted AFFO per unit	**$ 0.079**	$ 0.065
Gross distributions to unitholders [3]	**5,870**	5,335
AFFO after distributions	**$ 1,515**	$ 441
Distributions as a percentage of basic AFFO	**79.5%**	92.4%
Distributions as a percentage of basic FFO	**78.4%**	97.0%

(1) See reconciliation of Basic FFO to profit attributable to unitholders in the FFO section of the MD&A above.

(2) Represent salaries and other costs not capitalized for accounting purposes but are related to development activities, that in management's view, form part of the cost of development projects. The amount excludes the salaries and other costs of the leasing department as these amounts are already added back in the derivation of FFO.

(3) Includes distributions on Class B exchangeable units.

A reconciliation of AFFO to operating cash flow is presented below:

(000s)	3 Months Ended March 31, 2015 (unaudited)	3 Months Ended March 31, 2014 (unaudited)
Operating cash flow	**$ 9,006**	$ 6,295
Add (deduct):		
Non-controlling interest adjustment	**(70)**	(187)
Equity accounting adjustment	**424**	386
Distributions from equity accounted investments	**(171)**	(235)
Principal repayment of tenant loans	**36**	48
Change in interest accrual	**(959)**	(1,432)
Change in income tax accrual	**11**	(103)
Change in non-cash working capital	**(1,076)**	786
Development/redevelopment costs included in administrative expenses	**268**	253
Maintenance capital expenditures – existing properties	**(269)**	(146)
Incremental leasing costs included in administrative expenses	**249**	243
Fair value adjustment to restricted share units	**12**	(8)
Leasing commissions included in operating cash flow	**111**	83
Leasing costs – existing properties	**(138)**	(180)
Mortgage placement fees – existing properties	**(49)**	(27)
Basic and diluted AFFO	**$ 7,385**	$ 5,776

For the three months ended March 31, 2015, AFFO increased by $1.6 million, or 27.9% over the prior year, while AFFO per unit increased 21.5% over the prior year. The increase in AFFO and AFFO per unit was mainly due to the increase in FFO.

The current quarter payout ratios are more in line with management's expectations and more representative of Plaza's normal operations. In the prior year, the payout ratios were significantly impacted by one-time costs and taxes paid for Plaza's conversion to a REIT structure, a property tax settlement which negatively impacted NOI and higher finance costs.

Same-Asset Net Property Operating Income

Same-asset categorization refers to those properties which were owned and operated by Plaza for the three months ended March 31, 2015 and the entire year ended December 31, 2014 and excludes partial year results from certain assets due to timing of acquisition, redevelopment or disposition.

Significant portions of the Trust's leases have common cost recoveries from tenants linked to the consumer price index (CPI). At March 31, 2015, approximately 46.2% of the Trust's leased area is tied to a CPI cost recovery formula. As well, certain anchor tenant leases may restrict recovery of common costs. As a result, certain costs such as snow removal and utility costs may not be completely offset by cost recoveries in a period, or recovery revenues may exceed costs. Municipal taxes are generally net and fully recoverable from all tenants. Most tenants in strip plazas and single use properties are responsible for their own utilities, and changes to these costs do not materially impact NOI.

(000s)	3 Months Ended March 31, 2015 (unaudited)	3 Months Ended March 31, 2014 (unaudited)
Same-asset rental revenue	**$ 21,685**	$ 21,183
Same-asset operating expenses	**4,067**	4,180
Same-asset realty tax expense	**3,827**	3,637
Same-asset net property operating income	**$ 13,791**	$ 13,366
Total net property operating income	**$ 14,878**	$ 14,440

As noted in the chart above, the NOI for the same-asset pool for the three months ended March 31, 2015 increased by $425 thousand or 3.2% over the same period in the prior year. The increase was mainly due to improved occupancy in the portfolio, a property tax settlement of $165 thousand recorded in the prior and lower overall non-recoverable costs compared to the prior year. Plaza incurred additional non-recoverable costs in the current year and the prior year for severe winter conditions that occurred in both years.

Total NOI for the three months ended March 31, 2015 grew by $438 thousand, or 3.0%. Total NOI was mainly impacted by:

- the full period impact of 3 properties either acquired or transferred to income producing status from properties under development in 2014, accounting for approximately $194 thousand of the increase;
- the full period impact of 4 properties transferred to income producing status from properties under development in 2015, accounting for $13 thousand of the increase ($1.3 million annualized);
- the increased NOI at 4 properties which are currently under redevelopment, accounting for $196 thousand of the increase ($451 thousand of NOI from redevelopments is included in the quarter);
- the same-asset pool increase of $425 thousand, mentioned previously; and
- a decrease in NOI of $493 thousand due to the sale of former KEYreit properties (included in the current quarter is NOI of approximately $26 thousand for properties that were sold during the quarter).

The following table shows a breakdown of same-asset NOI by province.

(000s, except percentage data)	3 Months Ended March 31, 2015 (unaudited)	3 Months Ended March 31, 2014 (unaudited)
New Brunswick	**$ 2,827**	$ 2,640
Nova Scotia	**2,751**	2,557
Quebec	**2,609**	2,552
Alberta	**304**	295
Manitoba	**193**	203
Ontario	**2,699**	2,678
Newfoundland and Labrador	**1,203**	1,277
Prince Edward Island	**1,205**	1,164
Same-asset net property operating income	**$ 13,791**	$ 13,366
Percentage increase over prior period	**3.2%**	

The following assets are not included in "same-asset" measurements due to timing of acquisition, development, redevelopment or disposition.

	Property Type	Square Footage	Ownership	Income Producing/ Acquired, Redeveloped or Disposed During
Oromocto Mall, Oromocto, NB	Strip Plaza	76,150	100%	Q1 14
Grand Falls Shopping Centre, Grand Falls, NB	Strip Plaza	103,552	100%	Q1 14
Les Promenades St-Francois, Laval, QC	Strip Plaza	60,451	100%	Q1 14
Champlain Street Plaza, Phase II, Dieppe (Moncton), NB	Strip Plaza	32,449	100%	Q1 14
Magog SP, Magog (Montréal), QC	Strip Plaza	76,097	50%	Q1 14
Starrs Road Plaza, Yarmouth, NS	Strip Plaza	73,789	100%	Q2 14
Galeries des Cantons, Coaticook, QC	Strip Plaza	40,608	50%	Q3 14
Fairville Phase III, Saint John, NB	Strip Plaza	3,375	100%	Q4 14
Plaza de L'Ouest, Sherbrooke, QC – Phase II	Strip Plaza	21,039	50%	Q1 15
Riverside Drive Plaza, Timmins, ON	Strip Plaza	35,167	80%	Q1 15
413 Coverdale Rd, Riverview (Moncton), NB	Single Use	5,000	100%	Q1 15
Buchanan Dr Phase II, Charlottetown, PE	Strip Plaza	22,744	100%	Q1 15
9 James St., Antigonish, NS	Single Use	3,000	100%	Q1 15
3719 Lakeshore Blvd., Toronto, ON	Single Use	2,000	100%	Q1 15
315 Bd Ste Anne, Beauport, QC	Single Use	3,000	100%	Q1 15
3000 Bd St. Charles, Kirkland, QC	Single Use	3,000	100%	Q1 15
274 North Front St., Belleville, ON	Single Use	2,500	100%	Q1 15
960 Cole Harbour Rd, Dartmouth (Halifax), NS	Single Use	4,000	100%	Q1 15
Plaza Chemin Chambly, Longueuil (Montréal), QC	Strip Plaza	39,431	100%	Q1 15
KEYreit properties disposed of	Single Use/Strip	127,081	100%	2014 and Q1 15
Total		**734,433**		

Leasing and Occupancy

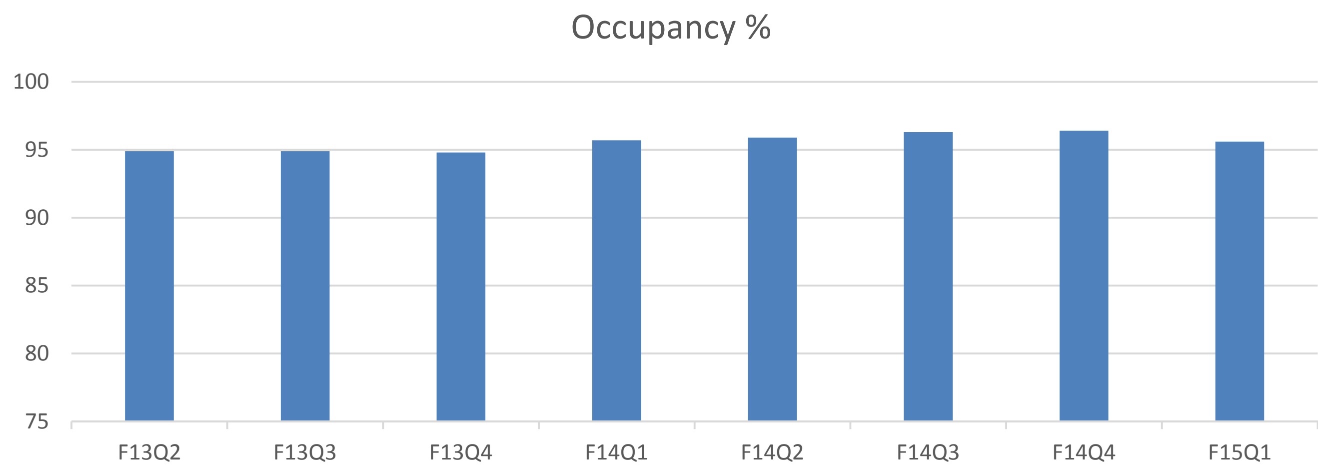
The following table represents leases expiring for the next 5 years and thereafter for Plaza's property portfolio at March 31, 2015 (excluding developments/redevelopments and non-consolidated investments).

	Strip Plazas		Enclosed Malls		Single-User Retail		Single-User QSR [(2)]		**Total**	
Year	Sq Ft[(1)]	%	Sq Ft[(1)]	%	Sq Ft[(1)]	%	Sq Ft[(1)]	%	**Sq Ft[(1)])**	**%**
Remainder of 2015	243,513	7.8	56,301	8.2	25,695	3.0	-	-	**325,509**	**6.5**
2016	355,444	11.3	97,071	14.1	16,989	2.0	27,690	8.4	**497,194**	**9.9**
2017	211,338	6.7	116,468	16.9	44,543	5.2	27,768	8.5	**400,117**	**8.0**
2018	188,998	6.0	84,556	12.3	-	-	199,295	60.7	**472,849**	**9.5**
2019	246,224	7.9	92,992	13.5	19,504	2.3	-	-	**358,720**	**7.2**
2020	397,807	12.7	98,321	14.3	121,072	14.3	6,636	2.0	**623,836**	**12.5**
Thereafter	1,491,996	47.6	141,939	20.7	621,002	73.2	66,870	20.4	**2,321,807**	**46.4**
Subtotal	3,135,320	100.0	687,648	100.0	848,805	100.0	328,259	100.0	**5,000,032**	**100.0**
Vacant	180,235		47,272		-		4,380		**231,887**	
Total	**3,315,555**		**734,920**		**848,805**		**332,639**		**5,231,919**	
Weighted average lease	**6.9 years**		**3.9 years**		**9.0 years**		**4.5 years**		**6.6 years**	

(1) At 100%, regardless of the Trust's ownership interest in the properties.
(2) QSR refers to quick service restaurants.

At March 31, 2015, overall committed occupancy for the portfolio (excluding properties under development/redevelopment and non-consolidated investments) remained steady at 95.6% compared to 95.7% at March 31, 2014. Same-asset occupancy was 96.0% at March 31, 2015, compared to 95.5% at March 31, 2014.

Committed occupancy for the portfolio has remained relatively stable over the last eight quarters.



The weighted average contractual base rent per square foot on renewals/new leasing in 2015 and that is expiring in 2015 (excluding developments/redevelopments and non-consolidated investments) is outlined in the following table:

	Strip Plazas	Enclosed Malls	Single-User Retail	Single-User QSR	Total
2015 – Q1					
Renewals/new leasing (sq. ft.)	82,178	62,902	-	2,161	147,241
Weighted average rent ($/sq. ft.)	$14.22	$13.21	-	$42.00	$14.19
2015 – Q1					
Expiries (sq. ft.)	85,022	66,806	-	2,161	153,989
Weighted average rent ($/sq. ft.)	$12.93	$14.26	-	$24.33	$13.67
2015 – Remainder of Year					
Expiries (sq. ft.)	243,513	56,301	25,695	-	325,509
Weighted average rent ($/sq. ft.)	$13.98	$18.99	$13.00	-	$14.77

In addition, for the three months ended March 31, 2015, the Trust completed 40 thousand square feet of new leasing deals on developments and redevelopments at market rates and 30 thousand square feet of new and renewal leasing deals at market rates at non-consolidated investments.

On average, Plaza's embedded or contractual gross rents expiring in 2015 would be at or below current market rates. Plaza's financial exposure to vacancies and lease roll-overs differs among the different retail asset types, as gross rental rates differ dramatically by asset class.

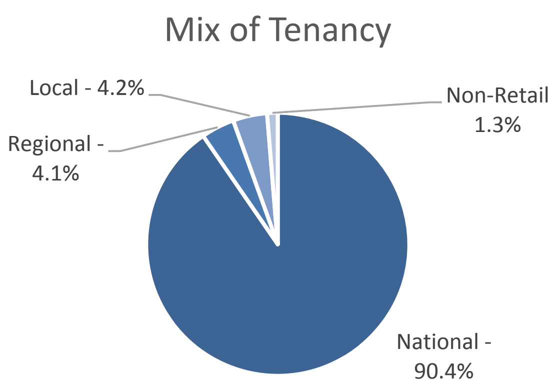
- Occupancy in the strip plazas was 94.6% at March 31, 2015, compared to 94.7% at March 31, 2014.
- Average occupancy for enclosed malls was 93.6% at March 31, 2015, compared to 95.9% at March 31, 2014.
- Occupancy for single use assets was 99.6% at March 31, 2015, compared to 98.3% at March 31, 2014.
- Pre-leased space in properties in the development phase and in the construction phase is 84.2% at March 31, 2015.

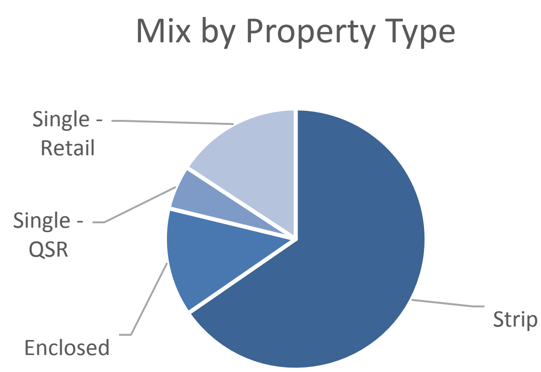
Plaza has built a portfolio with a high quality revenue stream. Plaza's ten largest tenants based upon current monthly base rents at March 31, 2015 represent approximately 57.3% of total base rent revenues in place.

	% of Base Rent Revenue		% of Base Rent Revenue
1. Shoppers Drug Mart	24.6	6. Canadian Tire Group(3)	2.7
2. KFC(1)	11.4	7. Pharma Plus	2.3
3. Dollarama	4.6	8. TJX Group(4)	1.9
4. Sobeys Group(2)	3.3	9. Best Buy	1.8
5. Staples	2.9	10. Reitmans Group(5)	1.8

(1) Represented by 6 tenants.
(2) Sobeys Group represents the following stores: Sobeys, IGA and Sobeys Fast Fuel.
(3) Canadian Tire Group represents the following stores: Canadian Tire, Mark's Work Wearhouse and Sport Chek.
(4) TJX Group represents the following stores: Winners and Marshalls.
(5) Reitmans Group represents the following stores: Reitmans, Penningtons, Smart Set and Dalmy's.

The Trust's mix of tenancy, based on square footage, is primarily made up of national tenants. The portfolio is well positioned to resist downturns in its markets and provide stability to cash flows from which it funds operations and distributions.





Profit and Total Comprehensive Income for the Period

The Trust recorded profit and total comprehensive income for the three months ended March 31, 2015 of $16.3 million compared to $65.6 million for the same period in the prior year. The change was impacted by all of the same factors mentioned in the discussion of FFO previously, as well as:

(i) the recording of a deferred income tax recovery of $59.7 million in the prior year, to reflect the flow-through tax status of Plaza as a REIT, whereby taxes are only recorded for taxable corporate subsidiaries; and
(ii) the recording of a fair value loss on Class B exchangeable units in the current year of $396 thousand.

These were partly offset by:

(i) a net gain from non-cash fair value adjustments to investment properties of $7.3 million in the current year, compared to a gain of $1.4 million in the prior year;
(ii) an increase in the share of profits of associates of $2.7 million mainly due to the non-cash fair value adjustment to the underlying investment properties; and
(iii) a net loss from the non-cash fair value adjustment to convertible debentures of $68 thousand in the current year, compared to a net loss of $772 thousand in the same period in the prior year.

Share of Profit of Associates

Share of profit of associates consists of income from equity and cost-accounted investments as well as fair value changes in the underlying investment properties included within equity-accounted investments and other changes to the equity position of the equity-accounted investments that would impact the residual returns on wind-up (such as debt financing incurred).

The following schedule shows Plaza's ownership position, rates of preferred returns on investment and Plaza's interest in cash on capital appreciation beyond the preferred returns.

	Ownership Position	Preferred Return	Residual Return
Equity Accounted Investments[1]			
Centennial Plaza Limited Partnership	10%	10%	20%
Trois Rivières Limited Partnership	15%	10%	30%
Plazacorp – Shediac Limited Partnership	10%	8%	50%
Plazacorp Ontario1 Limited Partnership	25%	4%	25%
Plazacorp Ontario2 Limited Partnership	50%	n/a	n/a
Plazacorp Ontario3 Limited Partnership	50%	n/a	n/a
Plazacorp Ontario4 Limited Partnership	50%	n/a	n/a
RBEG Limited Partnership	50%	n/a	n/a
CPRDL Limited Partnership	50%	n/a	n/a
Fundy Retail Limited	50%	n/a	n/a
VGH Limited Partnership[2]	20%	8%	27%
Ste. Hyacinthe Limited Partnership[2]	25%	n/a	n/a
Cost Accounted Investments[1]			
Northwest Plaza Commercial Trust	10%	n/a	n/a

(1) Equity and cost accounted investments consist of the following properties: 3550 Sources, Centennial Plaza, Place Du Marche and BPK Levis (Centennial Plaza Limited Partnership); Plaza des Recollets (Trois Rivières Limited Partnership); Shediac West (Plazacorp – Shediac Limited Partnership); Ottawa Street Almonte, Hastings Street Bancroft and Main Street Alexandria (Plazacorp Ontario1 Limited Partnership); Amherstview and Scugog Street Port Perry (Plazacorp Ontario2 Limited Partnership); King & Mill (Plazacorp Ontario3 Limited Partnership); Manotick (Plazacorp Ontario4 Limited Partnership); Bureau en Gros (RBEG Limited Partnership); CPRDL (CPRDL Limited Partnership); Gateway Mall (Fundy Retail Limited); St. Jerome (VGH Limited Partnership); 5400 Laurier Ouest (Ste. Hyacinthe Limited Partnership); and Northwest Centre (Northwest Plaza Commercial Trust).

(2) The land within this partnership is currently in development.

Share of profit of associates for the three months ended March 31, 2015 includes Plaza's share of NOI of approximately $693 thousand. Share of profit of associates increased by $2.7 million for the three months ended March 31, 2015 compared to the three months ended March 31, 2014. The increase was mainly due to the increase in the non-cash fair value adjustment of the underlying investment properties.

Distributions received from associates for the three months ended March 31, 2015 were $171 thousand compared to $235 thousand for the three months ended March 31, 2014.

Finance Costs

Finance costs for the three months ended March 31, 2015 were $6.7 million, compared to $7.4 million for the same period in the prior year. Finance costs for the current year were impacted by:

- (i) lower debenture interest due to the conversion and redemption of prior series of debentures;
- (ii) a reduction in interest paid and amortization of deferred financing charges on the KEYreit bridge facility as it was repaid in May 2014;
- (iii) lower interest on development lines of credit as a result of a lower balance outstanding; and
- (iv) the impact of interest rate savings on refinancings at better rates.

These were partly offset by:

- (i) $179 thousand of interest paid on a new bridge facility obtained in the third quarter of 2014.
- (ii) lower amortization of the mark-to-market on KEYreit mortgage debt due to fewer write-offs from fewer sales of properties and early refinancings as compared to the prior year; and
- (iii) the recording of $82 thousand of distributions on Class B exchangeable units.

Change in Fair Value of Investment Properties

The Trust recorded a fair value increase to investment properties of $7.3 million for the three months ended March 31, 2015 compared to a $1.4 million increase for the three months ended March 31, 2014. The weighted average capitalization rate at March 31, 2015 was 7.06% which is 1 basis point lower than March 31, 2014 and 7 basis points lower than December 31, 2014. The change in fair value was mainly impacted by the drop in capitalization rates. At March 31, 2015 a decrease of 0.25% in the capitalization rates used to determine the fair value of investment properties would have resulted in an increase in investment properties of approximately $32.7 million. An increase of 0.25% in the capitalization rates used would have resulted in a decrease in investment properties of approximately $30.4 million.

Change in Fair Value of Convertible Debentures

The convertible debentures are publicly traded and their fair values are based on their traded prices.

The fair value adjustment to convertible debentures for the three months ended March 31, 2015 was a net loss of $68 thousand compared to a net loss of $772 thousand, in the prior year.

Change in Fair Value of Class B Exchangeable Units

The Class B exchangeable units were issued effective January 1, 2015 in connection with the purchase by Plaza of the interests of certain equity partners in eight properties located in New Brunswick and Prince Edward Island as previously mentioned. Distributions paid on these exchangeable units are based on the distributions paid to Plaza unitholder. The exchangeable units are exchangeable on a one-for-one basis into Plaza units at the option of the holders. The fair value of these exchangeable units is based on the trading price of Plaza units.

The fair value adjustment to Class B exchangeable units for the three months ended March 31, 2015 was a net loss of $396 thousand.

Administrative Expenses

(000s)	**3 Months Ended March 31, 2015 (unaudited)**	3 Months Ended March 31, 2014 (unaudited)
Salaries and other costs relating to development/redevelopment activities	**$ 530**	$ 502
Other salaries and administrative expenses	**1,437**	1,912
Total administrative expenses	**$ 1,967**	$ 2,414

Administrative expenses decreased by $447 thousand for the three months ended March 31, 2015, compared to the same period in the prior year mainly due to: a decrease of $334 thousand in one-time costs incurred for Plaza's conversion to a REIT structure, a decrease of $91 thousand in office rent and supplies due to moving Plaza's head office and the creation of a Toronto office in the prior year and overall cost savings in information technology and professional services.

Plaza maintains a fully internalized structure and therefore incurs costs related to development and redevelopment activities. These costs are viewed by management as capital in nature and, therefore, not indicative of regular income producing activities. Plaza carries between $1.5 million and $2.0 million per year, or between $0.016 and $0.021 per unit per year, in these development/redevelopment costs included in administrative expenses and not otherwise capitalized for accounting purposes. Other real estate entities that are not development-oriented or not fully internalized for their development activities, would not incur this level of expenses.

Income Tax Expense

As a result of Plaza's conversion to a REIT structure and the fact that Plaza is now a flow-through entity for tax purposes, income taxes are only recorded for taxable corporate subsidiaries.

(000s)	**3 Months Ended March 31, 2015 (unaudited)**	3 Months Ended March 31, 2014 (unaudited)
Current income taxes	**$ 36**	$ 196
Deferred income taxes	**326**	(59,699)
Total income tax expense (recovery)	**$ 362**	$ (59,503)

The impact of the change in the tax status as a result of the conversion to a REIT has been recorded as a deferred tax recovery in the prior period.

Acquisitions/Dispositions

During the three months ended March 31, 2015, the Trust acquired a vacant property for redevelopment in Charlottetown, PE for $5.1 million, of which the Trust owns a 100% interest.

Effective January 1, 2015, Plaza closed the purchase of interests of several of its equity partners in eight properties located in New Brunswick and Prince Edward Island. The net purchase price (after assumption of debt) of $6.1 million was satisfied by the issuance of 1,319,000 Class B exchangeable LP units of a subsidiary LP at a price of $4.60 per unit, which are exchangeable at any time into units of Plaza on a one-for-one basis. Plaza owned interests in each of the eight properties of between 43% and 85%, and now owns between 86% and 100% of each.

Subsequent to quarter end, land was purchased for future development in Corner Brook, NL for $1.0 million.

During the three months ended March 31, 2015, the Trust sold income producing properties from the former KEYreit portfolio for net proceeds of $1.5 million in Drayton Valley, AB, Windsor, NS, and Oshawa, ON.

Subsequent to quarter end, Plaza sold an income producing property from the former KEYreit portfolio for gross proceeds of $0.5 million in Mont Laurier, QC.

Since the acquisition of KEYreit to the date of this MD&A, the Trust has sold 47 non-core KEYreit income producing properties for net proceeds of approximately $61.2 million, which is approximately $14.7 million more than the Trust underwrote these properties for when it bought KEYreit.

PART III

SUMMARY OF SELECTED QUARTERLY INFORMATION

Plaza's summary of selected quarterly information for the last eight quarters is presented below:

(000s except per unit and percentage data) (unaudited)	**Q1'15**	Q4'14	Q3'14	Q2'14	Q1'14	Q4'13	Q3'13	Q2'13
Total revenue [1]	**$27,458**	$25,844	$24,922	$23,518	$24,169	$ 24,406	$ 24,145	$ 20,363
Profit (loss) and total comprehensive income (loss)	**$16,250**	$14,248	$9,906	$(4,273)	$ 65,564	$(11,375)	$ 1,708	$(11,905)
Distributions per unit	6.25¢	6.00¢	6.00¢	6.00¢	6.00¢	5.625¢	5.625¢	5.625¢
Funds from operations per unit – basic and diluted[2]	8.0¢	7.3¢	8.9¢	7.6¢	6.2¢	5.7¢	7.2¢	6.9¢
Adjusted funds from operations per unit – basic and diluted [2]	7.9¢	6.7¢	7.1¢	6.6¢	6.5¢	5.5¢	6.8¢	6.7¢
Distributions as a percentage of basic FFO	**78.4%**	81.8%	67.4%	79.0%	96.9%	90.7%	78.3%	74.9%
Distributions as a percentage of basic AFFO	**79.5%**	89.7%	85.1%	90.3%	92.2%	94.2%	82.3%	77.0%
Gross Leasable Area (000s of sq. ft.) (at 100% and excluding non-consolidated investments and properties under development/redevelopment)								
Total income producing properties	**5,232**	5,142	5,168	5,197	5,151	5,200	5,415	5,192
Occupancy % (at 100% and excluding non-consolidated investments and properties under development/redevelopment)								
Total income producing properties	**95.6%**	96.4%	96.3%	95.9%	95.7%	94.8%	94.9%	94.9%

(1) Includes investment income, other income and share of profit of associates.
(2) Adjusted for debenture issuance costs if applicable.

During the last eight quarters occupancy has remained high which contributes to stability of cash flow. Significant fluctuations in profit and loss are mainly due to non-cash fair value adjustments on the Trust's investment properties and convertible debentures, as well as the 2013 KEYreit acquisition. Fair value adjustments are based on market parameters for which the Trust has no control or ability to predict. 2014 was also significantly impacted by $59.7 million in a deferred income tax recovery recorded for the change in tax status to a REIT effective January 1, 2014.

Some of Plaza's properties are leased on a base year or semi-gross basis or otherwise have caps on operating costs. At March 31, 2015, approximately 46.2% of the Trust's leased area is tied to a CPI cost recovery formula. As well, anchor tenant leases may restrict common area maintenance (CAM) cost recoveries. As a result of both of these factors, seasonal fluctuations in NOI, FFO and AFFO occur primarily due to winter costs and yearly repair and maintenance activities which typically occur in spring and early summer which may create inconsistencies in quarterly recovery revenues compared with quarterly expenses.

PART IV

OPERATING LIQUIDITY AND WORKING CAPITAL

Cash flow, in the form of recurring rent generated from the portfolio, represents the primary source of liquidity to service debt including recurring monthly amortization of mortgage debt, to pay operating, leasing and property tax costs, and to fund distributions. Costs of development activities, which form a large portion of accounts payable and accrued liabilities, are funded by a combination of debt, equity and operating cash flow.

Cash flow from operations is dependent upon occupancy levels of properties owned, rental rates achieved, effective collection of rents, and efficiencies in operations as well as other factors.

Plaza maintains a relatively conservative cash distribution policy, in order to retain sufficient funds to manage the business, including ongoing maintenance capital expenditures. New debt or equity capital raised is generally directed to acquisitions or continuing development activities, which are discretionary, based on the availability of such capital.

In accordance with National Policy 41-201 – *Income Trusts and Other Indirect Offerings,* the Trust is required to provide the following additional disclosure relating to cash distributions.

(in thousands of dollars)	3 Months Ended March 31, 2015 (unaudited)	3 Months Ended March 31, 2014 (unaudited)
Cash provided by operating activities[1]	$ 9,006	$ 6,295
Total distributions[2]	5,870	5,335
Excess of cash provided by operating activities over total distributions	$ 3,136	$ 960

[1] Cash provided by operating activities is presented net of interest paid, but excludes distributions paid on Class B exchangeable units classified as finance costs.

[2] Total distributions include cash distributions paid and payable to unitholders, unit distributions under the DRIP and distributions on Class B exchangeable units classified as finance costs.

CAPITAL RESOURCES, EQUITY AND DEBT ACTIVITIES

Plaza took advantage of the robust debt markets in the prior year and undertook a significant refinancing program, including refinancing almost half of its assumed KEYreit loans. Plaza has early refinanced on more favourable terms, many mortgages that were originally set to mature in 2015, 2016 and 2017. During the year ended December 31, 2014, Plaza secured or refinanced approximately $165 million in mortgage loans and convertible debentures (at Plaza's ownership percentage), generating approximately $1.4 million in annual cash flow savings or approximately $0.015 per unit.

Operating and Development Facilities

(000s) (unaudited)	**$30.0 Million Operating**	**$20.0 Million Development**	**$15.0 Million Development**
December 31, 2014[1]	$ 6,155	$ -	$ 5,000
Net Change	8,324	-	3,665
March 31 , 2015[1]	$ 14,479	$ -	$ 8,665
Interest rate	Prime + 1.00% or BA + 2.25%	Prime + 1.00% or BA + 2.75%	Prime + 1.00% or BA + 2.25%
Maturity	July 31, 2015	July 31, 2015	July 31, 2015
Security	First charges on pledged properties	First charges on applicable pledged development property	First charges on applicable pledged development property
Other terms	Debt service, maximum leverage, occupancy & equity maintenance covenants	Debt service, occupancy & leverage covenants	Debt service, maximum leverage, occupancy & equity maintenance covenants
Line reservations available for letters-of-credit	$2.0 million	$1.5 million	$500 thousand
Issued and outstanding	$20 thousand	-	-

[1] Excludes unamortized finance charges

Funding is secured by first mortgage charges on properties or development properties as applicable. The Trust must maintain certain financial ratios to comply with the facilities. As of March 31, 2015, all debt covenants in respect of the above facilities have been maintained.

Bridge Facility

On September 11, 2014, the Trust entered into a one-year secured bridge credit facility with a Canadian chartered bank for $30 million. The facility was entered into in order to repay an existing mortgage on those secured assets and allow the Trust to refinance those assets. Interest was payable at prime plus 1.0% or BAs plus 2.25%. The Trust repaid this facility in full in March 2015 with cash on hand and the proceeds of two mortgages entered into on a majority of the bridge facility secured assets for $25.0 million.

Debentures and Mortgage Bonds

Mortgage bonds are secured by either property or cash.

Convertible debentures are recorded at fair value and changes in the fair value are recorded quarterly in profit and loss.

Mortgages

During 2015 the Trust obtained new long-term financing in the amount of $28.0 million (at Plaza's consolidated share) with a weighted average term of 4.3 years and a weighted average interest rate of 3.01%.

The Trust also has a $4.4 million variable rate secured construction loan on one of its development projects that is being constructed in Ontario. The loan bears interest at prime plus 1.00% and matures in August 2015. At March 31, 2015, $3.7 million has been drawn on the loan.

The Trust's strategy is to balance maturities and terms on new debt with existing debt maturities to minimize maturity exposure in any one year and to reduce overall interest costs. Maintaining or improving the average cost of debt will be dependent on market conditions at the time of refinancing. Plaza's debt strategy involves maximizing the term of long-term debt available based on the tenant profiles for the assets being financed, at current market rates, in order to stabilize cash flow available for reinvestment and distribution payments.

As a conservative interest rate risk management practice, the Trust's use of floating-rate debt is generally limited to its operating line (to fund ongoing operations and acquisitions) and its development lines/construction loans.

The following is a maturity chart by year:

(000s, except percentage data) (unaudited)	**Remainder 2015**	**Year 1 2016**	**Year 2 2017**	**Year 3 2018**	**Year 4 2019**	**Year 5 2020**	**After 5 Years**	**Total**
Long-term mortgages due at maturity	$ 6,324	$42,045	$34,345	$27,702	$52,318	$59,915	$133,043	$355,692
Variable rate construction loan	3,667	-	-	-	-	-	-	3,667
Development lines of credit	8,665	-	-	-	-	-	-	8,665
Bank operating facility	14,479	-	-	-	-	-	-	14,479
Total	$ 33,135	$42,045	$34,345	$27,702	$52,318	$59,915	$133,043	$382,503
As a percentage	8.7%	11.0%	9.0%	7.2%	13.7%	15.7%	34.7%	100.0%
Weighted average expiring rate on long-term mortgages	5.15%	5.31%	5.24%	4.96%	3.77%	4.99%	4.68%	

The weighted average term to maturity for the long-term mortgages is 6.4 years. The average remaining repayment (amortization) period on long-term mortgage debt is 24.5 years.

The ratio of debt to gross book assets at March 31, 2015 (excluding convertible debentures) is 47.7% compared to 48.0% at March 31, 2014. Including convertible debentures at cost, Plaza's debt to gross assets at March 31, 2015 is 53.9% compared to 54.3% at March 31, 2014. The Trust's general philosophy is to maintain its leverage at no more than approximately 50% excluding convertible debentures and approximately 55% including convertible debentures. By its Declaration of Trust, Plaza is limited to an overall indebtedness ratio of 60% excluding convertible debentures and 65% including convertible debentures.

Units Outstanding

If all rights to convert units under the provisions of convertible debt were exercised and exchangeable LP units were exchanged, the impact on units outstanding would be as follows:

At May 7, 2015 (000s)	Units
Current outstanding units	**92,652**
Class B exchangeable LP units	**1,319**
Series B convertible debentures	**1,547**
Series C convertible debentures	**3,215**
Series D convertible debentures	**5,913**
Total adjusted units outstanding	**104,646**

Land Leases

Return on invested cash or equity is a measure Plaza uses to evaluate development and strategic acquisitions. Investing in a project subject to a land lease reduces the cash equity required for an individual project and increases the number of projects which can be undertaken with available capital. This spreads risk and enhances overall unitholder return. In some instances use of a land lease will enhance project feasibility where a project might not otherwise be undertaken without use of a land lease. Currently Plaza has 26 long-term land leases (affecting 25 properties) with total annual rent of $3.1 million. One of the land leases relates to shared parking facilities. The other properties under land lease represent approximately 9.6% of the Trust's fair value of investment properties and investments. Land leases expire (excluding any non-automatic renewal periods) on dates ranging from 2017 to 2084 with an average life of 40 years, with some of the leases also containing non-automatic renewal options, extending the average life of the leases to 65 years including these non-automatic renewal options. Of the 26 land leases, 10 of the land leases have options to purchase, generally at fair market value.

Gross Capital Additions Including Leasing Fees:

(000s)	**3 Months Ended March 31, 2015 (unaudited)**	3 Months Ended March 31, 2014 (unaudited)
Leasing fees – existing properties	**$ 25**	$ 83
Leasing fees – redevelopment properties	**-**	-
Leasing fees – new developments	**86**	-
Total leasing fees	**111**	83
Capital additions – existing properties	**382**	243
Capital additions – redevelopment properties	**3,415**	3,409
Capital additions – new developments	**6,151**	3,981
Total capital additions	**9,948**	7,633
Total gross additions	**$ 10,059**	$ 7,716

COMMITMENTS AND CONTINGENT LIABILITIES

The Trust has $9.8 million in short-term commitments in respect of development activities. Management believes that Plaza has sufficient unused bank line availability, and/or mortgage bond deployment potential, to fund these commitments. The Trust has contingent liabilities as original borrower on three mortgages partially assumed by the purchasers of properties where a 75% interest in each was sold in 2009. These commitments are subject to indemnity agreements. These sales did not relieve the Trust's obligations as original borrower in respect of these mortgages. The debt subject to such guarantees at March 31, 2015 totals $5.9 million with a weighted average remaining term of 7.8 years.

The Trust guarantees mortgage debt in excess of its pro-rata position in joint ventures and non-consolidated subsidiaries in the amount of $20.2 million.

PART V

RISKS AND UNCERTAINTIES

All property investments are subject to a degree of risk and uncertainty. Property investments are affected by various factors including general economic conditions and local market circumstances. Local business conditions such as oversupply of space or a reduction in demand for space particularly affect property investments. Management attempts to manage these risks through geographic and retail asset class diversification in the portfolio. At March 31, 2015, the Trust held interests in 306 properties spread geographically across Canada. Some of the more important risks are outlined below. See Financial Risk Management Note 25 to the December 31, 2014 Consolidated Financial Statements of the Trust for further details. Also see the Trust's Annual Information Form dated March 25, 2015 for a complete list of risks and uncertainties.

Interest Rate, Financing and Refinancing Risk

Management attempts to lock in cash returns on assets for the longest period, consistent with exposure to debt maturing and leases expiring in any given year.

The Trust mitigates interest rate risk by maintaining the majority of its debt at fixed rates. Floating rate debt is typically used for development or redevelopment projects as interim financing, until the projects are completed and are then able to attract the appropriate long-term financing. The Trust mitigates its exposure to fixed-rate interest risk by staggering maturities in order to avoid excessive amounts of debt maturing in any one year. If market conditions warrant, the Trust may attempt to renegotiate its existing debt to take advantage of lower interest rates. At existing financing rates, the Trust is able to obtain positive returns from debt financing. The quality of the Trust's projects and properties makes management believe it can obtain suitable long-term financing for those projects on completion of development as well as those properties with maturing existing debt. The Trust has an ongoing requirement to access the debt markets and there is a risk that lenders will not refinance such maturing debt on terms and conditions acceptable to the Trust or on any terms at all. Management believes that all debts maturing in 2015 will be able to be financed or refinanced as they come due.

Credit Risk

Credit risk mainly arises from the possibility that tenants may be unable to fulfill their lease commitments. Management mitigates this risk by ensuring that Plaza's tenant mix is diversified and heavily weighted to national tenants. Plaza also maintains a portfolio that is diversified geographically so that exposure to local business is lessened.

Currently one tenant, Shoppers Drug Mart, represents 24.6% of current monthly base rents in place. The top 10 tenants collectively represent approximately 57.3% of current monthly base rents in place. National and regional tenants represent 94.5% of the in-place tenant base.

Lease Roll-Over and Occupancy Risk

Lease roll-over risk arises from the possibility that Plaza may experience difficulty renewing leases as they expire or in re-leasing space vacated by tenants.

Management attempts to stagger the lease expiry profile so that Plaza is not faced with a disproportionate amount of square footage of leases expiring in any one year. Management further mitigates this risk by maintaining a diversified portfolio mix both by retail asset type and geographic location and ensuring that the Trust maintains a well-staffed and highly skilled leasing department to deal with all leasing issues.

One of Plaza's performance drivers is related to occupancy levels. The majority of Plaza's leases in place are referred to as net leases, meaning tenants reimburse Plaza fully for their share of property operating costs (subject to consumer price index adjustments in many cases) and realty taxes. Many of Plaza's operating costs and realty taxes are not reduced by vacancy. Certain costs such as utilities and janitorial costs would not decline with a decline in occupancy.

The hypothetical impact to NOI of a change in occupancy of 1% would be approximately $628 thousand per annum. The analysis does not identify a particular cause of such changing occupancy and as a result, it does not reflect the actions management may take in relation to the changes. Plaza's principal management of occupancy risk is the skewing of tenancies towards national tenants, the signing of longer term leases and significant pre-leasing of development space.

Development and Acquisition Risk

Plaza's external growth prospects will depend in large part on identifying suitable development, redevelopment and acquisition opportunities, pursuing such opportunities, conducting necessary due diligence, consummating acquisitions (including obtaining necessary consents) and effectively operating the properties acquired or developed by the Trust. If Plaza is unable to manage its growth and integrate its acquisitions and developments effectively, its business, operating results and financial condition could be adversely affected. Developments and acquisitions may not meet operational or financial expectations due to unexpected costs or market conditions, which could impact the Trust's performance.

Environmental Risk

Plaza is subject to various laws relating to the environment which deal primarily with the costs of removal and remediation of hazardous substances such as asbestos or petroleum products. Environmental risk is relevant to Plaza's ability to sell or finance affected assets and could potentially result in liabilities for the costs of removal and remediation of hazardous substances or claims against Plaza. Management is not aware of any material non-compliance with environmental laws or regulations with regard to Plaza's portfolio, or of any material pending or threatened actions, investigations or claims against Plaza relating to environmental matters. Plaza manages environmental exposures in a proactive manner during every aspect of the property life cycle including extensive due diligence in respect of environmental risk before purchase or development.

Status of the REIT

Plaza is required to comply with specific restrictions regarding its activities and the investments held by it in order to maintain its mutual fund trust status. Should Plaza cease to qualify as a mutual fund trust, the consequences could be material and adverse. As well, Plaza conducts its affairs in order to qualify as a REIT under applicable tax statutes so that it retains its status as a flow-through vehicle for the particular year. Should Plaza not meet the conditions to qualify as a REIT in a particular year, it may be subject to tax similar to a corporation, which may have an adverse impact on it and its unitholders, on the value of the units and on its ability to undertake financings and acquisitions, and its distributable cash may be materially reduced. Management believes that it complies with both the mutual fund trust rules and the REIT rules.

PART VI

RELATED PARTY TRANSACTIONS

Notes Payable to Related Parties

The following non-interest bearing notes existed at the time of acquisition of properties in September 2000. Certain of the notes are owed to parties controlled directly or indirectly by Michael Zakuta. The notes are repayable on sale or refinancing of the related asset.

(000s)	Interest Rate	March 31, 2015	March 31, 2014
Non-interest bearing notes:			
Entities owned (directly or indirectly), controlled or significantly influenced by Michael Zakuta, President, Chief Executive Officer and Trustee of the Trust	n/a	**$ 261**	$ 261

Bonds and Debentures Held

The Trustees directly or indirectly held mortgage bonds or debentures of the Trust as follows (stated at face value):

(000s)	March 31, 2015	March 31, 2014
Earl Brewer	**$ 219**	$ 219
Edouard Babineau	**250**	150
Michael Zakuta	**250**	250
Total	**$ 719**	$ 619

Other key management personnel own $45 thousand in mortgage bonds of the Trust at March 31, 2015 (March 31, 2014 - $45 thousand).

Other Related Party Transactions

Earl Brewer and Michael Zakuta, directly or beneficially, hold interests in common with the Trust's 25% interest in the Gateway Mall, Sussex, NB. At March 31, 2015 there is an outstanding receivable of $11 thousand owed by the Gateway Mall to a subsidiary of the Trust.

TC Land LP, an entity controlled by Michael Zakuta and Earl Brewer, leases nine parcels of land to Plaza at a total annual rent of $1.1 million. The land leases expire at various times from October 2043 to November 2047, subject to options to renew. All of these land leases have options to purchase, of which one is at a fixed price and the others are at fair market value. The business purpose of the leases was to enhance levered equity returns on the affected assets.

Earl Brewer and Michael Zakuta hold interests in common with the Trust's 10% interest in Northwest Plaza Commercial Trust, the owner of Northwest Centre, Moncton, NB. There are no loans outstanding or fees charged by the related parties as a result of the joint ownership.

Plaza Group Management Limited (a wholly-owned subsidiary of the Trust) manages 527 Queen Street, Fredericton, NB a property owned indirectly by Michael Zakuta and Earl Brewer. For the three months ended March 31, 2015, property management fees of $2 thousand were earned by Plaza Group Management Limited from this property.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Disclosure controls and procedures ("DC&P") are intended to provide reasonable assurance that material information is gathered and reported to senior management to permit timely decisions regarding public disclosure. Internal controls over financial reporting ("ICFR") are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Trust maintains appropriate DC&P and ICFR to ensure that information disclosed externally is complete, reliable and timely.

A control system, no matter how well conceived and operated, can provide only reasonable and not absolute assurance that the objectives of the control system are met. As a result of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues, including instances of fraud, if any, have been detected. These inherent limitations include, amongst other items: (i) that management's assumptions and judgments could ultimately prove to be incorrect under varying conditions and circumstances; or (ii) the impact of isolated errors.

Additionally, controls may be circumvented by the unauthorized acts of individuals, by collusion of two or more people, or by management override. The design of any system of controls is also based, in part, upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

The Trust's Chief Executive Officer and Chief Financial Officer evaluated, or under their supervision caused to be evaluated, the design of the Trust's DC&P and ICFR at March 31, 2015. Based on that evaluation they determined that the Trust's DC&P and ICFR were appropriately designed based on the criteria established in the *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

During the three months ended March 31, 2015, there were no changes in the Trust's ICFR that occurred that have materially affected, or are reasonably likely to materially affect, the Trust's ICFR.

CRITICAL ACCOUNTING POLICIES

Critical Accounting Estimates

The preparation of the Trust's condensed interim consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of certain assets and liabilities at the reporting date and the reported amounts of revenues and expenses during the reporting period. The significant estimates and judgments include the assessment of fair values, the discount rates used in the valuation of the Trust's assets and liabilities, capitalization rates, the relative credit worthiness of the Trust to its counterparties, the ability to use tax losses and other tax measurements, the determination of the accounting basis for investments and joint arrangements, the amount of borrowing costs to capitalize to properties under development and the selection of accounting policies.

(i) Investment properties

One significant judgment and key estimate that affects the reported amounts of assets at the date of the condensed interim consolidated financial statements and the reported amounts of profit or loss during the period, relates to property valuations. Investment properties, which are carried on the condensed interim consolidated statements of financial position at fair value, are valued either by the Trust or by external valuators. The valuation of investment properties is one of the principal estimates and uncertainties of these financial statements. The valuations are based on a number of assumptions, such as appropriate discount rates and capitalization rates and estimates of future rental income, operating expenses and capital expenditures. These investment properties are sensitive to fluctuations in capitalization and discount rates.

FUTURE ACCOUNTING POLICY CHANGES

A number of new standards, and amendments to standards and interpretations under IFRS, are not yet effective for the year ended December 31, 2015, and have not been applied in preparing the Condensed Interim Consolidated Financial Statements. Please see Note 3 to the Condensed Interim Consolidated Financial Statements for further details about future accounting policy changes.

ADDITIONAL INFORMATION

Additional information relating to Plaza including the Management Information Circular, Material Change reports and all other continuous disclosure documents required by the securities regulators, are filed on the System for Electronic Document Analysis and Retrieval (SEDAR) and can be accessed electronically at www.sedar.com or on Plaza's website at www.plaza.ca.

PROPERTIES OF THE TRUST

A chart listing the Trust's properties at March 31, 2015 can be accessed on Plaza's website at www.plaza.ca.

Plaza Retail REIT

Condensed Interim Consolidated Statements of Financial Position

(unaudited) **(in thousands of Canadian dollars)**	**March 31, 2015**	December 31, 2014
Assets		
Non-Current Assets		
Investment properties (Note 5)	**$ 910,301**	$ 889,291
Investments	**34,589**	33,435
Tenant loans	**1,910**	2,346
Deferred income tax asset	**467**	571
	947,267	925,643
Current Assets		
Cash	**4,926**	6,370
Receivables	**3,766**	1,850
Prepaid expenses and deposits	**10,432**	5,302
Current portion of investments	**5,905**	5,485
Income taxes receivable	**11**	-
Notes receivable	**5,822**	5,131
Investment properties held for sale	**-**	550
	30,862	24,688
	$ 978,129	$ 950,331
Liabilities and Unitholders' Equity		
Non-Current Liabilities		
Debentures payable (Note 6)	**$ 65,582**	$ 65,509
Mortgage bonds payable (Note 7)	**4,121**	5,014
Mortgages payable (Note 8)	**400,908**	385,017
Class B exchangeable units (Note 11)	**5,790**	-
Deferred income tax liability	**5,264**	5,042
	481,665	460,582
Current Liabilities		
Bank indebtedness (Note 10)	**14,479**	6,155
Current portion of mortgage bonds payable (Note 7)	**4,888**	3,981
Current portion of mortgages payable (Note 8)	**39,463**	31,655
Bridge facility (Note 9)	**-**	27,537
Accounts payable and accrued liabilities	**22,707**	11,860
Notes payable	**1,175**	1,175
	82,712	82,363
	564,377	542,945
Unitholders' equity	**410,125**	396,243
Non-controlling interests	**3,627**	11,143
	413,752	407,386
	$ 978,129	$ 950,331

Subsequent events – see Note 14

Barbara Trenholm, Trustee

Earl Brewer, Trustee

The notes on pages 34 to 46 are an integral part of these condensed interim consolidated financial statements.

Plaza Retail REIT

Condensed Interim Consolidated Statements of Changes in Equity
(unaudited)
(in thousands of Canadian dollars)

Revenues	**$ 23,902**	$ 23,318
Operating expenses	**(9,024)**	(8,878)
Net property operating income	**14,878**	14,440
Share of profit of associates	**2,919**	224
Administrative expenses	**(1,967)**	(2,414)
Investment income	**79**	229
Other income	**558**	398
Income before finance costs, fair value adjustments and income taxes	**16,467**	12,877
Finance costs	**(6,721)**	(7,397)
Finance costs - net loss from fair value adjustments to convertible debentures	**(68)**	(772)
Finance costs - net loss from fair value adjustments to Class B exchangeable units	**(396)**	-
Net gain from fair value adjustments to investment properties (Note 5)	**7,330**	1,353
Profit before income tax	**16,612**	6,061
Income tax recovery (expense)		
- Current	**(36)**	(196)
- Deferred	**(326)**	59,699
	(362)	59,503
Profit and total comprehensive income for the period	**$ 16,250**	$ 65,564
Profit and total comprehensive income for the period attributable to:		
- Unitholders	**$ 16,103**	$ 65,377
- Non-controlling interests	**147**	187
	$ 16,250	$ 65,564

The notes on pages 34 to 46 are an integral part of these condensed interim consolidated financial statements.

Plaza Retail REIT

Condensed Interim Consolidated Statements of Changes in Equity

(unaudited)

(in thousands of Canadian dollars)

	Trust Units (Note 12)	Shares (Note 12)	Retained Earnings	Total Attributable to Unitholders	Non-Controlling Interests	Total Equity
Balance as at December 31, 2013	$ -	$ 213,400	$ 102,802	$ 316,202	$ 11,439	$ 327,641
REIT conversion, January 1, 2014	212,007	(213,400)	-	(1,393)	-	(1,393)
Profit and total comprehensive income for the period	-	-	65,377	65,377	187	65,564
Transactions with unitholders, recorded directly in equity:						
- Contributions by unitholders	18,187	-	-	18,187	-	18,187
- Distributions to unitholders	-	-	(5,335)	(5,335)	-	(5,335)
- Distributions to non-controlling interests and changes in ownership interests in subsidiaries that do not result in loss of control	-	-	-	-	(89)	(89)
Balance as at March 31, 2014	$ 230,194	$ -	$ 162,844	$ 393,038	$ 11,537	$ 404,575
Balance as at December 31, 2014	$ 231,974	$ -	$ 164,269	$ 396,243	$ 11,143	$ 407,386
Acquisition of non-controlling interests (Note 4)	-	-	3,295	3,295	(7,626)	(4,331)
Profit and total comprehensive income for the period	-	-	16,103	16,103	147	16,250
Transactions with unitholders, recorded directly in equity:						
- Contributions by unitholders	272	-	-	272	-	272
- Distributions to unitholders	-	-	(5,788)	(5,788)	-	(5,788)
- Distributions to non-controlling interests and changes in ownership interests in subsidiaries that do not result in loss of control	-	-	-	-	(37)	(37)
Balance as at March 31, 2015	$ 232,246	$ -	$ 177,879	$ 410,125	$ 3,627	$ 413,752

The notes on pages 34 to 46 are an integral part of these condensed interim consolidated financial statements.

Plaza Retail REIT
Condensed Interim Consolidated Statements of Cash Flows (unaudited)
(in thousands of Canadian dollars)

	3 Months Ended March 31, 2015	3 Months Ended March 31, 2014
Cash obtained from (used for):		
Operating activities		
Profit and total comprehensive income for the period	**$ 16,250**	$ 65,564
Interest expense	**6,626**	7,033
Items not affecting cash:		
Share of profit of associates	**(2,919)**	(224)
Amortization of finance charges included in interest expense	**305**	934
Net change in fair value of investment properties	**(7,330)**	(1,353)
Net change in fair value of convertible debentures	**68**	772
Net change in fair value of Class B exchangeable units	**396**	-
Amortization of loan revaluations included in interest expense	**(210)**	(570)
Current and deferred income taxes	**362**	(59,503)
Straight-line rent revenue	**(46)**	(30)
Interest paid	**(5,585)**	(5,601)
Income taxes paid	**(47)**	(93)
Distributions from equity accounted investments	**171**	235
Leasing commissions	**(111)**	(83)
Change in non-cash working capital (Note 12)	**1,076**	(786)
	9,006	6,295
Financing activities		
Repayment of notes payable	**-**	(70)
Distributions paid to unitholders	**(5,788)**	(5,335)
Distributions paid to Class B exchangeable unitholders	**(82)**	-
Distribution reinvestment proceeds (Note 11)	**270**	690
Cash received on acquisition (Note 4)	**840**	-
Redemption of bonds and debentures	**-**	(15,991)
Bridge facility repayments (Note 9)	**(27,600)**	(25,953)
Gross mortgage proceeds	**33,487**	15,618
Finance charges incurred from mortgage placement	**(268)**	(281)
Mortgages repaid	**(9,634)**	(16,687)
Periodic mortgage principal repayments	**(2,145)**	(2,414)
	(10,920)	(50,423)
Investing activities		
Acquisitions, developments and redevelopments	**(9,948)**	(7,633)
Net proceeds from disposal of property and land (Note 5)	**1,452**	18,427
Redemptions of bonds purchased for mortgage defeasances	**1,176**	-
Advances to equity accounted investments for developments	**-**	(250)
Contributions paid by subsidiaries to non-controlling interests	**(37)**	(89)
Increase in deposits for acquisitions and financings	**(23)**	(119)
Increase in notes receivable	**(910)**	(648)
Repayment of tenant loans	**436**	448
Funding of tenant loans	**-**	(282)
	(7,854)	9,854
Net decrease in cash	**(9,768)**	(34,274)
Cash less bank indebtedness, beginning of the period	**215**	25,280
Cash less bank indebtedness, end of the period	**$ (9,553)**	$ (8,994)

The notes on pages 34 to 46 are an integral part of these condensed interim consolidated financial statements.

1. Reporting Entity

Plaza Retail REIT (the "Trust") is an unincorporated "open-ended" real estate investment trust established pursuant to its declaration of trust dated as of November 1, 2013 (the "Declaration of Trust") and governed by the laws of the Province of Ontario. The address of the Trust's head office is 98 Main Street, Fredericton, New Brunswick. The Trust operates a retail real estate ownership and development business in Canada.

2. Basis of Preparation

(a) Statement of Compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and in particular International Accounting Standard ("IAS") 34, "Interim financial reporting" on a basis consistent with the accounting policies disclosed in Note 3 of the December 31, 2014 consolidated financial statements of the Trust.

The condensed interim consolidated financial statements do not include all the information required for full annual financial statements. The condensed interim consolidated financial statements should be read in conjunction with the 2014 annual financial statements of the Trust.

The condensed interim consolidated financial statements were authorized for issue by the Audit Committee on behalf of the Board of Trustees of the Trust on May 7, 2015.

(b) Basis of Measurement

The condensed interim consolidated financial statements have been prepared on a historical cost basis, except for the following items in the condensed interim consolidated statements of financial position:

- Interest rate swaps measured at fair value;
- Unit-based payments measured at fair value;
- Convertible debentures measured at fair value;
- Investment property measured at fair value;
- Investment property included in investments measured at fair value; and
- Exchangeable units measured at fair value.

These condensed interim consolidated financial statements are presented in Canadian dollars, which is the Trust's functional currency.

(c) Use of Estimates and Judgments

The preparation of the Trust's condensed interim consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of certain assets and liabilities at the reporting date and the reported amounts of revenues and expenses during the reporting period. The significant estimates and judgments include the assessment of fair values, the discount rates used in the valuation of the Trust's assets and liabilities, capitalization rates, the relative credit worthiness of the Trust to its counterparties, the ability to use tax losses and other tax measurements, the determination of the accounting basis for investments and joint arrangements, the amount of borrowing costs to capitalize to properties under development and the selection of accounting policies.

(i) Investment property

One significant judgment and key estimate that affects the reported amounts of assets at the date of the condensed interim consolidated financial statements and the reported amounts of profit or loss during the period, relates to property valuations. Investment properties, which are carried on the condensed interim consolidated statements of financial position at fair value, are valued either by the Trust or by external valuators. The valuation of investment properties is one of the principal estimates and uncertainties of these financial statements. The valuations are based on a number of assumptions, such as appropriate discount rates and capitalization rates and estimates of future rental income, operating expenses and capital expenditures. These investment properties are sensitive to fluctuations in capitalization and discount rates.

3. Summary of Significant Accounting Policies

The Trust's accounting policies are included in the December 31, 2014 consolidated financial statements of the Trust. These policies have been applied consistently to all periods presented in these condensed interim consolidated financial statements.

(a) General and Consolidation

The condensed interim consolidated financial statements comprise the financial statements of the Trust and the entities that it controls. Entities subject to joint arrangements characterized as joint ventures are accounted for using the equity method. Entities subject to joint arrangements characterized as joint operations are accounted for using proportionate consolidation. Entities subject to significant influence are accounted for using the equity method. Entities over which the Trust does not exercise significant influence are accounted for using the cost method, where the fair value cannot be reliably measured. The financial statements of the consolidated and equity accounted entities are prepared for the same reporting period as the Trust, using consistent accounting policies.

All intra-group balances, transactions, income and expenses resulting from intra-group transactions are eliminated in full.

(b) Exchangeable units

The Class B exchangeable limited partnership units of Plaza Retail REIT's subsidiary are exchangeable into units of the Trust at the option of the holder. These exchangeable units are considered puttable instruments and are required to be classified as financial liabilities at fair value through profit or loss. The distributions paid on the exchangeable units are accounted for as interest expense.

(c) Changes in Accounting Policies

(i) Annual Improvements to IFRS

Amendments were made to clarify the following in their respective standards: the definition of "vesting condition" in IFRS 2 "Share-based payment"; classification and measurement of contingent consideration and scope exclusion for the formation of joint arrangements in IFRS 3, "Business combinations"; measurement of short-term receivables and payables and scope of portfolio exception in IFRS 13, "Fair value measurement"; definition of "related party" in IAS 24, "Related party disclosure"; and inter-relationship of IFRS 3 and IAS 40 in IAS 40, "Investment property". Special transitional requirements have been set for amendments to IFRS 2 and IAS 40. The amendments became effective on January 1, 2015. The adoption of these changes did not have a significant impact on the Trust's financial statements.

(d) Future Changes in Accounting Policies

(i) Annual Improvements to IFRS

Narrow-scope amendments were made to clarify the following in their respective standards: changes in method for disposal under IFRS 5, "Non-current assets held for sale and discontinued operations"; and disclosure of information 'elsewhere in the interim financial report' under IAS 34, "Interim financial reporting". The Trust intends to adopt these amendments in its financial statements for the annual period beginning on January 1, 2016. The extent of the impact of adoption of the amendments has not yet been determined.

(ii) Financial Instruments

The International Accounting Standards Board ("IASB") has issued a new standard, IFRS 9 (2014), "Financial instruments", which will ultimately replace IAS 39, "Financial instruments – recognition and measurement" and IFRIC 9, "Reassessment of embedded derivatives" and augments earlier versions of IFRS 9. The standard eliminates the existing IAS 39 categories of held-to-maturity, available-for-sale and loans and receivables. The IASB has tentatively decided to require an entity to apply IFRS 9 for annual periods beginning on or after January 1, 2018. The Trust is currently evaluating the impact of this new standard.

(iii) Revenue from Contracts with Customers

On May 28, 2014 the IASB issued IFRS 15, "Revenue from contracts with customers". On April 28, 2015 the IASB tentatively decided to defer the effective date of this IFRS by one year to annual reporting periods beginning on or after January 1, 2018, with earlier adoption permitted.

IFRS 15 will replace IAS 11, "Construction contracts", IAS 18, "Revenue", IFRIC 13, "Customer loyalty programmes", IFRIC 15, "Agreements for the construction of real estate", IFRIC 18, "Transfers of assets from customers" and SIC 31, "Revenue – barter transactions involving advertising services". The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized.

The new standard applies to contracts with customers. It does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other IFRSs. The Trust intends to adopt IFRS 15 in its financial statements for the annual period beginning on January 1, 2018. The extent of the impact of adoption of this standard has not yet been determined.

(iv) Business Combination Accounting for Interests in a Joint Operation

On May 6, 2014 the IASB issued "Accounting for Acquisitions of Interests in Joint Operations" (amendments to IFRS 11). The amendments require business combination accounting to be applied to acquisitions of interests in a joint operation that constitute a business. The amendments apply prospectively for annual periods beginning on or after January 1, 2016 and is available for early adoption.

The Trust intends to adopt the amendments to IFRS 11 in its financial statements for the annual period beginning on January 1, 2016.

(v) Transfer of Assets Between an Investor and its Associate or Joint Venture

On September 11, 2014 the IASB issued "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture" (amendments to IFRS 10 and 28). The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture ("JV"). Specifically, under the existing consolidation standard, the parent recognizes the full gain on the loss of control, whereas under the existing guidance on associates and JVs, the parent recognizes the gain only to the extent of unrelated investors' interests in the associate or JV. The main consequence of the amendments is that a full gain/loss is recognized when the assets transferred meet the definition of a 'business' under IFRS 3, "Business combinations". A partial gain/loss is recognized when the assets transferred do not meet the definition of a business, even if these assets are housed in a subsidiary. The amendments apply prospectively for annual periods beginning on or after January 1, 2016 and early adoption is permitted.

The Trust intends to adopt these amendments in its financial statements for the annual period beginning on January 1, 2016.

(vi) Presentation of Financial Statements

On December 18, 2014 the IASB issued amendments to IAS 1, "Presentation of financial statements" as part of its major initiative to improve presentation and disclosure in financial reports. These amendments will not require any significant change to current practice, but should facilitate improved financial statement disclosures. The amendments are effective for annual periods beginning on or after January 1, 2016 and early adoption is permitted. The Trust intends to adopt these amendments in its financial statements for the annual period beginning on January 1, 2016. The extent of the impact of adoption of the amendments has not yet been determined.

(tabular amounts in thousands of Canadian dollars, except per unit amounts and as otherwise indicated)

4. Acquisition of Equity Partners' Interests

Effective January 1, 2015, the Trust acquired the non-controlling interests of four entities that together own seven properties located in New Brunswick and Prince Edward Island. In addition, the Trust acquired a 43% interest in a property located in Prince Edward Island, in which the Trust already owned an interest. The Trust owned interests in each of the properties before and after the transactions, as follows:

	December 31, 2014	January 1, 2015
Spring Park Plaza Inc.	85%	100%
Exhibition Plaza Inc.	55%	90%
Granville Street Properties Limited Partnership	60%	90%
Wildan Properties Limited Partnership	60%	90%
University Plaza	43%	86%

The net purchase price, after the assumption of debt, was $6.1 million, which was satisfied through the issuance of 1,319,000 Class B exchangeable limited partnership units (Note 11) of a subsidiary LP at $4.60 per unit, which are exchangeable at any time into units of the Trust on a one-for-one basis. On the closing date, the market price of the Trust's units was $4.09 and the difference between the amount by which non-controlling interests are adjusted and the fair value of consideration paid is recognized in equity, as follows:

Fair value of non-controlling interest acquired	$ 8,007
Less: issuance of 1,152,000 Class B exchangeable units	(4,712)
Increase in retained earnings	$ 3,295

With respect to University Plaza, it was previously accounted for as a joint operation and the Trust's 43% interest was proportionately consolidated. The purchase of the 43% interest in University Plaza has been accounted for as an acquisition of assets, as follows:

Fair value of net assets acquired:	
Investment property	$ 3,299
Cash	840
Receivables	13
Prepaid expenses and deposits	2
Mortgage payable	(2,248)
Notes payable	(97)
Accounts payable and accrued liabilities	(623)
Non-controlling interest	(503)
Total net assets acquired	$ 683

Purchase price satisfied by:	
Issuance of 167,000 Class B exchangeable units	$ 683

(tabular amounts in thousands of Canadian dollars, except per unit amounts and as otherwise indicated)

5. Investment Properties

	March 31, 2015	December 31, 2014
Balance, beginning of the period:	**$ 889,291**	$ 900,165
Additions (deductions):		
Additions to investment properties	**6,147**	28,873
Acquisition of controlling interest of University Plaza (Note 4)	**3,299**	-
Additions – acquisitions of investment properties and land	**5,109**	8,352
Disposals	**(902)**	(47,213)
Investment properties held for sale	**-**	(550)
Straight line rent receivable change	**27**	(108)
Fair value adjustment	**7,330**	(228)
Balance, end of the period:	**$ 910,301**	$ 889,291

The majority of the Trust's investment properties have been pledged as security under various debt agreements.

Investment properties are stated at fair value using the following methods, estimates and key assumptions:

(i) External appraisals

Independent appraisals are obtained in the normal course of business as refinancing activities require them. Where available and when applicable, the fair value of various investment properties are based on these external appraisals. Of the total fair value in the chart above, $170.0 million of investment properties were based on such external appraisals (December 31, 2014 - $99.0 million).

(ii) Internal approach - direct capitalization income approach

Under this approach the Trust determines the fair value based upon capitalization rates applied to normalized net operating income (property revenue less property operating expenses). The key assumption is the capitalization rate for each specific property. The Trust receives quarterly capitalization rate matrices from an external independent appraiser. The capitalization rate matrices provide a range of rates for various geographic regions and for various types and qualities of properties within each region. The Trust utilizes capitalization rates within the range of rates provided. To the extent that the externally provided capitalization rate ranges change from one reporting period to the next or should another rate within the provided ranges be more appropriate than the rate previously used, the fair value of the investment properties would increase or decrease accordingly.

As at March 31, 2015 the Trust has utilized the following range of capitalization rates:

	Number of Properties[(1)]	**Weighted average capitalization rates**	**Primary Market**	**Secondary Market**
Freestanding or Mini Box	68	6.49%	5.50% - 8.00%	6.00% - 9.00%
Quick Service Restaurant	142	7.32%	5.75% - 9.00%	6.00% - 11.00%
Anchored Strip – Class A	15	6.96%	6.00% - 8.25%	6.50% - 9.00%
Anchored Strip – Class B	26	6.93%	6.25% - 8.50%	7.00% - 10.00%
Unanchored Strip	35	7.88%	6.25% - 9.00%	7.00% - 10.00%
Enclosed Malls – Community	3	7.84%	7.50% - 9.50%	8.00% - 11.00%
	289	7.06%		

(1) Excludes properties under development not recorded at fair value and non-consolidated trusts and partnerships.

Freestanding or Mini Box - defined as a freestanding retail, non-restaurant use such as a pharmacy or equivalent national box retailer. May include nominal additional gross leasable area ("GLA") if the additional GLA is 15% or less than the total GLA or gross revenue.

Quick Service Restaurant – defined as freestanding retail space for food.

(tabular amounts in thousands of Canadian dollars, except per unit amounts and as otherwise indicated)

Anchored Strip – Class A - defined as a food or equivalent-anchored retail strip, 20,000-125,000 square feet and where the anchor tenant(s) represents 70% or more of GLA or gross revenue.

Anchored Strip – Class B - defined as a food or equivalent-anchored retail strip, 20,000-200,000 square feet and where the anchor tenant(s) represents less than 70% of GLA or gross revenue.

Unanchored Strip - defined as an unanchored retail strip less than 75,000 square feet.

Enclosed Malls - Community - defined as an enclosed community mall with food or department/junior department store or equivalent anchors.

At March 31, 2015 a decrease of 0.25% in the capitalization rates used to determine the fair value of investment properties would have resulted in an increase in investment properties of approximately $32.7 million. An increase of 0.25% in the capitalization rates used would have resulted in a decrease in investment properties of approximately $30.4 million.

As at December 31, 2014 the Trust utilized the following range of capitalization rates:

	Number of Properties[1]	Weighted average capitalization rates	Primary Market	Secondary Market
Freestanding or Mini Box	63	6.55%	5.75% - 8.00%	6.25% - 9.00%
Quick Service Restaurant	146	7.32%	5.75% - 9.00%	6.00% - 11.00%
Anchored Strip – Class A	15	6.97%	6.00% - 8.25%	6.50% - 9.00%
Anchored Strip – Class B	25	7.09%	6.25% - 8.50%	7.00% - 10.00%
Unanchored Strip	35	7.96%	6.25% - 9.00%	7.00% - 10.00%
Enclosed Malls – Community	3	7.84%	7.50% - 9.50%	9.00% - 11.00%
	287	7.13%		

(1) Excludes properties under development not recorded at fair value and non-consolidated trusts and partnerships.

(a) Straight-line Rent

Included in investment properties at March 31, 2015 is $11.8 million (December 31, 2014 - $11.8 million) of straight line rents receivable arising from the recognition of rental revenue on a straight line basis over the lease terms in accordance with IAS 17, “Leases”.

(b) Surplus Land

Included in investment properties at March 31, 2015 is $1.8 million of surplus lands at fair value (December 31, 2014 - $675 thousand).

(c) Properties Under Development

Included in investment properties at March 31, 2015 is $30.7 million of properties under development/redevelopment (December 31, 2014 - $54.3 million), of which $13.1 million are recorded at cost as fair value was not determinable (December 31, 2014 - $8.1 million).

(d) Borrowing Costs

The total amount of borrowing costs capitalized for the three months ended March 31, 2015 is $53 thousand (for the three months ended March 31, 2014 - $102 thousand).

(e) Acquisitions

During the three months ended March 31, 2015, the Trust acquired land and building for re-development in Charlottetown, PE for $5.1 million.

(tabular amounts in thousands of Canadian dollars, except per unit amounts and as otherwise indicated)

(f) Disposals

During the three months ended March 31, 2015, the Trust disposed of income producing properties for net proceeds of $1.5 million in Drayton Valley, AB, Windsor, NS and Oshawa, ON. At December 31, 2014, the property located in Drayton Valley, AB was recorded as an investment property held for sale for $550 thousand.

6. Debentures Payable

Debentures payable consist of the following:

	Maturity Date	Interest Rate	March 31, 2015	December 31, 2014
Convertible[1]				
Series B	December 31, 2016	8.00%	**$ 9,423**	$ 9,228
Series C	December 31, 2017	7.00%	**17,683**	17,555
Series D	December 31, 2018	5.75%	**34,510**	34,765
Total convertible debentures			**61,616**	61,548
Non-convertible[2] [3]	Various (see below)	5.00%	**3,966**	3,961
Total debentures			**$ 65,582**	$ 65,509

[1] Recorded at fair value
[2] Recorded at amortized cost
[3] Net of unamortized finance charges of $34 thousand

Convertible and non-convertible debentures are subordinate and unsecured.

Convertible debenture terms are as follows:

	Series B	Series C	Series D
Conversion price	see below	see below	$5.75
Trust's first redemption date	December 31, 2014	December 31, 2015	December 31, 2016
Par call date	December 31, 2015	December 31, 2016	December 31, 2017
Maturity date	December 31, 2016	December 31, 2017	December 31, 2018
Face value outstanding	$9,155	$16,921	$34,000
Publicly listed	yes	yes	yes

Non-convertible debenture maturities are as follows:

	Tranche A	Tranche B	Tranche C	Total
Face value outstanding	$1,600	$2,300	$100	$4,000
Maturity date	February 26, 2018	April 15, 2018	May 2, 2018	

Series B and C convertible debentures were assumed on the acquisition of KEYreit. As a result of the change of control of KEYreit, and pursuant to the respective trust indentures as supplemented and amended, upon the change of control, each $1,000 principal amount of the Series B debentures is convertible into $99.76 in cash and 169 units of the Trust and each $1,000 principal amount of the Series C debentures is convertible into $112.76 in cash and 190 units of the Trust.

(tabular amounts in thousands of Canadian dollars, except per unit amounts and as otherwise indicated)

7. Mortgage Bonds Payable

Mortgage bonds payable are secured by the following properties:

	Series V	Series VI	Series VII	Series IX	**March 31, 2015** Total	December 31, 2014 Total
Boulevard Hebert Plaza, Edmundston, NB, 1st mortgage	$ 1,185	$ -	$ -	$ -	**$ 1,185**	$ 1,185
Fairville Boulevard (ANBL), Saint John, NB, 1st mortgage	-	900	-	-	**900**	900
Lansdowne redevelopment lands, Saint John, NB, 1st mortgage	-	-	4,000	-	**4,000**	4,000
Various properties, 1st mortgage	-	-	-	3,000	**3,000**	3,000
Gross mortgage bonds payable	1,185	900	4,000	3,000	**9,085**	9,085
Less: unamortized finance charges					**(76)**	(90)
Less: current portion of mortgage bonds payable					**(4,888)**	(3,981)
Net mortgage bonds payable – long-term portion					**$ 4,121**	$ 5,014

	Series V	Series VI	Series VII	Series IX
Interest Rate	8.00%	5.25%	6.00%	5.50%
Maturity Date	June 4, 2016	February 24, 2016	August 15, 2015	July 15, 2017
Amount	$1,185	$900	$4,000	$3,000

The Trust has no right to redeem any of the mortgage bonds prior to their maturity date.

(tabular amounts in thousands of Canadian dollars, except per unit amounts and as otherwise indicated)

8. Mortgages Payable

	Interest Rate Range	Weighted Average Effective Interest Rate	Maturity Dates	March 31, 2015	December 31, 2014
Fixed rate loans:	2.83% - 7.29%	4.85%	Up to June 2034	**$ 429,367**	$ 410,866
Revaluation of loans upon acquisition of KEYreit, net of amortization of $3,965 (December 31, 2014 - $3,755)				**2,069**	2,279
Less: unamortized finance charges				**(3,341)**	(3,221)
Total net fixed rate loans				**428,095**	409,924
Variable rate loans:					
- $20 million development facility	Prime plus 1.00% or BA plus 2.75%		July 31, 2015	**-**	-
- $15 million development facility	Prime plus 1.00% or BA plus 2.25%		July 31, 2015	**8,665**	5,000
- $4.4 million secured construction loan	Prime plus 1.00%		August 31, 2015	**3,667**	1,845
Less: unamortized finance charges				**(56)**	(97)
Total net variable rate loans				**12,276**	6,748
Net mortgages payable				**440,371**	416,672
Less: mortgages payable – current portion				**(39,463)**	(31,655)
Total mortgages payable – long-term portion				**$ 400,908**	$ 385,017

All mortgages are secured by charges against specific assets. The unamortized finance charges are made up of fees and costs incurred to obtain the mortgage financing less accumulated amortization.

To fund development activities the Trust has two 365-day revolving development facilities with Canadian chartered banks available upon pledging of specific assets. One is a $20 million facility that bears interest at prime plus 1.00% or BAs plus 2.75%, and the other is a $15 million facility that bears interest at prime plus 1.00% or BAs plus 2.25%. At March 31, 2015 there is $26.3 million available on these development facilities (December 31, 2014 - $30.0 million). Funding is secured by first mortgage charges on development properties. The Trust must maintain certain financial ratios to comply with the facilities. These covenants include loan-to-value, debt service, interest coverage and occupancy covenants, as well as unitholder equity tests. As of March 31, 2015 the Trust is in compliance with all covenants.

9. Bridge Facility

In September 2014, the Trust entered into a one-year secured bridge credit facility with a Canadian chartered bank for $30 million. The facility was entered into in order to repay an existing mortgage on those secured assets and allow the Trust to refinance those assets. The facility was extendible for six months at the Trust's request and with the lender's consent. The Trust could prepay the facility in whole or in part at any time without penalty. Interest was at the rate of prime plus 1.00% or BAs plus 2.25%. The Trust repaid this facility in full in March 2015.

	Maturity Date	March 31, 2015	December 31, 2014
$30 million bridge facility	September 11, 2015	**$ -**	$ 27,600
Less: unamortized finance charges		**-**	(63)
Total bridge facility		**$ -**	$ 27,537

10. Bank Indebtedness

The Trust has a $30.0 million (December 31, 2014 - $30.0 million) operating line of credit facility with a Canadian chartered bank at the rate of prime plus 1.00% or BAs plus 2.25%, maturing July 31, 2015. The amount available to be drawn fluctuates depending on the specific assets pledged as security. Based on the assets pledged at March 31, 2015, the available limit was $30.0 million. At March 31, 2015, $14.5 million (December 31, 2014 – $6.2 million) was drawn on the facility and therefore the maximum amount available to be drawn on the facility was $15.5 million (December 31, 2014 – $23.8 million), net of letters of credit outstanding of $20 thousand (December 31, 2014 - $20 thousand). As security, at March 31, 2015, the Trust has provided a $50 million demand debenture secured by a first mortgage over twenty one properties.

11. Unitholders' Equity

(a) Authorized

The Declaration of Trust authorizes the issuance of an unlimited number of units and special voting units. Special voting units are only issued in tandem with the issuance of securities exchangeable into units.

Each special voting unit shall have no economic entitlement nor beneficial interest in the Trust or in the distributions or assets of the Trust, but shall entitle the holder of record thereof to a number of votes at any meeting of the unitholders equal to the number of units that may be obtained upon the exchange of the exchangeable security to which such special voting unit is attached. Special voting units may only be issued in connection with or in relation to securities exchangeable into units for the purpose of providing voting rights with respect to the Trust to the holders of such securities. The creation or issuance of special voting units is subject to the prior written consent of the TSX.

In addition, preferred units may from time to time be created and issued in one or more classes (each of which may be made up of unlimited series) without requiring voting unitholder approval. Before the issuance of preferred units of a series, the Board will execute an amendment to the Declaration of Trust containing a description of such series, including the designations, rights, privileges, restrictions and conditions determined by the Board, and the class of preferred units of which such series is a part. The issuance of preferred units is also subject to the prior written consent of the TSX.

(b) Issued and Outstanding

Class B Exchangeable Units:

One of the Trust's subsidiaries issued 1,319,000 Class B exchangeable limited partnership units effective January 1, 2015. These units were issued as satisfaction for the net purchase price for the Trust's acquisition of the interests of certain equity partners in eight properties (see Note 4). These Class B exchangeable units are economically equivalent to units of the Trust and are exchangeable at any time into units of the Trust on a one-for-one basis. These units are puttable instruments where the Trust has a contractual obligation to issue Trust units to the exchangeable unitholders upon redemption.

Holders of the exchangeable units are entitled to receive distributions per unit equal to distributions per unit provided to the unitholders of the Trust.

Special Voting Units:

At March 31, 2015, there were 1,319,000 special voting units outstanding, issued in connection with 1,319,000 Class B exchangeable units of a subsidiary of the Trust (see Note 4 and above).

Units:

	March 31, 2015		December 31, 2014		
	Trust Units (000s)	**Amount**	Trust Units (000s)	Shares (000s)	Amount
Units/shares outstanding, beginning of the period	**92,564**	**$ 231,974**	-	87,928	$ 213,400
Issuance of units/shares:					
REIT conversion, January 1, 2014	**-**	**-**	87,928	(87,928)	(1,393)
Units issued through distribution reinvestment plan	**66**	**270**	603	-	2,351
Units issued through RSU plan	**1**	**2**	29	-	119
Units issued through debt conversions					
- face value debentures	**-**	**-**	4,004	-	15,214
- impact of fair value of convertible debentures	**-**	**-**	-	-	2,283
Units/shares outstanding, end of the period	**92,631**	**$ 232,246**	92,564	-	$ 231,974

Unitholders have the right to redeem their units at the lesser of (i) 90% of the Market Price of the unit (Market Price is defined as the weighted average trading price of the previous 10 trading days) and (ii) the most recent Closing Market Price (Closing Market Price is defined as the weighted average trading price on the specified date) at the time of the redemption. The redemption price will be satisfied by cash, up to a limit of $50 thousand for all redemptions in a calendar month, or a note payable. For the three months ended March 31, 2015 no unitholder had redeemed units.

The Trust has a Distribution Reinvestment Plan to enable Canadian resident unitholders to acquire additional units of the Trust through the reinvestment of distributions on their units. Units issued in connection with the Distribution Reinvestment Plan are issued directly from the treasury of the Trust at a price based on the weighted average closing price of the units for the 5 trading days immediately preceding the relevant distribution date. Participants also receive “bonus units” in an amount equal to 3% of the distribution amount reinvested. Pursuant to the Distribution Reinvestment Plan, during the three months ended March 31, 2015, unitholders were issued 66 thousand units at a weighted average price of $4.13 per unit (for the three months ended March 31, 2014 – 175 thousand units at a weighted average price of $3.94 per unit).

12. Change in Non-Cash Working Capital

	3 Months Ended March 31, 2015	3 Months Ended March 31, 2014
Receivables	**$ (1,903)**	$ (2,221)
Prepaid expenses and mortgage deposits	**(5,105)**	(4,642)
Accounts payable and accrued liabilities	**8,084**	6,077
Total cash from change in non-cash working capital	**$ 1,076**	$ (786)

(tabular amounts in thousands of Canadian dollars, except per unit amounts and as otherwise indicated)

13. Financial Instruments and Risk Management

In accordance with IFRS, the Trust is required to classify its financial instruments carried at fair value in the financial statements using a fair value hierarchy that exhibits the significance of the inputs used in making the measurements.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
Level 3 - Inputs for the asset or liability that are not based on observable market data.

The following table shows the fair values and fair value hierarchies for financial assets and financial liabilities and other statement of financial position items recorded at fair value and disclosed in the notes to financial statements.

	March 31, 2015			December 31, 2014		
	Level 1	**Level 2**	**Level 3**	Level 1	Level 2	Level 3
Investment properties	**$ -**	**$ -**	**$ 910,301**	$ -	$ -	$ 889,291
Investment properties held for sale	**-**	**-**	**-**	-	-	550
Cash	**-**	**4,926**	**-**	-	6,370	-
Receivables	**-**	**3,766**	**-**	-	1,850	-
Notes receivable	**-**	**5,822**	**-**	-	5,131	-
Held-to-maturity investments	**-**	**7,561**	**-**	-	8,737	-
Tenant loans	**-**	**1,910**	**-**	-	2,346	-
	$ -	**$ 23,985**	**$ 910,301**	$ -	$ 24,434	$ 889,841
Bank indebtedness	**$ -**	**$ 14,479**	**$ -**	$ -	$ 6,155	$ -
Accounts payable and accrued liabilities		**22,707**	**-**	-	11,860	-
Class B exchangeable units	**5,790**	**-**	**-**	-	-	-
Total net fixed rate mortgage loans	**-**	**451,727**	**-**	-	424,378	-
Total net variable rate mortgage loans	**-**	**12,276**	**-**	-	6,748	-
Non-convertible debentures	**-**	**4,028**	**-**	-	4,026	-
Mortgage bonds payable	**-**	**9,160**	**-**	-	9,115	-
Notes payable	**-**	**1,175**	**-**	-	1,175	-
Bridge facility	**-**	**-**	**-**	-	27,537	-
Series A, B, C & D convertible debentures	**61,616**	**-**	**-**	61,548	-	-
	$ 67,406	**$ 515,552**	**$ -**	$ 61,548	$ 490,994	$ -

The fair value of investment properties is based on a combination of external appraisals and internal valuations based on a capitalization matrix provided by independent appraisers.

To mitigate the interest rate risk on two of the variable rate mortgages, included in investments, interest rate swaps are in place and mature on July 31, 2020. The fair value is calculated as the present value of the estimated future cash flows based on observable yield curves.

14. Subsequent Events

Acquisitions

Subsequent to quarter end, land was purchased for future development in Corner Brook, NL for $1.0 million.

Dispositions

Subsequent to quarter end, the Trust sold a property located in Mont Laurier, QC for gross proceeds of $0.5 million.

Financings

Subsequent to quarter end, the Trust obtained long-term financing on a property located in Charlottetown, PE for $7.8 million for a term of 10 years and an interest rate of 3.57%.

Hedging

In May 2015, the Trust entered into an interest rate hedge at one of its equity accounted investments (VGH Limited Partnership) with a Canadian chartered bank. The equity accounted investment is currently in construction on a strip centre development (St. Jerome development). The hedge has been entered into in anticipation of long-term financing on the project once completed in order to hedge the 10 year Government of Canada bond rate. The hedge is for a notional amount of $15.0 million and has a settlement date of February 8, 2016. The all-in hedged rate is 1.907%. Plaza owns 20% of the equity accounted investment.

Plaza Retail REIT
98 Main Street
Fredericton, NB
E3A 9N6

506-451-1826
506-451-1802
Email: info@plaza.ca
www.plaza.ca