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Kimco Realty Anticipates Significant Value Creation Opportunities from Sears Holdings Announcement

Company's Exposure Limited to Less Than 1% of Total Annualized Base Rent

Potential Recapture of Below-Market Leases Offers Sizable Long-Term Mark-to-Market and Redevelopment Opportunities

NEW HYDE PARK, N.Y.--(BUSINESS WIRE)-- [Kimco Realty Corp.](#) (NYSE:KIM) announced today that it expects to benefit from considerable mark-to-market and long-term redevelopment opportunities in the wake of the recently announced Sears Holdings ("Sears/Kmart") bankruptcy filing. Overall, Kimco's exposure is limited to 14 leases (three Sears and eleven Kmart, one of which is subleased to At Home), representing just 0.6% of annualized base rent and 1.9% of the company's total gross leasable area.

"Today's announcement may afford us the long-awaited opportunity to recapture boxes with significant mark-to-market potential in our core markets, and sparks several new redevelopment opportunities within our portfolio," said Conor Flynn, Kimco's Chief Executive Officer. "Given the highly favorable demographics of these locations, along with the continued demand for well-located, high-quality real estate, we expect to build on our past success in creating value by re-tenanting and redeveloping these below-market anchor spaces and activating underutilized parking fields."

Sears/Kmart pays among the lowest rents of any tenant in Kimco's portfolio. The 14 Sears/Kmart leases have an average base rent of \$5.25 per square foot, which is significantly below the company's portfolio average of \$15.95. Demographics across the 14 locations are desirable, with a population of 129,000 within a three-mile radius with an average household income of \$88,000.

Select opportunities include:

- **Whittwood Town Center**, an infill site in the densely populated Los Angeles suburb of Whittier, California, serving a population of approximately 175,000 within a three-mile radius with an average household income of over \$93,000.
- **Bridgehampton Commons** in Bridgehampton, New York, serving the affluent Hamptons community, with an average household income of over \$193,000 in a three-mile radius.
- **Kendale Lakes Plaza** in Miami, Florida, with a population of 215,000 within a three-mile radius in this strong South Florida market.

Since 2015, Kimco has proactively reduced its overall exposure to Sears/Kmart and has recognized the benefits of recapturing eight Sears/Kmart locations, achieving an average

rent spread of 211%. The recaptures triggered the redevelopment of four of those centers, including:

- **Hylan Plaza** in Staten Island, New York, where a former Kmart has been demolished to make way for The Boulevard, Kimco's \$186 million Signature Series redevelopment scheduled to open in 2020, featuring tenants such as Alamo Drafthouse, Marshalls, Ulta, LA Fitness and ShopRite, which replaced Kmart at a rent spread of 727%.
- **Vermont-Slauson Shopping Center** in Los Angeles, California, where a former Kmart was re-leased to Ross Dress for Less and dd's Discounts for a total rent spread of 748%.
- **Bayhill Plaza** in Orlando, Florida, where a Kmart box was re-tenanted with a PGA Superstore and Ross Dress for Less for a total rent spread of 127%.
- **Fullerton Plaza** in Baltimore, Maryland, where Kmart was replaced by Weis Markets for a rent spread of 191%.

About Kimco

Kimco Realty Corp. (NYSE:KIM) is a real estate investment trust (REIT) headquartered in New Hyde Park, N.Y., that is one of North America's largest publicly traded owners and operators of open-air shopping centers. As of September 30, 2018, the company owned interests in 450 U.S. shopping centers comprising 78 million square feet of leasable space primarily concentrated in the top major metropolitan markets. Publicly traded on the NYSE since 1991, and included in the S&P 500 Index, the company has specialized in shopping center acquisitions, development and management for 60 years. For further information, please visit www.kimcorealty.com, the company's blog at blog.kimcorealty.com, or follow Kimco on Twitter at www.twitter.com/kimcorealty.

The company announces material information to its investors using the company's investor relations website (investors.kimcorealty.com), SEC filings, press releases, public conference calls, and webcasts. The company also uses social media to communicate with its investors and the public, and the information the company posts on social media may be deemed material information. Therefore, the company encourages investors, the media, and others interested in the company to review the information that it posts on the company's blog (blog.kimcorealty.com) and social media channels, including Facebook (www.facebook.com/kimcorealty), Twitter (www.twitter.com/kimcorealty), YouTube (www.youtube.com/kimcorealty) and LinkedIn (www.linkedin.com/company/kimco-realty-corporation). The list of social media channels that the company uses may be updated on its investor relations website from time to time.

Safe Harbor Statement

The statements in this news release state the company's and management's intentions, beliefs, expectations or projections of the future and are forward-looking statements. It is important to note that the company's actual results could differ materially from those projected in such forward-looking statements. Factors which may cause actual results to differ materially from current expectations include, but are not limited to, (i) general adverse economic and local real estate conditions, (ii) the inability of major tenants to continue paying their rent obligations due to bankruptcy, insolvency or a general downturn in their business, (iii) financing risks, such as the inability to obtain equity, debt or other sources of financing or refinancing on favorable terms to the company, (iv) the company's ability to raise capital by selling its assets, (v) changes in governmental laws and regulations and

management's ability to estimate the impact of such changes, (vi) the level and volatility of interest rates and foreign currency exchange rates and management's ability to estimate the impact thereof, (vii) risks related to the Company's international operations, (viii) the availability of suitable acquisition, disposition, development and redevelopment opportunities, and risks related to acquisitions not performing in accordance with our expectations, (ix) valuation and risks related to the company's joint venture and preferred equity investments, (x) valuation of marketable securities and other investments, (xi) increases in operating costs, (xii) changes in the dividend policy for the company's common and preferred stock and the company's ability to pay dividends at current levels, (xiii) the reduction in the company's income in the event of multiple lease terminations by tenants or a failure by multiple tenants to occupy their premises in a shopping center, (xiv) impairment charges and (xv) unanticipated changes in the company's intention or ability to prepay certain debt prior to maturity and/or hold certain securities until maturity. Additional information concerning factors that could cause actual results to differ materially from those forward-looking statements is contained from time to time in the company's SEC filings. Copies of each filing may be obtained from the company or the SEC.

The company refers you to the documents filed by the company from time to time with the SEC, specifically the section titled "Risk Factors" in the company's Annual Report on Form 10-K for the year ended December 31, 2017, as may be updated or supplemented in the company's Quarterly Reports on Form 10-Q and the company's other filings with the SEC, which discuss these and other factors that could adversely affect the company's results. The company disclaims any intention or obligation to update the forward-looking statements, whether as a result of new information, future events or otherwise.

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