SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 1997

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number 1-12002

MARK CENTERS TRUST
(Exact name of registrant in its charter)

MARYLAND	23-2715194
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

600 THIRD AVENUE, KINGSTON, PENNSYLVANIA	18704
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code
(717) 288-4581

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes X No

As of May 12, 1997, there were 8,548,817 common shares of beneficial interest, par value $.001 per share, outstanding.

MARK CENTERS TRUST
FORM 10-Q

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Part I. Financial Information
Item 1. Financial Statements

MARK CENTERS TRUST
CONSOLIDATED BALANCE SHEETS
(in thousands, except for per share amounts)

	March 31, 1997 (unaudited)	December 31, 1996 (audited)
ASSETS		
Rental property - at cost:		
Land	$ 30,855	$ 31,084
Buildings and improvements	270,008	271,423
Construction-in-progress	6,063	4,904
	306,926	307,411
Less accumulated depreciation	75,010	72,956
Net rental property	231,916	234,455
Cash and cash equivalents	8,109	3,912
Rents receivable - less allowance for doubtful accounts of $535 and $544, respectively	3,843	4,956
Prepaid expenses	1,281	1,421
Due from related parties	160	203
Furniture, fixtures and equipment, net	521	570
Deferred charges	9,669	9,034
Mortgage escrows and other assets	7,316	3,966
	$262,815	$258,517
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities:		
Mortgage notes payable	$179,438	$156,772
Lines of credit	5,536	16,051
Accounts payable and accrued expenses	5,740	9,397
Payable to Principal Shareholder	3,050	3,050
Distributions payable	3,662	3,662
Rents received in advance and tenant security deposits	1,998	2,027
Total Liabilities	199,424	190,959
Minority Interest	10,079	10,752

Shareholders' Equity:		
Common shares, $.001 par value, authorized 50,000,000 shares, issued and outstanding 8,548,817 shares	9	9
Additional paid-in capital	54,443	57,521
Deficit	(1,140)	(724)
Total Shareholders' Equity	53,312	56,806
	$262,815	$258,517

See accompanying notes

MARK CENTERS TRUST
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS ENDED MARCH 31, 1997 AND 1996
(in thousands, except for per share amounts)
(unaudited)

	March 31, 1997	March 31, 1996
Revenue:		
Minimum rents	$ 8,444	$ 8,466
Percentage rents	684	602
Expense reimbursements	1,777	1,944
Other	219	223
Total revenue	11,124	11,235
Expenses:		
Property operating	2,563	2,817
Real estate taxes	1,439	1,298
Depreciation and amortization	3,324	3,202
General and administrative expenses	537	758
Total operating expenses	7,863	8,075
Operating income	3,261	3,160
Loss on sale of property	12	--
Interest and financing expenses	3,736	2,974
(Loss)income before minority interest	(487)	186
Minority interest	71	(52)
Net (loss) income	$ (416)	$ 134
Net (loss) income per common share	$ (.05)	$ .02

See accompanying notes

MARK CENTERS TRUST
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 1997 AND 1996
(in thousands, except for per share amounts)
(unaudited)

	March 31, 1997	March 31, 1996
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net (loss) income	$(416)	$ 134
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation and leasing amortization	3,175	2,968
Amortization - financing costs	149	234
Minority interest	(71)	52
Provision for bad debts	88	194
Loss on sale of property	12	--
	2,937	3,582
Changes in assets and liabilities:		
Rents receivable	1,025	651
Prepaid expenses	140	274
Due from related parties	43	75
Other assets	(191)	467
Accounts payable and accrued expenses	(37)	20
Rents received in advance and tenant security deposits	(29)	(224)
Net cash provided by operating activities	3,888	4,845
CASH FLOWS FROM INVESTING ACTIVITIES:		
Expenditures for real estate and improvements	(1,720)	(3,892)
(Decrease) increase in accounts payable related to construction in progress	(3,620)	2,633
Net proceeds from sale of property	1,288	--
Deferred leasing and other charges	(64)	(2,761)
Expenditures for furniture, fixtures and equipment	(3)	--
Net cash used in investing activities	(4,119)	(4,020)

CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on mortgages and lines of credit	(10,849)	(2,060)
Proceeds received for mortgage notes	23,000	3,360
Net (increase) decrease in mortgage escrows	(3,159)	2,014
Payment of deferred financing costs	(884)	(39)
Dividends paid	(3,078)	(3,075)
Distributions to Principal Shareholder	(602)	(611)
Net cash provided by (used in) financing activities	4,428	(411)
INCREASE IN CASH AND CASH EQUIVALENTS	4,197	414
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	3,912	3,068
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 8,109	$ 3,482
Supplemental Disclosures of Cash Flow Information:		
Cash paid during the period for interest, net of amounts capitalized of $112 and $189, respectively	$3,791	$ 2,993

See accompanying notes

MARK CENTERS TRUST
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in thousands, except for per share amounts)

1. BASIS OF PRESENTATION

The consolidated financial statements include the consolidated accounts of Mark Centers Trust (the "Company") and its majority owned partnerships, including Mark Centers Limited Partnership (the "Operating Partnership"), and have been prepared in accordance with generally accepted accounting principles for interim financial information and with instruction to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. The information furnished in the accompanying consolidated financial statements reflect all adjustments which are, in the opinion of management, necessary for a fair presentation of the aforementioned consolidated financial statements for the interim periods. Operating results for the three month period ended March 31, 1997 are not necessarily indicative of the results that may be expected for the fiscal year ending December 31, 1997.

The aforementioned consolidated financial statements should be read in conjunction with the notes to the aforementioned consolidated financial statements and Management's Discussion and Analysis of Financial Condition and Results of Operations.

2. ORGANIZATION AND FORMATION OF THE COMPANY

The Company was formed as a Maryland Real Estate Investment Trust ("REIT") on March 4, 1993 by Marvin L. Slomowitz (the "Principal Shareholder"), the principal owner of Mark Development Group (the "Predecessor"), to continue the business of the Predecessor in acquiring, developing, renovating, owning and operating shopping center properties. The Company effectively commenced operations on June 1, 1993 with the completion of its initial public offering, whereby it issued an aggregate of 8,350,000 common shares of beneficial interest to the public at an initial public offering price of $19.50 per share (the "Offering"). The proceeds from the Offering were used to repay certain property-related indebtedness, for costs associated with the Offering and transfer of the properties to the Company and for working capital. The acquisition of the properties was recorded by the Company at the historical cost reflected in the Predecessor's financial statements since these transactions were conducted with entities deemed to be related parties.

(in thousands, except per share amounts)

The Company currently owns and operates thirty-nine properties consisting of thirty-four neighborhood and community shopping centers, three enclosed malls and two mixed use (retail/office) properties. All of the Company's assets are held by, and all of its operations are conducted through, the Operating Partnership and its majority owned partnerships. As of March 31, 1997, the Company controlled 84% of the Operating Partnership as the sole general partner. The Company will at all times be the sole general partner of, and owner of a 51% or greater interest in, the Operating Partnership. In excess of 99% of the minority interest in the Operating Partnership is owned by the Principal Shareholder who is the principal limited partner of the Operating Partnership.

3. SHAREHOLDERS' EQUITY AND MINORITY INTEREST

The following table summarizes the change in the shareholders' equity and minority interest since December 31, 1996:

	Shareholders' Equity	Minority Interest
Balance at December 31, 1996	$56,806	$10,752
Loss for the period January 1 through March 31, 1997	(416)	(71)
Distributions to Principal Shareholder	--	(602)
Dividends paid, $.36 per share	(3,078)	--
Balance at March 31, 1997	$53,312	$10,079

4. RELATED PARTY TRANSACTIONS

As of March 31, 1997 amounts due from related parties consisted of the following:

Accrued ground rent due from Blackman Plaza Partners (a limited partnership in which the Principal Shareholder is a 1% general partner)	$ 190
Other amounts (net) due to Principal Shareholder	(30)
	$ 160

5. MORTGAGE NOTES AND LINES OF CREDIT

On March 4, 1997 , the Company closed on $23,000 of fixed rate financing from Nomura Asset Capital Corporation ("Nomura"). The loan, which matures on March 11, 2022, is secured by a mortgage on one of the Company's properties, bears interest at 9.02% and requires monthly payments of interest and principal amortized over 25 years. Approximately $10,155 of the proceeds were used to retire existing debt with Fleet National Bank, $673 were used to pay financing costs, $3,105 was deposited in escrows, and the remaining proceeds were used for working capital. The Company is subject to certain affirmative and negative covenants.

6. PER SHARE DATA

Primary earnings per share are computed based on 8,559,535 and 8,563,053 shares outstanding, which represent the weighted average number of shares outstanding (including restricted shares) during the three month periods ended March 31, 1997 and 1996, respectively. Fully diluted earnings per share is based on an increased number of shares that would be outstanding assuming the exercise of share options at the market price at the end of the period. Since fully diluted earnings per share is not materially dilutive or is anti-dilutive, such amounts are not presented.

7. ACCOUNTING CHANGE

In February 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 128, "Earnings Per Share" ("FAS 128"). FAS 128 is effective for financial statements issued for periods ending after December 15, 1997, including interim periods. Early adoption is not permitted and the statement requires restatement of all prior-period earnings per share ("EPS") presented after the effective date. The Company will adopt FAS 128 effective with the year ending December 31, 1997 and does not expect the impact on EPS to be material.

8. DISTRIBUTIONS PAYABLE

On March 13, 1997, the Trustees declared a cash distribution of $0.36 per common share and OP Unit payable on April 30, 1997 to shareholders and limited partners of record as of March 28, 1997.

9. SALE OF PROPERTY

On March 5, 1997, the Company completed the sale of the Newberry Plaza for $1.3 million. A $392,000 reduction in carrying value had been recorded as of December 31, 1996 to reflect the property at a fair value equal to the contract sales price less direct selling costs.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion is based on the consolidated financial statements of Mark Centers Trust (the "Company") as of March 31, 1997 and 1996 and for the three months then ended.

This information should be read in conjunction with the accompanying consolidated financial statements and notes thereto. These financial statements include all adjustments which, in the opinion of management, are necessary to reflect a fair statement of the results for the interim periods presented, and all such adjustments are of a normal recurring nature. Operating results for the three month period ended March 31, 1997 are not necessarily indicative of the results that may be expected for the fiscal year ending December 31, 1997.

RESULTS OF OPERATIONS

Comparison of Three Months Ended March 31, 1997 to Three Months Ended March 31, 1996

Total revenue remained essentially stable, decreasing marginally by $111,000, or 1% to $11.1 million for the quarter ended March 31, 1997 compared to $11.2 million for the quarter ended March 31, 1996. A decline in minimum rents following the loss of two anchor tenants was offset by the minimum rents generated from the Company's development and expansion activities. The completion of Sears and Hill's department stores in October 1996 (Phase I of the planned development) at the Union Plaza and the opening of the HomePlace store in June 1996, completing the expansion of the New Louden Center, offset the impact of the loss of Jamesway at the Ledgewood Mall and Rich's Department Store at the Auburn Plaza following their bankruptcy proceedings in 1996. Expense reimbursements, which represents the pass-through of certain property operating expenses to the tenants, decreased $167,000, or 9%, primarily due to a decrease in winter related reimbursable expenses following the comparatively milder 1997 winter.

RESULTS OF OPERATIONS, continued

Total operating expenses of $7.9 million for the quarter ended March 31, 1997 decreased $212,000, or 3% from $8.1 million for the quarter ended March 31, 1996. The decrease was primarily a result of a $238,000 reduction in snow removal costs and a $221,000, or 29% reduction in general and administrative expenses which reflected the effect of the write-off of certain costs during the quarter ended March 31, 1996 following the Company's decision to terminate the development of land in Gettysburg, Pennsylvania. The foregoing factors were partially offset by increases in real estate taxes and depreciation and amortization totalling $263,000 due to the Company's property development and expansion activities.

Interest and financing expenses increased $762,000 for the quarter ended March 31, 1997 compared to the quarter ended March 31, 1996. This variance was primarily a result of higher average outstanding borrowings related to property development and expansion activities.

As a result of the changes in revenues and expenses as discussed above, income before minority interest declined $673,000 from $186,000 for the quarter ended March 31, 1996 resulting in a net loss before minority interest of $487,000 for the quarter ended March 31, 1997.

Funds from Operations

The Company, along with most industry analysts, consider funds from operations("FFO") as defined by the National Association of Real Estate Investment Trusts ("NAREIT")as an appropriate supplemental measure of operating performance. However, FFO does not represent cash generated from operations as defined by generally accepted accounting principles and is not indicative of cash available to fund cash needs. It should not be considered as an alternative to net income for the purpose of evaluating the Company's performance or to cash flows as a measure of liquidity. Generally, NAREIT defines FFO as net income (loss) before gains (losses) on sales of property, non-recurring charges and extraordinary items, adjusted for certain non-cash charges, primarily depreciation and amortization of capitalized leasing costs.

FUNDS FROM OPERATIONS
FOR THE THREE MONTHS ENDED MARCH 31, 1997 AND 1996
(in thousands, except for per share amounts)

	March 31, 1997	March 31, 1996
Revenue		
Minimum rents (a)	$ 8,349	$ 8,406
Percentage rents	684	602
Additional rents-expense reimbursements	1,777	1,944
Other	219	223
Total revenue	11,029	11,175
Expenses		
Property operating (b)	2,553	2,741
Real estate taxes	1,439	1,298
General and administrative	531	751
Total operating expenses	4,523	4,790
Operating income	6,506	6,385
Interest and financing expense	3,736	2,974
Amortization of deferred financing costs	149	234
Depreciation of non-real estate assets	52	57
Funds from operations	$ 2,569	$ 3,120
Funds from operations per share (c)	$ .25	$ .31

Reconciliation of Funds from Operations to Net Income
determined in accordance with Generally Accepted Accounting
Principles (GAAP)

Funds from operations above	$ 2,569	$ 3,120
Depreciation and amortization of leasing costs	(3,123)	(2,911)
Straight-line rents and related write-offs, net	94	(8)
Minority interest	71	(52)
Loss on sale of property	(12)	--
Other non-cash adjustments	(15)	(15)
Net (loss) income	$ (416)	$ 134
Net (loss) income per share (d)	$ (.05)	$ .02

(a) Excludes income from straight-lining of rents.
(b) Represents all expenses other than depreciation, amortization, write-off of unbilled rent receivables recognized on a straight-line basis and the non-cash charge for compensation expense related to the Company's restricted share plan.
(c) Assumes full conversion of 1,623,000 Operating Partnership Units into common shares of the Company for the three months ended March 31, 1997 and 1996, respectively, for a total of 10,171,817 and 10,166,452 shares, respectively.
(d) Net income per share is computed based on the weighted average number of shares outstanding for the three months ended March 31, 1997 and 1996 of 8,559,535 and 8,563,053, respectively.

LIQUIDITY AND CAPITAL RESOURCES

On March 4, 1997 , the Company closed on $23 million of fixed rate financing from Nomura Asset Capital Corporation ("Nomura"). The loan, which matures on March 11, 2022, is secured by a mortgage on one of the Company's properties, bears interest at 9.02% and requires monthly payments of interest and principal amortized over 25 years. Approximately $10.2 million of the proceeds were used to retire existing debt with Fleet National Bank, $673,000 were used to pay financing costs, $3.1 million was deposited in escrows, and the remaining proceeds were used for working capital. The Company is subject to certain affirmative and negative covenants.

At March 31, 1997 the Company had $3.2 million outstanding under the Mellon Bank, N.A. ("Mellon Bank") facility requiring the amortization of principal through the maturity date of April 2, 1998. The facility bears interest at LIBOR plus 200 basis points or the prime rate established by Mellon Bank plus 1/2% and is secured by one property.

The Company also has $2.3 million outstanding on its revolving line of credit facility with Firstrust Savings Bank ("Firstrust"). The facility bears interest at the higher of 8.75% or the prime rate established by Firstrust Bank plus 1/2%, requires the monthly payment of principal through the maturity date of June 30, 1997 and is secured by the Mark Plaza. The Company has obtained a commitment from Firstrust to provide additional financing of $3.2 million for the expansion and renovation of the Mark Plaza (of which $3.0 million is included in the 1997 estimated capital outlays as discussed hereinafter in Liquidity and Capital Resources), and convert the entire facility of $5.5 million to a construction loan to mature in 18 months following closing.

The Company has additional mortgage indebtedness of $156.4 million outstanding which bears fixed rates of interest ranging from 7.70% to 9.11% with maturities ranging from April 1, 2000 to November 1, 2021.

LIQUIDITY AND CAPITAL RESOURCES, continued

At March 31, 1997, the Company's capitalization consisted of $185.0 million of debt and $110.6 million of market equity (using a March 31, 1997 market price of $10.875 per share). Of the total outstanding debt, $175.4 million, or 95%, is carried at fixed interest rates and the remaining $9.6 million, or 5%, is carried at variable rates.

The Company currently estimates that capital outlays for property development, property expansion and tenant improvements will require $10.3 million during the remainder of 1997. Of these capital outlays, $673,000 is reflected in accounts payable and accrued expense balances at March 31, 1997.

Historically, the principal sources for funding operations, renovations, expansion, development and acquisitions have been funds from operations, construction and permanent secured debt financings, as well as short term construction and line of credit borrowing from various lenders. The Company anticipates that cash flow from operating activities will continue to provide adequate capital for all debt service payments, recurring capital improvements, as well as distributions in accordance with REIT requirements (95% of taxable income). In addition, cash on hand, amounts currently escrowed with lenders and the use of construction financing as well as other debt and equity financing alternatives will provide the necessary capital to fund planned 1997 outlays for property development, property expansion and tenant improvements, and achieve continued growth.

HISTORICAL CASH FLOW

The following discussion of historical cash flow compares the Company's cash flow for the three months ended March 31, 1997 with the Company's cash flow for the three months ended March 31, 1996.

Net cash provided by operating activities decreased from $4.8 million for the three months ended March 31, 1996 to $3.9 million for the three months ended March 31, 1997. This variance was primarily attributable to a $428,000 decrease in cash provided from net income as adjusted for depreciation and amortization and a $658,000 increase in cash used for other assets.

HISTORICAL CASH FLOW, continued

Investing activities used $4.1 million during the three months ended March 31, 1997, a $100,000 increase in cash used from the same period in 1996. This was due to $4.1 million more cash used during the three months ended March 31, 1997 related to property development, expansion and retenanting activities (including the payment of accounts payable related thereto) offset by a $2.7 million decrease in deferred leasing charges paid and the receipt of $1.3 million from the sale of the Newberry Plaza during the three months ended March 31, 1997.

Net cash provided by financing activities was $4.4 million for the three months ended March 31, 1997 representing a $4.8 million increase from net cash used in financing activities of $411,000 for the three months ended March 31, 1996. This increase is primarily attributable to financing obtained from Nomura on March 4, 1997.

INFLATION

The Company's long-term leases contain provisions designed to mitigate the adverse impact of inflation on the Company's net income. Such provisions include clauses enabling the Company to receive percentage rents based on tenants' gross sales, which generally increase as prices rise, and/or, in certain cases, escalation clauses, which generally increase rental rates during the terms of the leases. Such escalation clauses are often related to increases in the consumer price index or similar inflation indexes. In addition, many of the Company's leases are for terms of less than ten years, which permits the Company to seek to increase rents upon re-rental at market rates if rents are below the then existing market rates. Most of the Company's leases require the tenants to pay their share of operating expenses, including common area maintenance, real estate taxes, insurance and utilities, thereby reducing the Company's exposure to increases in costs and operating expenses resulting from inflation.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

None

Item 2. Changes in Securities

None

Item 3. Defaults Upon Senior Securities

None

Item 4. Submission of Matters to a Vote of Security Holders

None

Item 5. Other Information

None

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

27 Financial Data Schedule (EDGAR filing only)

(b) Reports on Form 8-K

None

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has fully caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

MARK CENTERS TRUST

By: /s/ Marvin L. Slomowitz
Marvin L. Slomowitz
Chief Executive Officer and
Trustee (Principal Executive
Officer)

/s/ Joshua Kane
Joshua Kane
Senior Vice President
Chief Financial Officer and
Treasurer (Principal Financial
and Accounting Officer)

Date: May 14, 1997

INDEX OF EXHIBITS

27	Financial Data Schedule (EDGAR filing only)

5
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MARK CENTERS TRUST
1,000

3-MOS
DEC-31-1997
JAN-01-1997
MAR-31-1997
8,109
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4,378
535
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