



PLAZACORP RETAIL
PROPERTIES LTD.



Quarterly Report
April 30, 2002

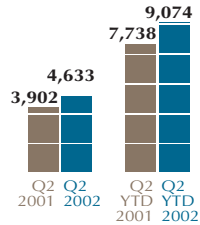
• LETTER TO SHAREHOLDERS AND MANAGEMENT'S DISCUSSION AND ANALYSIS

It is with great pleasure I write my first shareholders' letter as Plazacorp's new President and CEO. My appointment shortly after the end of the second quarter of 2002, with Earl Brewer remaining as Chairman, is aimed at accommodating the Company's continued growth. I am delighted to bring my experience as an investor and director of Plazacorp since its inception to this new role.

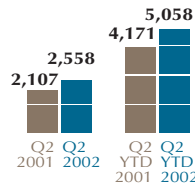
It is no coincidence that my confidence in Plazacorp's future is at such a high level. I am joining a company whose exceptional staff are dedicated and committed to making great things happen. The talent and skills of the team Earl has put together over the past few years, have set a course that makes the future prospects exciting and rewarding for our shareholders, customers and employees.

FINANCIAL HIGHLIGHTS AND OPERATING RESULTS

Revenues
(\$Thousands)

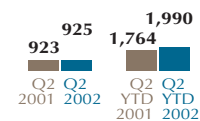


Net Operating Income
(\$Thousands)

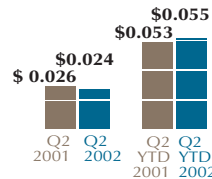


Funds From Operations*
(\$Thousands)

*before minority interest



Funds from Operations per Share



During the first and second quarters of this year, our focus on leasing and operations produced solid growth in revenues and net operating income.

Revenues for the six months ended April 30, 2002 increased 17% to \$9.1 million from \$7.7 million for same period for 2001. This is the result of our acquisition of interest in five new properties during the second half of last year and completed redevelopment of several other properties in our portfolio. Net operating income rose by 21%, from \$4.2 million to \$5.1 million.

Consistent with the portfolio growth, operating expenses increased 13%, up to \$4.0 million from \$3.6 million.

ACQUISITION

In the past 30 months, Plazacorp has grown its asset base from \$20 million to over \$100 million. During the quarter, the Company acquired a 100% interest in Tacoma Centre, a 161,053 ft² shopping mall in Dartmouth NS, bringing our total asset book value to \$106 million as at April 30, 2002.

CAPITAL STRUCTURE AND LIQUIDITY

Investors responded favorably to our recent debenture offering. During the quarter, we raised \$2.7 million, completing the \$5 million offering. The debentures bear 11% annual interest, payable monthly, and have a three-year term. Net proceeds from the issue will be used to finance capital and tenant improvements in the portfolio, as well as for general corporate purposes.

Plazacorp continues to take advantage of long term funding opportunities. Mortgages in the amount of \$26.4 million we had committed for during the first quarter were funded during the second at an average interest rate of 7.7%. All the mortgages are for 10-year terms, and contribute significantly to Plazacorp's goal of creating a stable long-term debt structure.

RELATED PARTY TRANSACTIONS

Plazacorp incurred \$1.14 million in management, leasing, acquisition and financing fees during the quarter, payable to our property manager, Plaza Atlantic Ltd., a related party.

NORMAL COURSE ISSUER BID

During the quarter, the Company repurchased a further 49,000 shares under a normal course issuer bid which allows Plazacorp to purchase up to approximately 5% of our current outstanding common shares. The average purchase price of the 167,000 shares repurchased to date has been \$0.71 including commissions.

OUTLOOK

During the remainder of the year, we will continue to benefit from the stability of our property portfolio. The Company will continue to examine the many opportunities that are presented and we anticipate announcing our decision on whether to convert to a real estate investment trust structure shortly.

We look forward to producing our third consecutive year of growth, improved cash flow for our shareholders, and building our reputation as a significant company within the markets in which we participate.

Yours sincerely,

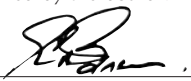
RICHARD HAMM
President and CEO
June 6, 2002

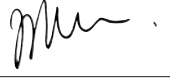
CONSOLIDATED BALANCE SHEET

	APRIL 30, 2002 (UNAUDITED)	OCTOBER 31, 2001 (AUDITED)
ASSETS		
Income producing properties	\$ 94,428,849	\$ 88,579,645
Cash and short-term investments	7,051,587	4,314,874
Accounts receivable	1,418,906	1,370,323
Prepaid expenses	1,327,609	1,005,972
Other assets	1,943,526	1,469,484
	\$ 106,170,477	\$ 96,740,298
LIABILITIES		
Mortgages payable	\$ 69,349,071	\$ 59,489,692
Bonds and debentures payable	10,050,000	5,050,000
Notes payable	3,328,493	6,601,976
Bank indebtedness	239,680	582,170
Accounts payable and accrued liabilities	2,232,563	5,651,276
Income taxes payable	45,291	126,571
Future income taxes	2,859,766	2,651,631
	88,104,864	80,153,316
Minority interest in net assets	487,809	301,654
SHAREHOLDERS' EQUITY		
Share capital	15,095,082	14,174,899
Retained earnings	2,482,722	2,110,429
	17,577,804	16,285,328
	\$ 106,170,477	\$ 96,740,298

See accompanying notes to the consolidated financial statements

Approved by the board :


 Earl Brewer
 Director


 J. Paul Leger, C.A.
 Director

CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS (UNAUDITED)

	THREE MONTHS ENDED APRIL 30, 2002	THREE MONTHS ENDED APRIL 30, 2001	SIX MONTHS ENDED APRIL 30, 2002	SIX MONTHS ENDED APRIL 30, 2001
Rental income	\$ 4,632,594	\$ 3,901,625	\$ 9,073,965	\$ 7,737,967
Operating expenses	2,055,043	1,794,930	4,016,064	3,567,394
NET OPERATING INCOME	2,577,551	2,106,695	5,057,901	4,170,573
Financing costs	1,430,117	1,072,635	2,696,934	2,080,010
Investment income	64,531	52,382	146,102	89,134
Gain on disposition of property	197,153	-	197,153	-
Administrative expenses	189,288	99,435	355,225	159,181
INCOME BEFORE AMORTIZATION	1,219,830	987,007	2,348,997	2,020,516
Amortization	704,173	424,077	1,420,697	713,608
INCOME BEFORE TAXES AND MINORITY INTEREST	515,657	562,930	928,300	1,306,908
Income taxes: current	97,686	64,254	161,717	256,680
future	84,881	126,460	208,135	310,000
INCOME BEFORE MINORITY INTEREST	333,090	372,216	558,448	740,228
Minority interest	146,923	94,676	186,155	171,951
NET INCOME FOR THE PERIOD	186,167	277,540	372,293	568,277
Retained earnings, beginning of period	2,296,555	1,318,798	2,110,429	1,028,062
RETAINED EARNINGS, END OF PERIOD	\$ 2,482,722	\$ 1,596,338	\$ 2,482,722	\$ 1,596,339
BASIC EARNINGS PER SHARE	\$ 0.006	\$ 0.011	\$ 0.013	\$ 0.022
Weighted average number of shares outstanding	29,717,692	26,306,843	28,944,640	26,315,017

See accompanying notes to the consolidated financial statements

CONSOLIDATED STATEMENT OF FUNDS FROM OPERATIONS (UNAUDITED)

	THREE MONTHS ENDED APRIL 30, 2002	THREE MONTHS ENDED APRIL 30, 2001	SIX MONTHS ENDED APRIL 30, 2002	SIX MONTHS ENDED APRIL 30, 2001
NET INCOME	\$ 186,167	\$ 277,540	\$ 372,293	\$ 568,277
ITEMS NOT AFFECTING CASH				
Amortization	704,173	424,077	1,420,697	713,608
Gain on disposition of property	(197,153)	-	(197,153)	-
Minority interest	146,923	94,675	186,155	171,951
Future income taxes	84,881	126,460	208,135	310,000
FUNDS FROM OPERATIONS	\$ 924,991	\$ 922,752	\$ 1,990,127	\$ 1,763,836
Minority interest in funds from operations	207,086	227,115	397,555	379,598
FUNDS FROM OPERATIONS AFTER MINORITY INTEREST IN FUNDS FROM OPERATIONS	717,905	695,637	1,592,572	1,384,238
Basic funds from operations per share	\$ 0.024	\$ 0.026	\$ 0.055	\$ 0.053
Weighted average number of shares outstanding	29,717,692	26,306,843	28,944,640	26,315,017

See accompanying notes to the consolidated financial statements

• CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)	THREE MONTHS	THREE MONTHS	SIX MONTHS	SIX MONTHS
	ENDED APRIL 30, 2002	ENDED APRIL 30, 2001	ENDED APRIL 30, 2002	ENDED APRIL 30, 2001
CASH OBTAINED FROM (USED FOR):				
OPERATING ACTIVITIES				
Funds from operations	\$ 924,991	\$ 922,753	\$ 1,990,127	\$ 1,763,836
Tenant inducements	(558,289)	(132,608)	(751,586)	(255,216)
Change in non-cash working capital	(3,140,599)	(2,111,597)	(3,870,213)	(1,459,290)
	(2,773,897)	(1,321,452)	(2,631,672)	49,330
FINANCING ACTIVITIES				
Bank indebtedness	(290,870)	2,680	(342,490)	139,680
Notes payable	(2,728,618)	32,906	(3,273,483)	1,010,655
Issue of common shares	-	-	-	8,000
Repurchase of common shares for cancellation	(39,560)	-	(117,310)	-
Proceeds from bonds and debentures	2,703,000	-	5,000,000	-
Net proceeds from mortgage financing	7,500,189	5,072,935	9,709,807	6,455,208
Mortgage principal repayments	(324,898)	(270,903)	(1,100,431)	(578,826)
	6,819,243	4,837,618	9,876,093	7,034,717
INVESTING ACTIVITIES				
Net acquisition, development and redevelopment of properties	(1,532,374)	(3,089,469)	(4,033,091)	(6,525,470)
Increase in other assets	(340,808)	(255,629)	(474,617)	(507,405)
	(1,873,182)	(3,345,098)	(4,507,708)	(7,032,875)
INCREASE IN CASH DURING THE PERIOD				
Cash , beginning of period	4,879,423	896,732	4,314,874	1,016,628
CASH , END OF PERIOD	\$ 7,051,587	\$ 1,067,800	\$ 7,051,587	\$ 1,067,800

See accompanying notes to the consolidated financial statements

• NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS APRIL 30, 2002 (UNAUDITED)

1 BASIS OF PRESENTATION

The accompanying unaudited interim consolidated financial statements of Plazacorp Retail Properties Ltd. (the "Company") are prepared in accordance with Canadian generally accepted accounting principles ("GAAP") as prescribed by the Canadian Institute of Chartered Accountants ("CICA") and the recommendations of the Canadian Institute of Public and Private Real Estate Companies ("CIPPREC"). Although these interim financial statements follow the same accounting policies and methods of application as the annual financial statements, all disclosures required by GAAP for annual financial statements have not been presented for these interim financial statements. Accordingly, these interim financial statements should be read in conjunction with the financial statements for the year ended October 31, 2001.

2 CHANGES IN ACCOUNTING POLICIES

During the previous quarter, the Company adopted the new recommendation issued by the CICA relating to the calculation of earnings per share. Under this revised standard, diluted earnings per share amounts are calculated using the treasury stock method, replacing the imputed interest earnings approach. Basic and fully diluted per share amounts were not affected by the change.

3 CORPORATE ACQUISITIONS AND DISPOSITION

- On December 4, 2001, the Company acquired a 50% co-ownership interest in Terrasse Dufferin, a 17,587 ft² strip plaza in Valleyfield QC. The Company funded a portion of its 50% share of the \$1.21 million purchase price with \$500,000 from the proceeds of first mortgage bonds. On March 15, 2002, these first mortgage bond funds were replaced with permanent financing.
- On March 28, 2002, the Company acquired a 100% interest in Tacoma Centre, a 161,053 ft² shopping mall in Dartmouth NS. The company utilized \$2.2 million from its first mortgage bond fund as well as a vendor take-back mortgage to purchase the \$4.5 million property.
- The Company has disposed of surplus land located at Belvedere Plaza, Charlottetown, PEI resulting in a gain on disposition of \$0.2 million, before income taxes and minority interest.

4 RELATED PARTY TRANSACTIONS

Plaza Atlantic Limited (the "Property Manager"), a private Corporation wholly owned by some of the Company's directors, namely Earl Brewer, Paul Leger and Michael Zakuta, is engaged to act as the Company's property manager. The Property Manager is responsible for all property management functions including leasing, operations and maintenance, and also assists the Company on acquisition, financing, development activities and other management decisions. Fees billed by the Property Manager to the company for the six months ended April 30, 2002 totaled \$1.14 million and were at competitive market rates.

5 EARNINGS PER SHARE.

Earnings and funds from operations per share are calculated based on the weighted average number of common shares outstanding during the reporting period. For the six months ended April 30, 2002, per share amounts were calculated based on a weighted average of 28,944,640 common shares outstanding. As at April 30, 2002, there were 29,646,698 common shares outstanding.

On November 15, 2001, the Company began a normal course issuer bid through the facilities of and in accordance with the by-laws and rules of the TSX Venture Exchange. This bid will allow the Company to purchase up to 1,408,435 common shares, representing 5% of those outstanding as at October 31, 2001. The bid commenced on November 15, 2001 and will terminate November 14, 2002, or earlier if the bid is complete. As at April 30, 2002, 167,000 shares had been repurchased at an average price of \$0.71 per share including commissions, for a total purchase price of \$119,152.

The Company held a fixed rate mortgage in the amount of \$1,000,000, which contained a convertible feature permitting the mortgagee to convert the debt into common shares. On January 31, 2002, the holder of this mortgage converted it into 1,587,301 common shares of the Company based on an effective conversion price of \$0.63 per share. For the six months ended April 30, 2002, this option did not have a materially dilutive effect on earnings per share.

The Company is obligated to issue up to 2,839,287 additional common shares as further consideration in respect of certain past corporate acquisitions contingent upon certain properties achieving specific performance criteria by the end of the 2003 fiscal period. The Company has issued no shares pursuant to these obligations.

• NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS APRIL 30, 2002 (UNAUDITED)

6 CONTINGENCIES AND COMMITMENTS

- (a) The Company has guaranteed the debt of its subsidiaries to \$1.2 million in excess of the Company's pro-rata ownership position in the related assets.
- (b) The Company has provided a limited indemnity of up to \$3 million related to certain matters, principally environmental, in relation to a mortgage on Centennial Plaza and Place du Marché, a limited partnership in which the Company holds a 20% residual interest.
- (c) The Company has agreements to lease land that expire on dates ranging from 2011 to 2063 with renewal options ranging from 10 years to 36 years. The minimum lease payments for the next five years are as follows:

2002	\$ 451,000
2003	457,000
2004	457,000
2005	474,000
2006	481,000
Total	\$ 2,320,000

7 SUBSEQUENT EVENTS

Under the Company's stock option plan, certain employees of the Company or its affiliates may be granted stock options at an exercise price not less than 100% of the market value on the date of grant. On May 14, 2002, the Company received regulatory approval and issued 400,000 stock options that were granted on August 3, 2001 pending receipt of regulatory approval. The options have an exercise price of \$0.75 and vest in even tranches over the first, second, and third, anniversaries of the grant date. The options will expire on August 3, 2006. A summary of the common share options outstanding as at April 30, 2002 is as follows

EXERCISE PRICE	# OF OPTIONS	EXPIRY DATE	# OF OPTIONS EXERCISABLE
\$ 0.20	400,000	July 23, 2004	400,000
\$ 0.75	400,000	August 3, 2006	-
	800,000		400,000

8 COMPARATIVE AMOUNTS

Certain comparative figures have been reclassified to conform with the presentation of the current year.

FOR MORE INFORMATION CONTACT:

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