Kimco Realty Corporation

1999 Annual Report

Corporate Profile

Kimco Realty Corporation, a publicly-traded real estate investment trust ("REIT"), owns and operates the nation's largest portfolio of neighborhood and community shopping centers (measured by gross leasable area), with interests in 473 properties comprising approximately 62 million square feet of leasable area in 41 states.

Since its incorporation in 1966, the Company has specialized in the acquisition, development, and management of well-located centers with strong growth potential. Self-administered and self-managed, the Company focuses on increasing the cash flow and enhancing the value of its shopping center properties through strategic re-tenanting, redevelopment, renovation and expansion, and through selective acquisitions and development of neighborhood and community shopping centers which have below market-rate leases or other potential for cash flow growth.

The Company's common shares are traded on the New York Stock Exchange under the symbol KIM.

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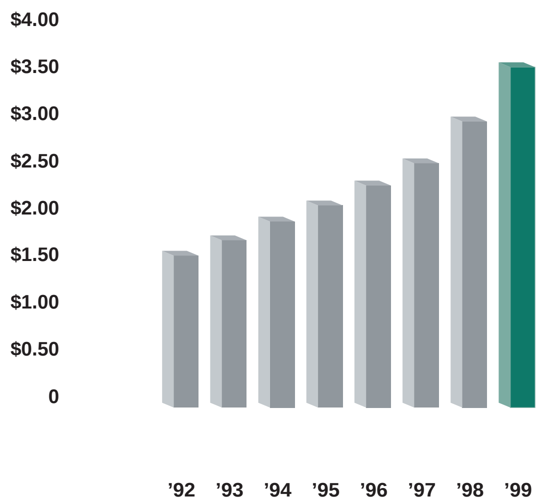
Kimco achieved record levels of performance in 1999. Funds from operations rose 44%, and net income rose nearly 45%.

Funds from Operations Growth
(per share)

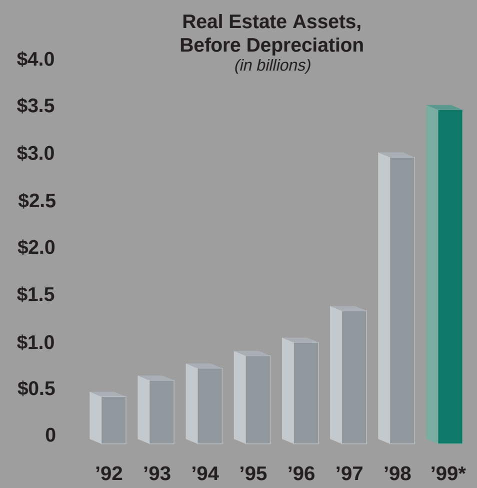


With interests in assets of nearly $4 billion, we continued to maintain our position as one of the largest and most successful owners of neighborhood and community shopping centers in the nation.

Board of Directors
Back Row from left to right: Richard G. Dooley, Frank Lourenso, Joe Grills, Joseph K. Kornwasser
Front Row from left to right: Michael J. Flynn, Milton Cooper, Martin S. Kimmel

Highlights of Another Record-Breaking Year:

- Funds from operations increased 44.0% to $221.4 million from $153.7 million.
- Net income increased 44.6% to $176.8 million from $127.2 million.
- Funds from operations per diluted common share increased 19.1% to $3.61 from $3.03.
- Net income per diluted common share increased 27.5% to $2.46 from $1.93.
- Annual dividends per common share increased 20.3% to $2.37 from $1.97.
- Launched the Kimco Income REIT (KIR) which is comprised of $583 million in gross real estate assets.



*Includes properties transferred to Kimco Income REIT

Dear Fellow Shareholders:

This was another record year for our Company, in which cash flow, net income and dividends all increased significantly. Mike Flynn's letter, which follows mine, details our accomplishments.

Regrettably, the 1999 equity marketplace greeted our record performance with indifference. Even though our performance was outstanding, the marketplace does not seem to notice or respond. Investors today appear so beguiled by high-tech companies and Internet start-ups that things like cash flow, net profits and dividends are seen as irrelevant. It appears losses are in and profits are out. This situation is, of course, quite puzzling to someone like me, for whom the words "cash flow" and "net profit" are among the most delightful and delicious words in our dictionary.

Notwithstanding our record performance, we must nevertheless face the reality of the marketplace. And, the reality is that our sector as a whole is currently out of favor. Fortunately, we have a history of making lemonade from lemons. We view the recent weakness in the market as a chance for us to benefit from our opportunistic investment style. I'd like to review our strategy and share some thoughts with respect to our future.

Our Strategy

Ours is a wonderful business that requires two main ingredients: access to capital and a team that can be fast on its feet to generate superior returns with the capital. We have such a team, an extraordinary group of highly talented and energized people. And, our balance sheet is strong.

We have used our capital wisely, investing in opportunistic situations. By limiting the amount of leverage on our balance sheet, we have maintained our strong access to capital. We also have the ability to self-generate capital.

How will we do it? In two main ways:

Retained Earnings

The least expensive form of capital to generate is retained earnings. Recognizing this, we have kept our payout ratio low. We will continue to do this in order to maximize retained earnings.

Q. Since 1999 was a record year for Kimco's earnings, can you repeat your record performance?

A. We expect our earnings to continue improving in the year 2000. In 1999, our funds from operations per share grew at a rate of 19%, far exceeding what is normal in our industry. Double-digit growth rates are expected from Kimco, and we will work tirelessly to meet those expectations.

Taxable Subsidiary

We will also build retained earnings from a new, taxable subsidiary. The new REIT Modernization Act, which becomes effective January 1, 2001, removes many of the strictures of the REIT structure that have prevented prompt turnover of properties. The new legislation will permit us to engage in profit-making activities and services that we previously were not permitted to provide. Like any other corporation that pays tax, we will be able to retain after-tax earnings from those activities.

Merchant Developer. With this in mind, we plan to convert our development business, in which we have been investing capital, into a "merchant developer." We have developed some exciting new projects. With the same business, instead of having to hold those assets for at least four years, we will be able to sell them immediately, eliminating the need for the capital involved, and we will be able to retain the earnings from this activity.

This is the same business we have done for years, with the same risk, but instead of having approximately 70% equity capital remain in each project, we will generate cash profit of approximately 20% or more over cost. We will recover our cost, pay tax on the cash profit, and have retained earnings. That will self-generate capital.

Services to Retailers. We plan to create a full-service business for troubled retailers and retain the earnings from it. In addition to our traditional real estate activities with bankruptcies and troubled retailers, we will provide expertise to appraise inventories and advise on lease liability mitigation, leasehold lending, and all of the disciplines needed when retailers stumble.

Internet Services. We will also provide Internet-related services to retailers. We are already using the Internet to assist leasing and to disseminate information, and we have recently begun piloting a sophisticated search engine for retailers that builds relationships between brick-and-mortar retailers and their customers. We see opportunities to help some of our smaller retailers enjoy the same Internet benefits as large retailers. Internet business-to-business has tremendous potential for our business, and we see

opportunities for an edge over smaller shopping center owners by using the Internet for national leasing, national multiple listing services, daily site plan updates and occupancy statistics, property sales, material purchases, service contract bidding and financing services. We are exploring the benefits of installing broadband, high-speed Internet access in our shopping centers, which may generate additional revenue for us.

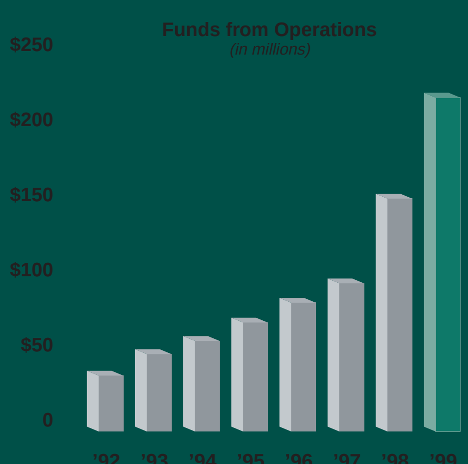
We are developing the taxable subsidiary so that when the new legislation takes effect on January 1, 2001, we will hit the ground running.

Managing Efficiently

The heart of our business success is our disciplined ability to acquire, develop and manage properties efficiently. Kimco Realty has been a pioneer and innovator in the use of computer technology for property management. As a result, we have had an edge on the competition in spotting opportunities and jumping on them quickly. We are committed to keeping that edge. In mid-1999, we analyzed our systems in light of trends emerging in technology and our industry, and we launched an extensive program to expand our financial and property management systems to be able to handle additional business opportunities in the future. The new capabilities will be phased in throughout 2000, and when the final phase is completed in late 2000, we will have even greater capability to identify and manage business opportunities that arise in real estate and other lines of business, anywhere in the world.

Our Future

Experts and common sense tell us that three fundamental forces affecting our business will not change in the foreseeable future: (1) the U.S. population will continue to grow, (2) urban areas will continue to expand and (3) demand for land will increase. People will continue to have expanding needs for commerce and the kind of high-quality, forward-looking companies we have as tenants will continue to supply it. We see no end of opportunities in the business we have developed.



A year ago I was concerned that the Internet might replace retailers as the principle means of selling goods. I no longer feel that way. We have been analyzing the Internet carefully, and I now feel that those retailers who have brick-and-mortar stores and an Internet strategy will be the survivors and the winners. That is not to say the Internet may not have some limiting effect on the growth and value of retail space, but it is to say the major distribution of goods will still be through retail stores, and those retailers that adopt an effective Internet strategy will do well.

We will continue to cultivate our investment in the Kimco Income REIT, which has blossomed into a highly profitable venture. In fact, KIR is currently larger than many public REITs. We plan to expand this business aggressively in the future.

Eventually, the equity marketplace will recognize the value we create for our shareholders. Fortunately, we have abundant resources and a clear strategy for self-generating capital in the meantime. We own more than 350 properties which are free of debt, and we should not have to go to the equity markets for capital in 2000 and perhaps beyond.

We are excited about our strategy and plan. We have a wonderful business, a strong balance sheet and, I think, the most talented staff in the industry. Our outside Directors are sentinels for our present and future activities. Sentinels that are sagacious, sincere, solid and steadfastly straight in their dedication to shareholder value.

We are most fortunate to have Mike Flynn, our President, leading an extraordinary team of executives, managers, and associates. Thanks to Mike's leadership, our disciplined business strategy, and the foresight, talent and dedicated energy of our entire staff, I am confident that we are well prepared for continued growth and profit and for continuing to build significant value for our shareholders.

Sincerely,

Milton Cooper
Chairman

Q. How are you helping your smaller tenants cope with the threat of e-commerce?

A. We are continually exploring ways to provide the local tenants with opportunities to benefit from the Internet—everything from providing them broadband access to helping them use the Internet to draw consumers from beyond their traditional trade area. Mainly, we want our tenants to view Kimco as a partner in their effort to increase their profitability.

Q. How will the REIT Modernization Act benefit Kimco?

A. Starting January 1, 2001, we will be able to form a Taxable REIT Subsidiary to engage in new business strategies that do not require excessive amounts of our capital. For example, we may wish to develop a shopping center, sell it upon completion, and recycle the proceeds into other projects. Developing and selling was previously prohibited by the REIT rules.

Q. The portfolio is already 92% leased. Do you see any opportunity to increase occupancy?

A. Yes, further increasing the occupancy is achievable. Each percentage point of occupancy we gain equates to approximately 600 thousand square feet of space. Each additional dollar of rent from those vacancies will flow directly to the bottom line.

Dear Fellow Shareholders:

This was, indeed, another record-setting year for the business opportunities and fundamentals of our Company. Here are just a few of our accomplishments:

- Our funds from operations rose 44% for the year, or 19.8% per diluted share. This was the highest increase in the Company's history.
- We paid dividends of $2.37 per common share, 20.3% higher than in 1998. And, we increased the dividend again, as we have every year since Kimco went public in 1991.
- Our internal growth was strong at close to 5%, which is considered excellent for our property sector.
- We now have interests in almost 500 shopping centers. We remain the largest and most geographically diverse neighborhood and community shopping center company in the U.S.
- During the year, we found tenants for more than 7 million square feet of retail space and increased the occupancy rate in our core portfolio from 90% to 92%.
- Rents for new leases signed in our core portfolio by replacement tenants increased 16% above the existing average rents in the portfolio.
- We successfully completed a transaction for 63 Hechinger stores, continuing our recognized strong ability to quickly convert stores of bankrupt retailers into profitable real estate investments.
- Our external growth was excellent. We acquired 45 property interests. New developments and redevelopments were at record levels.
- Through our affiliate, Kimco Select Investments, we acquired several special situation investments. Kimco Select now holds an eclectic mix of highly profitable assets.
- Our capital structure and debt levels remain very sound. More than 350 of our shopping centers are free and clear of debt. We have ready resources for self-generation of capital.

As you can see, we have much of which to be proud.

Strategic Priorities for 2000

We intend to keep our string of records unbroken. Milton has outlined our overall business strategy for the year 2000, and our management team has established the following priorities for the year:

Keep Building the Team. We want to keep motivating our dedicated team of employees, managers, and associates. Many have extensive experience in the real estate industry. I want to show them that we care and that our Company works as a team to create significant value. I plan to identify strengths and weaknesses in the team and create opportunities for those who can handle additional challenges.

Strengthen Customer Relationships. Our customers include some of the country's strongest and most rapidly expanding retailers: Costco, Home Depot, Kmart, Kohl's, Shopko, Target, Value City, Wal-Mart, Ames, Best Buy, Circuit City, OfficeMax and many other fine companies. We will work to maintain and expand our solid relationships with our retail partners.

Improve Internal Growth. We will continue our objective to improve internal growth by improving margins, achieving high occupancy and obtaining higher replacement rents on expiring leases. We will also limit our investments in tenant improvements and thereby reduce tenant credit risks.

Manage Change. We work in a fast-moving business environment that requires continually re-evaluating many things. A major priority will be to exercise the vision and courage necessary to stay on top of fast-breaking developments in our business environment and to take advantage of our underlying strengths in capital, staff, expertise and knowledge of the marketplace.

Develop Opportunities Outside of the Core Business. We see opportunities to create additional income from outside our core business by using our expertise and technology to provide services to help tenants and other retailers build their businesses. We intend to develop these opportunities aggressively.

Internet Retail Services. We will continue to maintain technological leadership in our industry by introducing Internet retail services to our local, regional and national tenants. We will enable them to boost their business by sharing in and benefiting from the growth of Internet e-commerce.

"We will pursue an aggressive strategy to self-generate capital from retained earnings and, in 2001, from a variety of taxable business activities. We will use that capital to pursue new investments that offer superior returns from opportunistic real estate investments."

Q. How do you keep an eye on nearly 500 properties?

A. Communication and discipline. Our asset management team meets by teleconference twice weekly to discuss our leasing and operating priorities. Communication of key information for timely decision making is critical to the success of our business, and by maintaining this discipline we are constantly sharing information.

Q. Does Kimco use its website for leasing?

A. Yes. Our website, kimcorealty.com, provides detailed information for every shopping center in our portfolio. Information available includes site maps, aerial photographs, demographics, and location maps. Retailers can quickly search our entire database for locations that will fit their expansion plans.

Capture Advantages of Internet Business-to-Business Applications. We will advance our business by using the Internet for:

- National leasing and national multiple listing services
- Daily site plan updates and occupancy statistics
- Immediate access for retailers to our selective property information
- Property sales
- Participation in purchasing consortiums
- On-line service contract bidding
- Financing
- And other applications

Maintain Our Competitive Advantage. We will continue to actively measure our competitive strengths to ensure we stay ahead of the rest.

Self-Generate Capital. As Milton detailed in his letter, we will pursue an aggressive strategy to self-generate capital from retained earnings and, in 2001, from a variety of taxable business activities. We will use that capital to pursue new investments that offer superior returns from opportunistic real estate investments.

Set Higher Goals. As always, we will keep our winning streak alive by setting higher goals for our entire organization.

Company Prospects

Today, we believe there are vast opportunities in our business. Our Company has numerous underlying strengths that can be leveraged for growth. We have many of the franchise elements required to sustain an attractive level of growth even during cyclical downturns. These include excellent management with well-defined growth plans and an outstanding team.

Here is how we plan to proceed in the coming year.

Core Portfolio. In acquisitions for our core portfolio, we will continue to target shopping centers that offer everyday, basic shopping needs and those that need remedial changes. We will continue to focus on shopping centers with below-market rental rates or vacancies and properties that offer redevelopment opportunity and the potential to bring added value to the property in light of the repositioning required. We see abundant value-added transactions available.

Kimco Income REIT. In acquisitions for the Kimco Income REIT (KIR), we will continue to acquire carefully-selected, first-class neighborhood and community shopping centers with high occupancy levels. We will leverage the shopping centers with non-recourse debt and expect to continue to earn a high yield on the equity invested.

We will continuously review and evaluate a large number of portfolios and individual shopping centers. By exhibiting restraint and turning down the transactions that don't meet our strict investment criteria, we will demonstrate the focus of building longer-term value for our shareholders.

Taxable Subsidiary. This new vehicle will enable us to take advantage of business opportunities not available to us now. We will aggressively prepare the subsidiary in 2000, and when 2001 arrives, we will be ready for added new business.

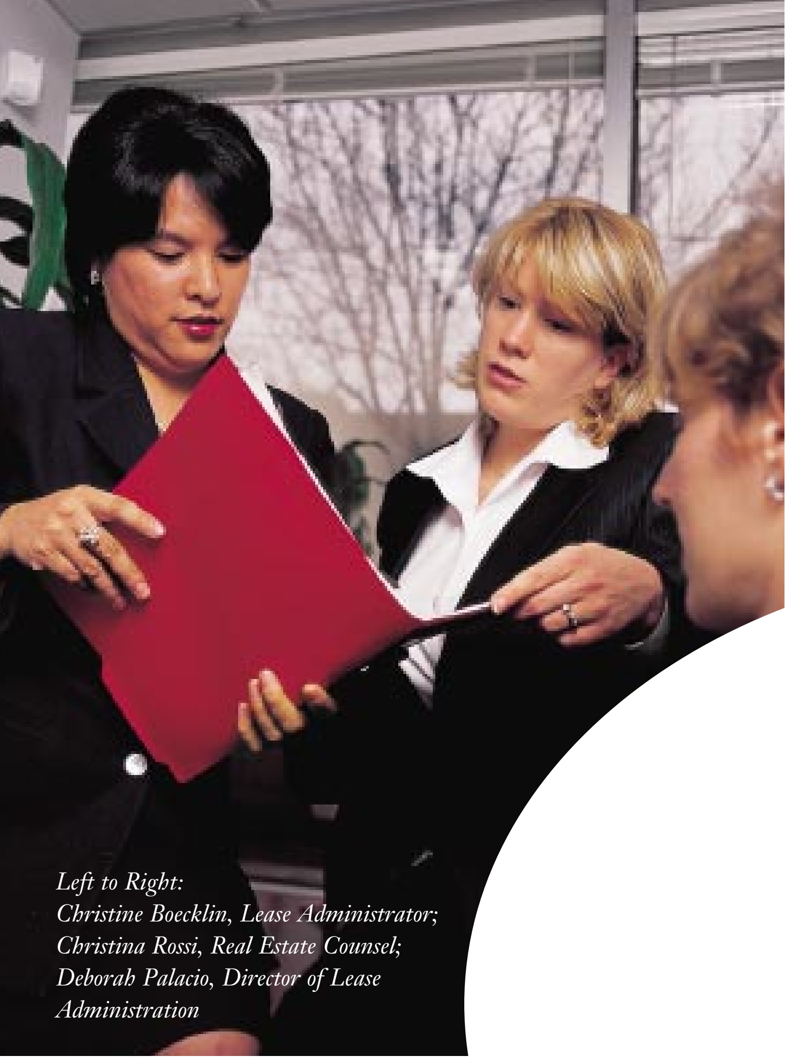
In the year 2000, we will continue to outline the strategy for moving forward, and will recommit ourselves to maintain the strength and business values you have come to expect from us. Our Company will remain strong and profitable.

I want to thank our great, dedicated team of employees, managers and associates for helping to make 1999 another record year. I am looking forward to working with them in the coming year to grow the Company further, continue its economic success and build even more shareholder value.

Sincerely,

Michael J. Flynn

Michael J. Flynn
President



Left to Right:
Christine Boecklin, Lease Administrator;
Christina Rossi, Real Estate Counsel;
Deborah Palacio, Director of Lease Administration

Leasing and Portfolio Management

It is no accident that the Kimco Realty leasing and property management operation is one of the most effective in the industry. We have an outstanding asset management staff located in a nationwide network of strategic regional offices, and we work hard to maintain the best market knowledge and the strongest relations with retailers in the industry.

Local Market Knowledge

Knowledge of local markets and trends is absolutely vital in our business. Our decentralized asset management staff—located in New York, Los Angeles, Chicago, Philadelphia, Dallas, Phoenix, Tampa, Charlotte, Dayton and elsewhere—gives us exceptional market knowledge. We are continually in touch with our tenants, and we constantly contact prospects through regional and local brokerage networks, direct mail, and canvassing. This keeps our knowledge of markets continually up to date, enables us to track new tenants entering specific markets and to establish realistic and attainable rents. We think our market knowledge is the best in the industry and think our track record proves it.

Continuous Communication

We keep in continuous touch with each other. Our President, Mike Flynn, meets with the asset managers twice a week via teleconference to share the latest information about tenant plans, market trends, and project status. We keep each other informed of developments by telephone and email at a furious pace. That way, when we are doing a deal with a tenant or prospect, there are no surprises.

Quick Turnaround

Because we continuously share information on new leasing opportunities, we can get quick decisions on terms and agreements when deals are negotiated. Everyone knows that timing is everything. When clients are ready to do business, so are we.

Strong Relations with Retailers

We work hard to win our tenants' confidence and trust. We invite major national retailers to participate in our weekly Friday teleconferences to share their expansion plans, space needs and ideas. Then, each leasing person follows up with his or her available sites. It's a mutual benefit: the retailers like having a nationwide team looking out for their interests, and we like knowing what they look for.

Proactive Staff

We don't just wait for retailers to tell us what they need. We go to them with solutions, based on our intimate knowledge of their needs and trends in the local and national markets. Our asset managers are entrepreneurial, flexible and proactive. They are well-seasoned, ethical, hard-working people and they are the heart of the success of our Company.

Creating Value

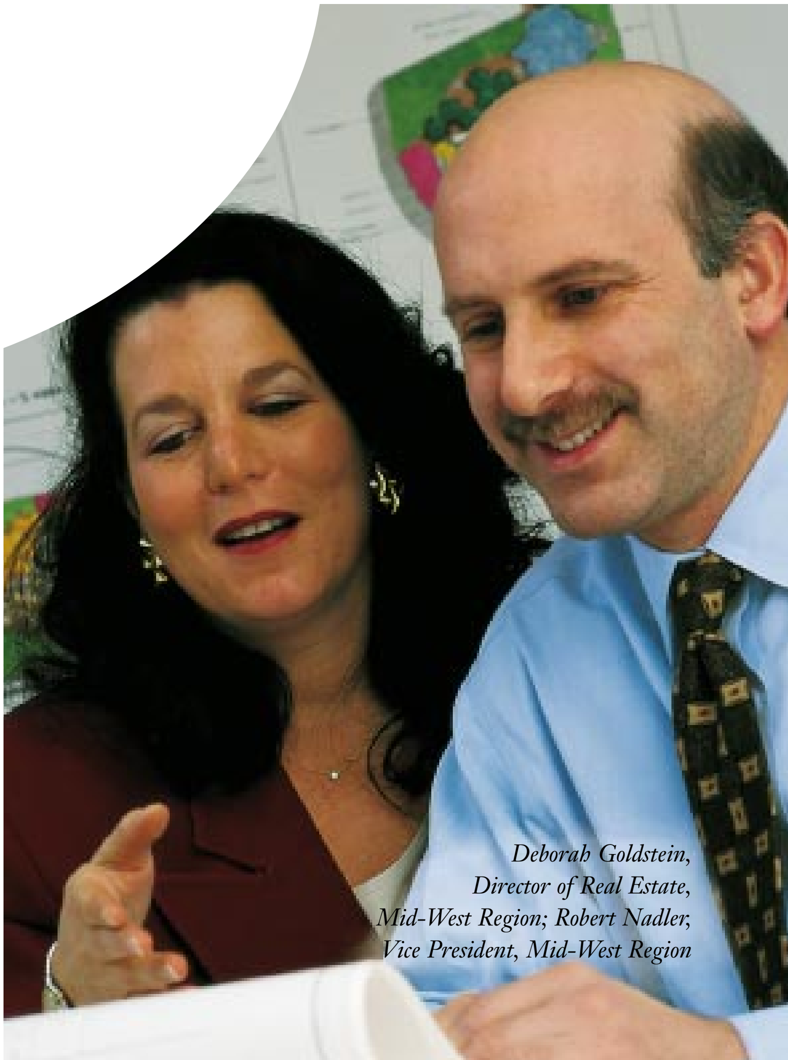
Our focus is always on creating value for our tenants. We view them as partners. Their success is ours. As a result of this focus and our track record, we have won the confidence of most of the nation's strongest and most rapidly expanding retailers.

Outstanding Results

The proof is in the pudding. In 1998, we leased more than 12 million square feet of space and in 1999, we leased more than 7 million square feet.

In 1999, our occupancy rate moved up from 90% to 92% in the core portfolio and remained steady at 98% in the Kimco Income REIT.

We are proud of our record.



Deborah Goldstein, Director of Real Estate, Mid-West Region; Robert Nadler, Vice President, Mid-West Region

New Development

Kimco began in 1958 as a ground-up developer of shopping center properties, and since our acquisition of the Price REIT in 1998, we have increased our activity on this front.

Our approach to development is both aggressive and conservative. We look for sites based on the intrinsic real estate value and tenant interest, and we do not commence development until we have an agreement with one or more major tenants. We develop in phases, and we do not build on speculation.

To help us keep overhead low, we have joint ventured with local developers on several projects where the local developer assists in gaining the necessary approvals. This method of development has proven to be very cost effective and we will pursue more joint venture developments where practical.

In 1999, we completed the following projects:

- Bridgewater Promenade, located in Bridgewater, New Jersey. This is a power center aggregating 700,000 square feet. Key tenants include Target, Costco, Home Depot and Old Navy.
- Phase I of Cedar Hill Center, located in Cedar Hill, Texas, a suburb of Dallas. Kohl's opened as the first tenant and is joined by Albertson's and Home Depot. Other major tenants will be open in 2000.

During 2000, several other projects will begin generating revenue:

- Casa Paloma center in Chandler, Arizona will be opening in the first quarter of 2000. This is a specialty center with tenants such as The Gap, Talbots and Banana Republic.
- We completed Phase I of the 468,000 square foot Price Plaza project in Houston, Texas during 1998. Phase II of the project will be completed during the second half of 2000. Home Depot, Ross Stores and Linens 'n Things anchor the project.
- In the summer of 2000, we will open Phase I of our largest project, The Forum at Olympia Parkway, a 1.2 million square foot destination center in San Antonio, Texas. Tenants will include Target, Best Buy, Linens 'n Things, Cost Plus and PETsMART.

"Our approach to development is both aggressive and conservative. We look for sites based on the intrinsic real estate value and tenant interest, and we do not commence development until we have an agreement with one or more major tenants."

Redevelopment

Strategic redevelopment of existing properties continues to be another mainstay of our growth. When a property in our portfolio matures, it often presents an opportunity to create additional value through expansion and modernization. With our planning and construction teams, we are well positioned to capitalize on these opportunities.

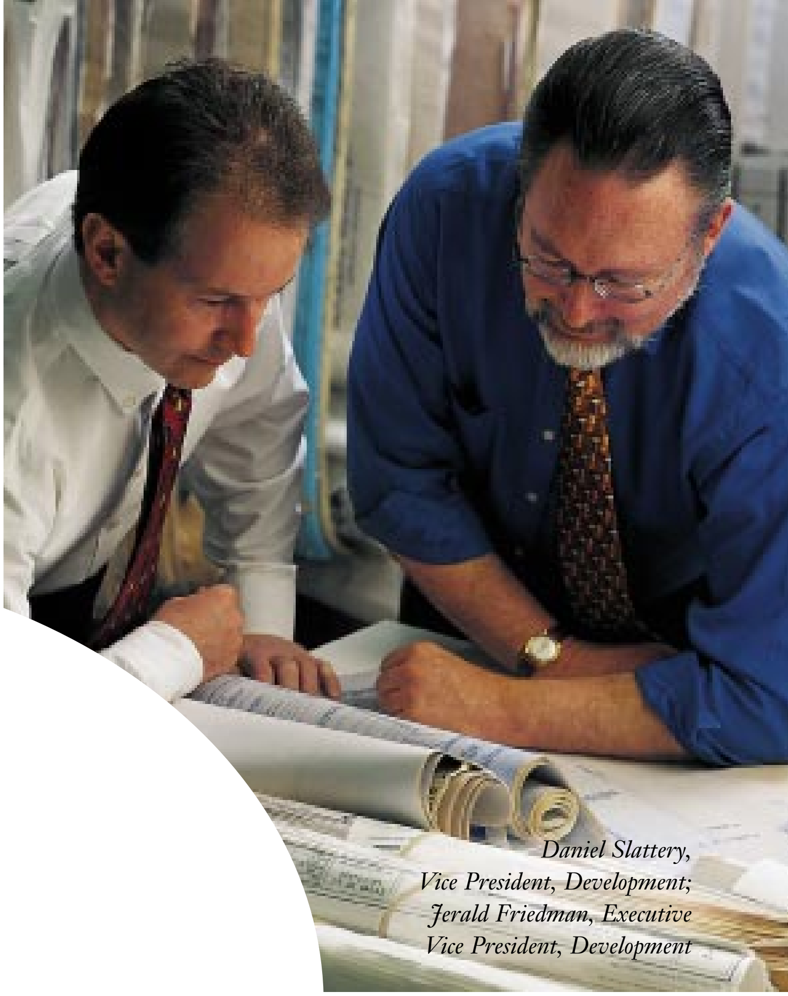
For example, the Venture stores transaction completed in 1998 has led to several opportunities for Kimco to create additional value for our shareholders. A case in point is our experience in Skokie, Illinois. In the Venture deal, we acquired a leasehold interest in the Skokie, Illinois Venture, which was adjacent to a very successful Jewel Foods grocery store. The property is located in the midst of a strong retail corridor in North Shore Chicago.

The term on the Venture lease was to expire in 2004, however Jewel wanted to expand and remodel its grocery store. Working together we arranged to terminate our lease, allowing Jewel to demolish the Venture building and build a new 70,000 square foot store. Jewel in turn agreed to demolish their old store and enter into a sale and development contract whereby Kimco acquired a portion of the site and will develop a 58,000 square foot retail project adjacent to the new Jewel store.

To date we are 100% pre-leased on our project, signing a 30,000 square foot lease with Marshalls and a 28,000 square foot lease with Old Navy.

The result of our efforts is the transformation of a short-term leasehold position into a very profitable fee simple interest of a new development in an exceptional retail trade area.

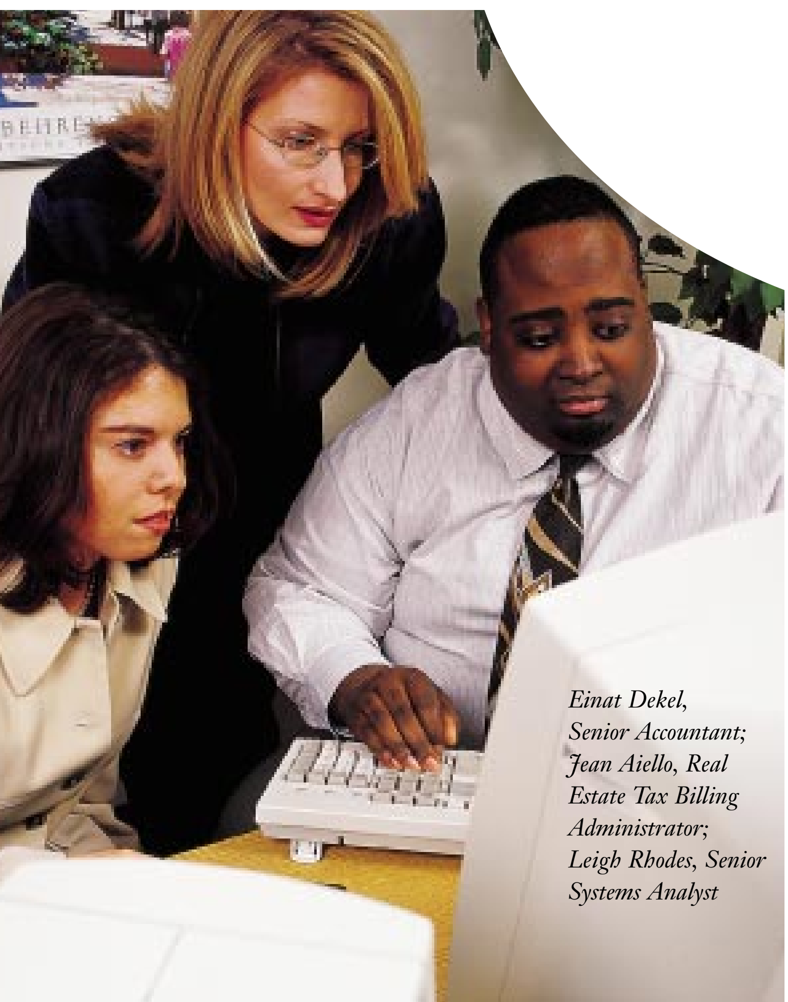
During 1999, we refurbished or expanded shopping centers in Miami, Florida; Woodbridge, Virginia; and Salem, New Hampshire. During 2000, we expect to redevelop projects in Skokie, Illinois and Manhasset, New York, among others.



Daniel Slattery, Vice President, Development; Jerald Friedman, Executive Vice President, Development

State-of-the-Art Systems for:

- Financial Accounting and Property Management
- Improved Presentation
- Computerized Images
- Next-Generation Website
- High-Speed Telecommunications
- Web-Based Training



Einat Dekel, Senior Accountant; Jean Aiello, Real Estate Tax Billing Administrator; Leigh Rhodes, Senior Systems Analyst

Information Systems

From the beginning, Kimco has always believed in the importance of information technology (IT) for efficient management. Our sophisticated IT capabilities have always been one of our greatest advantages over the competition. Needs and technology change rapidly in our field, however, and we continuously have to keep on our toes to be sure we maintain our technology and information advantage.

In 1999, we performed an intensive review of our systems in relation to trends in technology, our business and the real estate industry. We looked specifically at how we could link information from various sources to make business decisions and manage a very large number of properties most efficiently, and how we could process information not only for neighborhood and community shopping centers, but also for multiple new products and business opportunities.

Even though our systems still lead the industry today, we want to be sure we can take advantage of the opportunities we see coming about when the REIT Modernization Act takes effect in January 2001. As a result of our review, we decided to expand our IT capabilities via state-of-the-art systems from several leading software companies. We felt this was the right time to invest in expanding our IT infrastructure to be fully prepared for the future.

Financial Accounting and Property Management. We are starting with new financial accounting and property management software. It is highly scaleable, which means it will enable us to handle multiple product types anywhere in the world. It will improve our time to close acquisitions and improve the quality of information we provide to investors and the public. It will enable us to stay in tune with the rapid changes occurring in communications and in electronic commerce via the Internet.

Improved Presentation. The system will enable us to present information about uses, performance and other characteristics of properties graphically, as well as in tables of numbers. This is a tremendous advantage in our business because it enables us to spot not only upcoming vacancies but also such things as affinities among tenants and uses.

Computerized Images. We are also digitizing the many paper plans, drawings, images and data defining our properties into a computerized database. This will not only enable us to access all the data instantly from any office, it will save the significant expense of storing millions of paper documents.

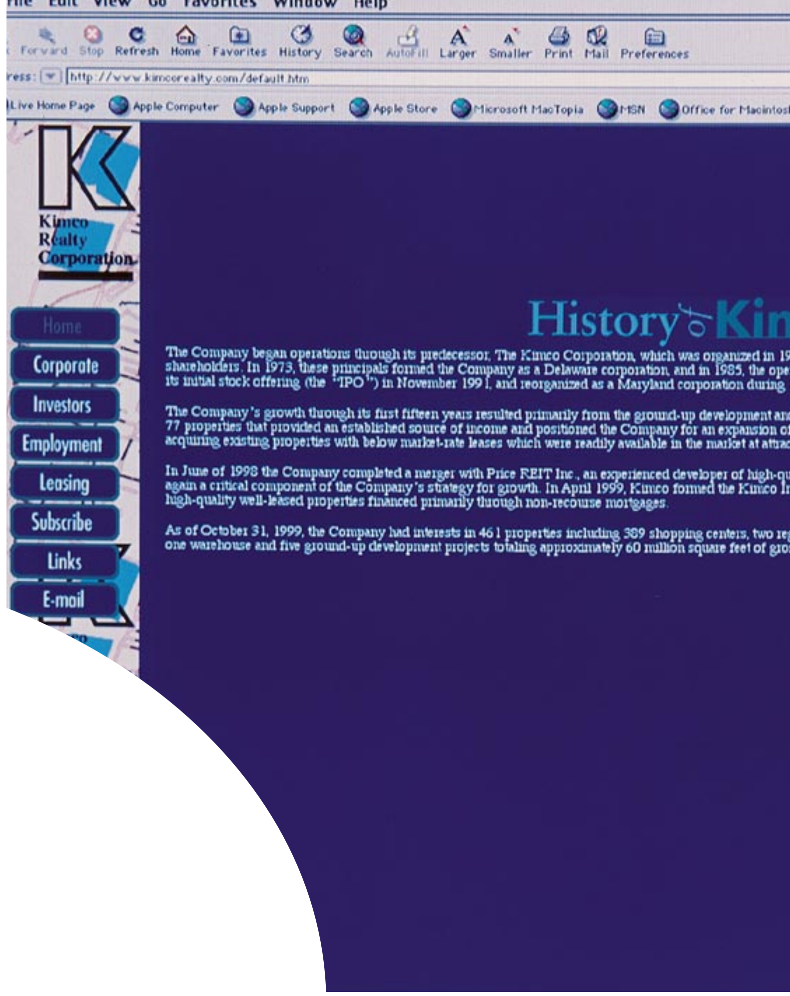
Redeveloped Website. We already have one of the finest Internet Websites available, but we are working to improve it further. We are making it more attractive, easier to use and ready for a variety of new electronic commerce applications that we will be adding.

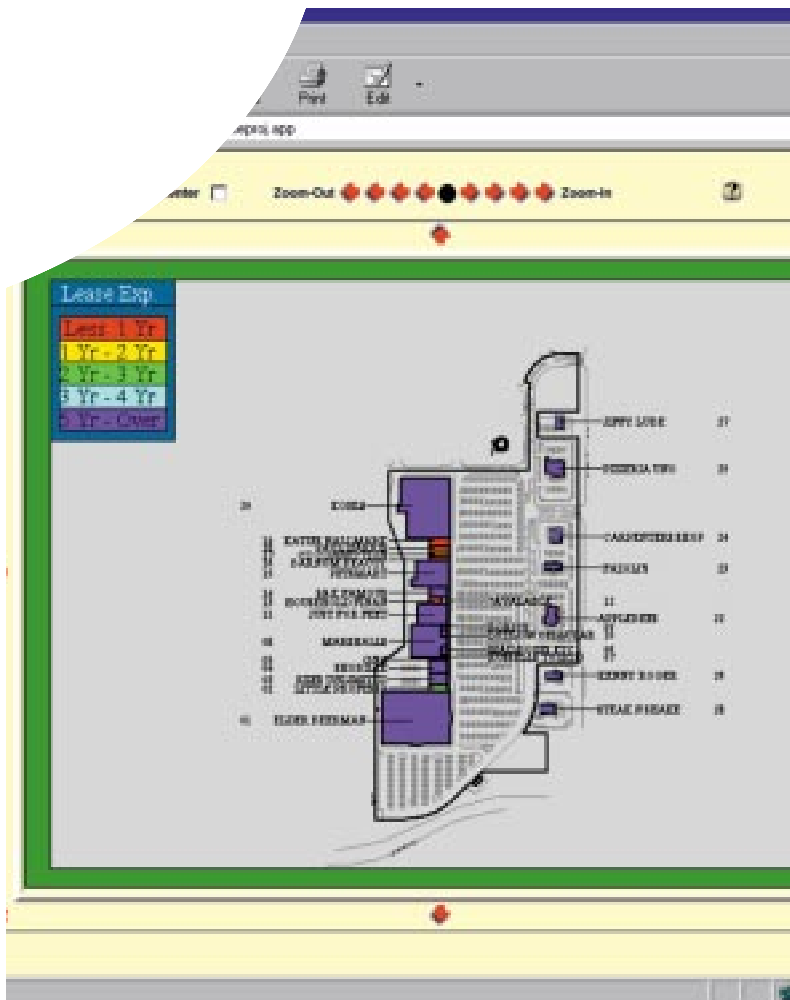
High-Speed Telecommunications. In 1999, we installed high-speed telecommunication lines to our six main offices throughout the nation. In 2000, our goal is to install high-speed telecommunication lines to the 12 remaining offices, giving all our offices the same capabilities to access information at high speed.

Web-Based Training. With offices strategically located throughout the U.S., it is vital that all of our staff use systems the same way, whether we are generating contracts and agreements, creating letters or crunching numbers. To fill this need, we have subscribed to a Web-based training service. This enables each staff person to get the training he or she needs, train when and where it is most convenient (at home, in many cases) and learn at his or her own individual pace.

These changes are already underway and will be completed by the end of 2000.

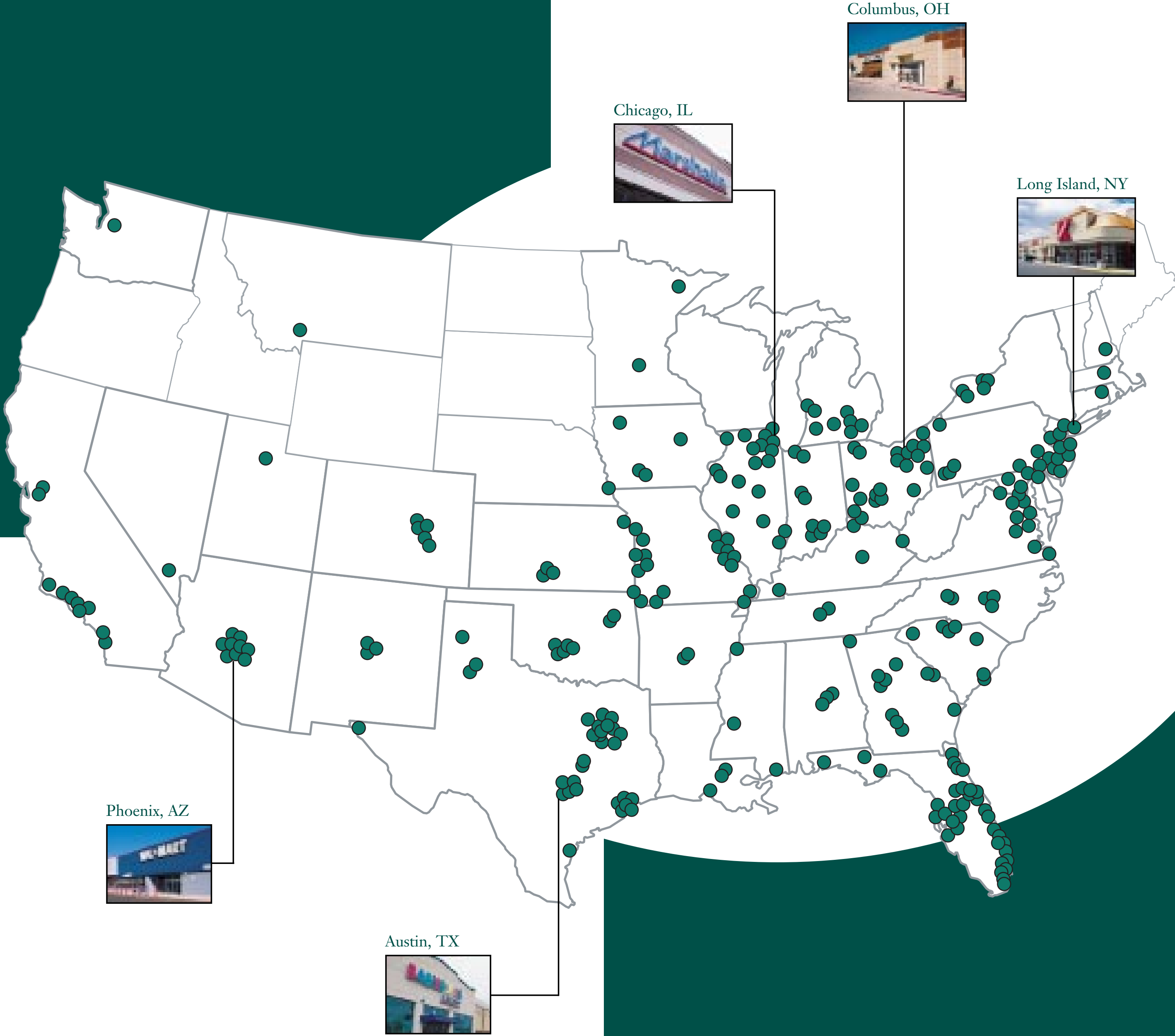
Kimco has been ahead of the competition in information technology up to this point, and with these new capabilities we intend to keep this competitive advantage.





Portfolio of Properties

Interests Owned or Managed



Portfolio of Properties Interests Owned or Managed

Site #	City	Name	Total GLA
Alabama			
*731	Birmingham	East Town Shopping Plaza	103,161
*734	Birmingham	Red Mountain Plaza	103,161
*740	Fairfield	Fairfield S.C.	103,161
465	Hoover	Hoover Center	115,347
Arkansas			
*754	North Little Rock	North Little Rock S.C.	106,029
Arizona			
△592	Casa Paloma	Casa Paloma	—
540	Phoenix	Hayden Plaza North	124,952
†549	Phoenix	Costco Plaza	337,107
553	Phoenix	Metro Square	228,769
557	Phoenix	Costco Plaza	329,748
576	Phoenix	Talavi Towne Centre	124,325
580	Phoenix	Costco/Sports Authority Plaza	381,312
△582	Phoenix	Palm Valley Power Center	—
647	Phoenix	Plaza @ Mountainside	124,890
679	Phoenix	Poca Fiesta S.C.	135,692
*745	Phoenix	Hayden Plaza South	103,161
California			
106	Anaheim	La Palma S.C.	15,396
541	Los Angeles	Costco Plaza	200,634
551	Los Angeles	La Mirada Theater Center	263,459
559	Los Angeles	Home Depot Plaza	134,400
†759	Oakland	Magnolia Square S.C.	42,066
546	Riverside	Corona Hills Plaza	475,908
†762	Riverside	Palm Plaza S.C.	253,487
543	Sacramento	Madison Plaza	213,721
544	San Diego	Costco Plaza	363,223
705	San Diego	Santee Town Center	97,451
324	Stockton	The Center	146,346
♦556	Ventura	Target Plaza	171,580
Colorado			
686	Colorado Springs	Spring Creek S.C.	107,310
*780	Colorado Springs	Woodman Valley S.C.	61,453
*781	Colorado Springs	Hancock Plaza S.C.	61,452
680	Denver	West 38th Street S.C.	18,405
682	Denver	Village on the Park	145,466
683	Denver	Phar-Mor Plaza	80,330
684	Denver	Heritage West S.C.	82,581
685	Denver	Quincy Place S.C.	44,170
689	Denver	East Bank S.C.	111,085
367	Ft. Collins	Ft. Collins Center	88,800
Connecticut			
548	Farmington	West Farms S.C.	184,746
500	Hamden	Hamden Mart	341,502
554	North Haven	Home Depot Plaza	327,069
608	Waterbury	Bradlees Plaza	136,153

Site #	City	Name	Total GLA
Delaware			
278	Wilmington	Value City S.C.	111,600
△501	Dover	Blue Hen Mall	—
Florida			
101	Boca Raton	Camino Square S.C.	73,549
†005	Boynton Beach	Boynton West S.C.	188,759
152	Bradenton	Bradenton Plaza	24,700
698	Bradenton	Bayshore Gardens	162,997
124	Clearwater	Wal-Mart Plaza	149,472
139	Clearwater	Tri-City Plaza	215,916
196	Clearwater	East Bay Junction	56,630
641	Clearwater	Countryside Square	175,995
623	Coral Springs	Coral Square Promenade	46,497
604	Coral Springs	Peppertree Plaza	261,030
673	Coral Springs	Maplewood Plaza	83,500
240	Ft. Lauderdale	Babies R Us Plaza	179,726
120	Ft. Lauderdale	Reef Plaza	112,476
251	Ft. Lauderdale	Whole Foods Center	60,414
147	Ft. Pierce	Kmart Plaza	210,460
207	Jacksonville	Regency Plaza	203,536
136	Leesburg	Leesburg Shops	13,468
127	Melbourne	NASA Plaza	168,737
616	Melbourne	Northgate S.C.	131,851
668	Melbourne	The Shoppes @ West Melbourne	148,003
129	Miami	Grove Gate S.C.	104,968
134	Miami	Coral Way Plaza	74,973
135	Miami	Coral Way Plaza	87,305
203	Miami	Homestead Towne Square	161,691
340	Miami	Ives Dairy Crossing	89,275
390	Miami	Miller Road S.C.	147,803
634	Miami	South Miami S.C.	60,804
702	Miami		—
*735	Miami	Carol City S.C.	103,161
	Miami	Airport Executive Towers	161,118
	Miami	Park Center	56,323
	Miami	U.S. Justice Building	138,380
677	Mount Dora	Tri-Cities Shopping Plaza	118,150
*761	New Port Richey	Southgate S.C.	65,000
665	Ocala	Shady Oaks S.C.	254,937
114	Orlando	Semoran Restaurant	2,800
115	Orlando	Sun Plaza	114,434
121	Orlando	Fern Park Plaza	131,834
125	Orlando	Grant Square	103,480
174	Orlando	Sports Authority Plaza	131,981
392	Orlando	Seminole Center	302,455
574	Orlando	Renaissance Centre	271,095
613	Orlando	Vine Street Square	130,983
618	Orlando	Sand Lake Plaza	230,704
636	Orlando	Pearl Arts S.C.	94,193

Portfolio of Properties Interests Owned or Managed
(continued)

Site #	City	Name	Total GLA
638	Orlando	Century Plaza	128,856
*739	Orlando	Butler Plaza	103,161
*749	Orlando	Lee Road S.C.	103,161
195	Palatka	Big Lots Plaza	72,216
*726	Pensacola	Pensacola S.C.	102,997
118	Pompano Beach	Sample Plaza	63,838
†716	Port Richey	Piers S.C.	103,294
171	Sarasota	Tuttle Bee Plaza	102,485
378	Sarasota	South East Plaza	110,577
128	St. Petersburg	Oak Tree Plaza	118,979
619	Stuart	Marketplace Square	170,291
715	Tallahassee	Village Commons	105,535
*725	Tallahassee	Tallahassee Center	100,000
664	Tampa	Carrollwood Commons	109,408
*743	Tampa	Busch Plaza S.C.	106,986
*769	Tarpon Springs	Tarpon Springs Center	66,242
111	West Palm Beach	Belmart Plaza	74,326
113	West Palm Beach	Riviera Square	46,390
633	West Palm Beach	Babies R Us Plaza	80,845
208	Winter Haven	Chain O'Lakes Plaza	88,400
Georgia			
137	Atlanta	Forest Park Plaza	100,212
159	Atlanta	Gainesville Towne Center	142,288
215	Atlanta	Robins Plaza	111,355
442	Atlanta	Atlanta Center	165,314
*724	Atlanta	Town & Country S.C.	105,405
635	Augusta	Augusta Square	119,930
187	Macon	Macon Plaza	127,260
185	Savannah	Savannah Center	187,071
632	Savannah	Largo Plaza	88,480
Illinois			
802	Alton	Beltline Highway S.C.	159,824
808	Belleville	Belleville S.C.	81,490
176	Bloomington	Bloomington Commons	175,530
825	Bradley	Northfield Square	80,535
848	Carbondale	Carbondale Mall	80,535
870	Champaign	Neil Street S.C.	102,615
122	Chicago	Lake Street Plaza	93,289
563	Chicago	Woodgrove Festival	163,573
694	Chicago	E. Woodfield Square	167,690
695	Chicago	Butterfield Square	182,624
*755	Chicago	Washington Park Plaza	106,029
*758	Chicago	Marketplace of Oaklawn	94,707
764	Chicago	Downers Park S.C.	123,918
809	Chicago	Orland Park S.C.	116,011
822	Chicago	Randall S.C.	104,688
835	Chicago	Oak Lawn Center	165,337
836	Chicago	Calumet Center	197,699
837	Chicago	22nd Street Plaza	176,827
838	Chicago	Matteson Center	164,987
839	Chicago	Mt. Prospect Center	164,197
841	Chicago	Pulaski Road S.C.	125,670
845	Chicago	Norridge Center	116,914
846	Chicago	Countryside Plaza	117,842
852	Chicago	Downers Grove Center	141,906
853	Chicago	Kostner S.C.	109,441
855	Chicago	Schaumburg Center	101,957
856	Chicago	87th Street Center	104,264
860	Chicago	Elgin S.C.	100,342
862	Chicago	Forest Park Mall	98,371
863	Chicago	Naper West Plaza	101,822
865	Chicago	Niles Center	101,775
868	Chicago	Hillcrest Center	90,313
874	Chicago	Mundelien S.C.	85,018
885	Chicago	Elston Center	86,894
886	Chicago	Lake Plaza	90,555
887	Chicago	Crestwood Center	79,903
890	Chicago	Aurora Commons	91,182
891	Chicago	Crystal Lake S.C.	81,365
893	Chicago	Peterson Avenue S.C.	80,842
894	Chicago	S. Harlem S.C.	88,069
896	Chicago	Arlington Heights S.C.	80,040
897	Chicago	Streamwood S.C.	81,000
898	Chicago	Addison Center	115,130
224	Chicago (387)	Town & Country S.C.	182,624
*722	Dekalb	Northland Plaza S.C.	80,562
881	Fairview Heights	Bellville Road S.C.	159,587
461	Homewood	Washington Park Plaza	109,200
693	Orland	Orland Square	166,000
175	Ottawa	Value City S.C.	60,000
832	Peoria	Evergreen Square	156,067
796	Rockford	Plaza @ Rockford	102,971
△854	Skokie	Skokie Center	—
799	Springfield	MacArthur Blvd. S.C.	115,526
Indiana			
107	Eagledale	Eagledale S.C.	75,000
397	Evansville	Plaza East	193,472
398	Evansville	Plaza West	149,182
132	Felbram	Felbram S.C.	27,400
851	Griffith	Griffith Center	114,684
133	Indianapolis	Linwood Square	166,104
153	Indianapolis	Greenwood S.C.	110,160
388	Indianapolis	Target 31 South S.C.	178,610
864	Indianapolis	E. Washington Center	89,042
145	Lafayette	Lafayette S.C.	90,500
671	Lafayette	Target S.C.	183,440
697	Lafayette	Lafayette Marketplace	209,176
*732	Lafayette	Lafayette Square	103,161
849	Merrillville	Merrillville Center	105,511
895	Mishawaka	Mishawaka Center	82,100
883	South Bend	Erskine Plaza	81,668

Site #	City	Name	Total GLA
*721	Terre Haute	Terre Haute S.C.	102,997
*777	Terre Haute	S. Third St. S.C.	73,828
Iowa			
812	Clive	Clive Center	90,000
858	Davenport	Davenport Center	91,035
757	Des Moines	Southdale S.C.	150,143
813	Des Moines	Home Depot S.C.	111,847
847	Dubuque	Dubuque Center	82,979
*773	Spencer	Southpark Center	53,361
811	Waterloo	Waterloo Plaza	96,000
Kansas			
†561	Kansas City	Westgate Market	133,800
*736	Kansas City	Topeka S.C.	103,161
*751	Kansas City	Wichita S.C.	103,161
805	Kansas City	Overland Park S.C.	162,982
807	Kansas City	State Avenue Plaza	167,301
†814	Kansas City	Tall Grass S.C.	97,992
†815	Kansas City	Wichita Plaza	96,319
843	Kansas City	Roeland Center	152,248
*884	Kansas City	Shawnee Center	80,235
Kentucky			
267	Bellevue	Kroger S.C.	53,695
140	Lexington	South Park S.C.	258,713
795	Paducah	Hinkleville Center	85,229
Louisiana			
297	Baton Rouge	Lake Forest S.C.	190,000
666	Baton Rouge	Hammond Aire Plaza	262,256
*752	Baton Rouge	Baton Rouge S.C.	103,161
274	Houma	Houma Power Center	98,586
670	Lafayette	Acadiana Square	222,923
Massachusetts			
609	Great Barrington	Barrington Plaza	134,817
238	Leominster	Searstown Mall	595,952
Maryland			
173	Baltimore	Laurel Plaza	75,924
214	Baltimore	Laurel Plaza	81,550
560	Baltimore	Costco Plaza	187,331
463	Gaithersburg	Gaithersburg S.C.	87,061
468	Landover	Landover Center	232,903
*766	Salisbury	Salisbury S.C.	79,902
221	Washington, D.C.	Hagerstown S.C.	117,718
Michigan			
119	Detroit	Century Plaza	44,185
143	Detroit	Clawson Center	179,655
146	Detroit	Downtown Farmington Center	97,038
607	Detroit	Cross Creek S.C.	121,364

Site #	City	Name	Total GLA
667	Detroit	White Lake Commons	156,864
383	Flint	Hallwood Plaza	243,847
226	Grand Rapids	South Shore Plaza	87,430
335	Grand Rapids	Beltline Plaza	71,215
606	Grand Rapids	Green Orchard S.C.	283,668
*747	Lansing	Southfield S.C.	103,161
Minnesota			
†552	Minnetonka	Ridgedale Festival Center	120,220
*785	Virginia	Thunderbird Mall	63,550
Mississippi			
*782	Biloxi	Edgewater Square	61,453
*746	Jackson	Ellis Isle S.C.	103,161
Missouri			
873	Cape Girardeau	Girardeau Center	80,803
830	Creve Coeur	Creve Coeur S.C.	113,781
707	Joplin	North Point S.C.	143,540
†889	Joplin	Joplin Mall	80,524
*744	Kansas City	Hub S.C.	103,161
806	Kansas City	Independence S.C.	160,795
833	Kansas City	Kansas Center	143,781
842	Kansas City	Gladstone Kmart Center	156,401
880	Kansas City	St. Joseph S.C.	90,630
625	Springfield	Primrose Marketplace	277,552
869	Springfield	Springfield S.C.	162,488
△598	St. Charles		—
154	St. Louis	Shop & Save S.C.	118,080
162	St. Louis	Gravois Plaza	163,821
165	St. Louis	Jennings S.C.	155,095
169	St. Louis (598)	Taylor S.C.	149,230
244	St. Louis	Lemay S.C.	73,281
803	St. Louis	Kirkwood S.C.	169,736
804	St. Louis	Kings Highway S.C.	157,913
829	St. Louis	Overland Center	155,868
831	St. Louis	Dunn Center	168,367
834	St. Louis	South County Center	128,765
844	St. Louis	Deer Creek Plaza	163,168
*850	St. Louis	Crystal Center	100,724
†872	St. Louis	Manchester S.C.	89,305
875	St. Louis	Bridgeton Center	101,592
798	St. Peters	Center Point S.C.	84,460
840	St. Peters	Cave Springs Crossing	171,470
Montana			
*774	Bozeman	Main Mall S.C.	49,694
Nebraska			
*741	Omaha	Frederick S.C.	92,332
Nevada			
△508	Henderson		—

Portfolio of Properties Interests Owned or Managed

(continued)

Site #	City	Name	Total GLA
New Hampshire			
620	Salem	Rockingham Mall	332,951
New Jersey			
*787	Audubon	Black Horse Pike S.C.	69,984
573	Bridgewater	The Promenade	157,678
306	Cherry Hill	Fashion Square	121,673
614	Cherry Hill	Westmont Plaza	192,380
643	Cherry Hill	Marlton Plaza	129,809
645	Cinnaminson	Cinnaminson S.C.	121,084
945	Cinnaminson	Cinnaminson Center	16,556
587	Franklin	Franklin Towne Center	138,364
617	North Brunswick	N. Brunswick Plaza	409,879
558	Piscataway	Piscataway Town Center	97,348
†596	Plainfield	Oak Park Commons	133,249
615	Ridgewood	Ridgewood S.C.	24,280
*756	Willingboro	Willingboro Village	80,280
*765	Woodbury Hgts.	Oak Valley Plaza	82,857
New Mexico			
585	Albuquerque	Sycamore Plaza	37,735
586	Albuquerque	Plaza Paseo Del Norte	180,512
591	Albuquerque	Juan Tabo Plaza	59,722
New York			
456	Amherst	Tops Plaza	101,066
750	Bronx	Concourse Plaza	225,821
453	Buffalo	Elmwood Plaza	141,077
454	Buffalo	Shops @ Seneca	153,125
†008	Latham	Latham Farms	589,518
105	Long Island	East End Commons	107,806
109	Long Island	Syosset S.C.	32,124
116	Long Island	Manetto Hill Plaza	88,206
237	Long Island	Manhasset Center	236,373
354	Long Island	Hampton Bays Plaza	70,990
360	Long Island	Bridgehampton Commons	287,632
395	Long Island	Voice Road Plaza	132,318
504	Long Island	Massapequa Center	22,010
†545	Long Island	Home Depot Plaza	154,692
575	Long Island	King Kullen Plaza	255,798
605	Long Island	Centereach Mall	371,028
701	Long Island	Great Neck Shops	14,385
307	Nanuet	Nanuet Mall South	70,829
601	New York City	Richmond S.C.	210,990
674	New York City	Greenridge Plaza	98,247
218	Poughkeepsie	44 Plaza	180,064
427	Rochester	Henrietta S.C.	123,000
425	Rochester	Irondequoit S.C.	149,872
426	Rochester (149)	West Gates S.C.	185,153
801	Yonkers	Shop Rite S.C.	43,560
North Carolina			
144	Charlotte	Woodlawn Marketplace	110,300
192	Charlotte	Independence Square	135,269
380	Charlotte (384)	Tyvola Mall	227,808
602	Charlotte	Akers Center	235,607
639	Durham	Oakcreek Village S.C.	116,186
275	Greensboro	Landmark Station S.C.	100,794
†550	Greensboro	Wendover Ridge	41,387
177	Raleigh	Pleasant Valley Promenade	374,395
696	Raleigh	Wellington Park S.C.	102,787
126	Winston-Salem	Cloverdale S.C.	137,793
Ohio			
220	Akron	Barberton S.C.	119,975
245	Akron	Harvest Plaza	56,975
419	Akron	West Market Plaza	138,363
430	Akron	Ames Plaza	149,054
437	Akron (637)	Ames Plaza	106,500
457	Akron	Ames Plaza	219,632
242	Cambridge	Cambridge Square	95,955
182	Canton	Canton Ames S.C.	63,384
188	Canton	Belden Village Commons	161,569
422	Canton	Canton Ames S.C.	99,267
439	Canton	Ames Plaza	150,900
276	Cincinnati	Kmart Plaza	130,715
413	Cincinnati	Ridge Plaza	139,985
415	Cincinnati	Glenway Plaza	122,444
420	Cincinnati	Cassinelli Square	321,537
513	Cincinnati	Highland Ridge Plaza	168,635
233	Cleveland	Greenlite S.C.	82,411
234	Cleveland	Town Square	128,180
246	Cleveland	Kmart Plaza	168,523
399	Cleveland	Ames Plaza	103,911
408	Cleveland	Kmart Plaza	103,400
409	Cleveland	Ames Plaza	104,342
410	Cleveland	Willoughby Plaza	152,508
411	Cleveland	Ames Plaza	133,147
414	Cleveland	Ames Plaza	99,862
417	Cleveland	Erie Commons	271,209
421	Cleveland	Meadowbrook Square	133,147
102	Columbus	Whitehall S.C.	112,813
130	Columbus	Arlington Square	153,733
401	Columbus	Morse Plaza	131,789
402	Columbus	S. Hamilton S.C.	140,993
403	Columbus	Olentangy Plaza	129,008
407	Columbus	West Broad Plaza	135,650
423	Columbus (178)	Westerville Plaza	242,124
424	Columbus	S. High Plaza	99,262
†597	Columbus	North West Square	113,183
*775	Columbus	Columbus Square	79,902

Site #	City	Name	Total GLA
131	Dayton	Shiloh Springs Plaza	163,131
308	Dayton (310)	Oak Creek Plaza	216,654
309	Dayton (311/313)	Woodman Plaza	127,520
320	Dayton	Southland 75 S.C.	99,147
345	Dayton	Beavercreek Plaza	139,816
404	Dayton	Salem Plaza	141,616
405	Dayton	Cross Pointe S.C.	115,378
406	Dayton	Value City Plaza	123,148
△714	Dayton	Mallwoods S.C.	—
†006	Huber Heights	Northpark Center	309,768
325	Lima	Eastgate Plaza	194,130
416	Springfield	Kmart Plaza	131,628
*728	Toledo	Toledo S.C.	102,997
*729	Toledo	Northwood S.C.	103,161

Oklahoma

876	Edmond	Broadway Plaza	97,527
857	Midwest City	Midwest City S.C.	99,433
555	Oklahoma City	Centennial Plaza	233,797
*871	Oklahoma City	Shields Plaza	111,314
810	Tulsa	Kmart S.C.	96,100
*859	Tulsa	Sheridan Center	93,748

Pennsylvania

653	Allentown	Whitehall Mall	84,524
464	Carnegie	Carnegie Center	69,288
460	Chippewa	Central Square	220,000
210	E. Stroudsburg	Pocono Plaza	168,218
469	Exton	Exton Center	60,685
375	Gettysburg	Gettysburg Plaza	30,706
193	Harrisburg	Harrisburg East S.C.	175,917
227	Harrisburg	Harrisburg West S.C.	152,565
243	Harrisburg	Olmsted Plaza	140,481
373	Harrisburg	Middletown Plaza	35,747
374	Harrisburg	Upper Allen Plaza	59,470
*723	Horsham	Village Mall	105,569
312	Norristown	Norriton Square	134,860
223	Philadelphia	Ridge Pike Plaza	165,385
288	Philadelphia	Springfield S.C.	218,907
294	Philadelphia	Cottman-Castor S.C.	214,970
389	Philadelphia	Crossroads Plaza	108,741
612	Philadelphia	Cottman-Bustleton Center	275,033
649	Philadelphia	Center Square S.C.	116,055
650	Philadelphia	Frankford Avenue S.C.	82,345
651	Philadelphia	Bucks County Mall	86,575
652	Philadelphia	Warrington S.C.	82,338
656	Philadelphia	Township Line S.C.	80,938
658	Philadelphia	Whiteland Town Center	85,184
659	Philadelphia	Ralph's Corner S.C.	84,470
660	Philadelphia	The Gallery	133,309

Site #	City	Name	Total GLA
661	Philadelphia	The Wellness Place	36,511
662	Philadelphia	The Wellness Place	49,176
148	Pittsburgh	Duquesne Plaza	69,733
249	Pittsburgh	Kennywood Mall	194,393
341	Pittsburgh	Braddock Hills	109,717
342	Pittsburgh	New Kensington S.C.	106,624
343	Pittsburgh	Ames Plaza	110,517
385	Pittsburgh	Century III Mall	84,279
*760	Souderton	Souderton S.C.	68,380
663	Trexlertown	The Wellness Place	41,680
370	York	Eastern Blvd. Plaza	61,979
371	York	Mount Rose Plaza	53,011
372	York	W. Market St. Plaza	35,500

Rhode Island

691	Cranston	Marshall's Plaza	129,907

South Carolina

379	Aiken	Heritage Square	11,200
254	Charleston	St. Andrews Center	165,973
631	Charleston	Westwood Plaza	186,000
646	Florence	Crossroads Center	113,922
676	Greenville	The Gallery S.C.	148,532
692	North Charleston	North Rivers S.C.	204,662

Tennessee

†007	Madison	Northside Marketplace	189,299
588	Memphis	The Shoppes @ Rivergate	171,236
594	Memphis	Trolly Station	167,283
253	Chattanooga	Red Bank S.C.	44,288
282	Madison	Old Towne Village	182,256
†004	Nashville	Hickory Hollow S.C.	99,159
583	Nashville	Marketplace @ Rivergate	109,012

Texas

†879	Amarillo	Westgate Plaza	342,859
†564	Austin	Arboretum Crossing	191,760
589	Austin	Center of the Hills	153,325
△712	Cedar Hill	Cedar Hill Crossing	—
*878	Corpus Christi	Padre Plaza	108,022
828	Corsicana	Distribution Center	350,000
170	Dallas (270)	Big Town Mall	697,635
256	Dallas	Kroger Plaza	79,550
270	Dallas	Big Town Exhibition Hall	130,819
†565	Dallas	City Place	83,867
†566	Dallas	Broadmoor Village	62,000
568	Dallas	Shops @ Vista Ridge	74,890
569	Dallas	Vista Ridge Plaza	124,103
642	Dallas	Kroger Center	41,364
*768	Dallas	Parker Plaza S.C.	79,902
*783	Dallas	Euless Town Center	61,453
816	Dallas	Accent Plaza	97,260

Portfolio of Properties Interests Owned or Managed
(continued)

Site #	City	Name	Total GLA
818	Dallas	Randol Plaza	97,000
819	Dallas	Skyline Plaza	96,500
820	Dallas	Broadway Center	103,600
866	Dallas	Arlington Center	96,127
570	Dallas (571)	Mesquite Town Center	209,580
824	Ft. Worth	Kmart S.C.	106,000
230	Houston	Kroger S.C.	45,494
567	Houston	Center @ Baybrook	405,758
△584	Houston	Home Depot Plaza	—
655	Houston	Woodforest S.C.	113,831
719	Houston	Sharpstown Court	84,188
817	Houston	Westheimer Plaza	96,500
821	Houston	Beltway Plaza Center	106,000
823	Houston	Baytown Village S.C.	103,800
877	Houston	Westheimer Crossing	106,295
590	Lewisville	Vista Ridge Plaza	93,668
678	Lubbock	South Plains Plaza	108,326
*742	Lubbock	Lubbock S.C.	103,161
△827	North Richland Hills		—
†010	Pasadena	Fairway Plaza	169,203
†572	Richardson	Richardson Plaza	112,604
△717	San Antonio	Forum @ Olympia Pkwy.	—
*771	San Antonio	San Pedro Avenue S.C.	79,902
*778	Temple	Market Place S.C.	61,453
*738	Waco	Parkdale S.C.	101,093
Utah			
103	Ogden	Kmart S.C.	121,449

Site #	City	Name	Total GLA
Virginia			
467	Colonial Heights	Colonial Heights Center	60,909
466	Harrisonburg	Harrisonburg Center	31,111
462	Richmond	Westpark Center	84,811
800	Richmond	Burlington Coat Center	121,550
*753	Virginia Beach	Virginia Beach S.C.	103,161
225	Washington, D.C.	Gordon Plaza	187,063
†547	Washington, D.C.	Costco Plaza	323,262
†915	Washington, D.C. (916-920)	Smoketown Station	481,740
672	Washington, D.C.	Festival @ Manassas	117,525
*786	Washington, D.C.	Brafferton Center	61,453
Washington			
†542	Seattle	Cordata Centre	174,547
West Virginia			
330	Charles Town	Charles Town Plaza	206,208
376	Martinsburg	Martins Food Plaza	43,212
595	South Charleston	Riverwalk Plaza	134,943
Wisconsin			
381	Racine	Badger Plaza	156,430
Total Number of Property Interests			488
Total GLA Owned or Managed			63,619,842

△Represents undeveloped land or land held for development.

*Denotes retail store lease relating to the anchor store premises in a neighborhood and community shopping center. The premises are subleased to a national retailer(s) which leases the space pursuant to a net lease agreement(s).

†Denotes property in Kimco Income REIT.

Financial Highlights

(in thousands, except per share information)

	Year Ended December 31,				
	1999	1998	1997	1996	1995
Operating Data:					
Revenues from rental property[1]	**$ 433,880**	$ 338,798	$ 198,929	$ 168,144	$ 143,132
Depreciation and amortization	**$ 67,416**	$ 51,348	$ 30,053	$ 27,067	$ 26,188
Income before extraordinary items	**$ 176,778**[3]	$ 127,166[3]	$ 85,836[3]	$ 73,827[3]	$ 51,922
Income per common share, before extraordinary items:					
Basic	**$ 2.49**[3]	$ 2.05[3]	$ 1.80[3]	$ 1.61[3]	$ 1.33
Diluted	**$ 2.46**[3]	$ 2.02[3]	$ 1.78[3]	$ 1.59[3]	$ 1.32
Interest expense	**$ 83,646**	$ 64,912	$ 31,745	$ 27,019	$ 25,585
Weighted average number of shares of common stock outstanding:					
Basic	**60,473**	50,071	37,388	35,906	33,388
Diluted	**60,978**	50,641	37,850	36,219	33,633
Cash dividends per common share	**$ 2.37**	$ 1.97	$ 1.72	$ 1.56	$ 1.44

	December 31,				
	1999	1998	1997	1996	1995
Balance Sheet Data:					
Real estate, before accumulated depreciation	**$2,951,050**	$3,023,902	$1,404,196	$1,072,056	$ 932,390
Total assets	**$3,007,476**	$3,051,178	$1,343,890	$1,023,033	$ 884,242
Total debt	**$1,249,571**	$1,289,561	$ 531,614	$ 364,655	$ 389,223

	Year Ended December 31,				
	1999	1998	1997	1996	1995
Other Data:					
Funds from Operations[2]:					
Net income	**$ 176,778**	$ 122,266	$ 85,836	$ 73,827	$ 51,922
Depreciation and amortization	**67,416**	51,348	30,053	27,067	26,188
Depreciation and amortization—KIR	**3,819**	—	—	—	—
(Gain) loss on sales of properties and early repayment of mortgage debt	**(1,552)**	3,999	(244)	(802)	(370)
Preferred stock dividends	**(26,478)**	(24,654)	(18,438)	(16,134)	(7,631)
Other	**1,420**	788	976	1,148	2,019
Funds from Operations	**$ 221,403**	$ 153,747	$ 98,183	$ 85,106	$ 72,128
Cash flow provided by operations	**$ 237,153**	$ 158,706	$ 125,107	$ 101,892	$ 74,233
Cash flow used for investing activities	**$ (205,219)**	$ (630,229)	$ (280,823)	$ (144,027)	$(127,261)
Cash flow (used for) provided by financing activities	**$ (47,778)**	$ 484,465	$ 149,269	$ 63,395	$ 58,248

(1) Does not include revenues from rental property relating to unconsolidated joint ventures or revenues relating to the investment in retail stores leases.

(2) Most industry analysts and equity REITs, including the Company, generally consider funds from operations ("FFO") to be an appropriate supplemental measure of the performance of an equity REIT. In March 1995, the National Association of Real Estate Investment Trusts ("NAREIT") modified the definition of FFO, among other things, to eliminate adding back amortization of deferred financing costs and depreciation of non-real estate items to net income when computing FFO. The Company adopted this new method as of January 1, 1996. FFO is defined as net income applicable to common shares before depreciation and amortization, extraordinary items, gains or losses on sales of real estate, plus FFO of unconsolidated joint ventures determined on a consistent basis. FFO does not represent cash generated from operating activities in accordance with generally accepted accounting principles and therefore should not be considered an alternative for net income as a measure of results of operations, or for cash flows from operations calculated in accordance with generally accepted accounting principles as a measure of liquidity. In addition, the comparability of the Company's FFO with the FFO reported by other REITs may be affected by the differences that exist regarding certain accounting policies relating to expenditures for repairs and other recurring items.

(3) Includes $1.6 million or $0.03 per share in 1999, $0.9 million or $0.02 per share in 1998, $0.2 million or $0.01 per share in 1997 and $0.8 million or $0.02 per share in 1996 relating to non-recurring gains from the disposition of shopping center properties in each year.

Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

This Annual Report, together with other statements and information publicly disseminated by Kimco Realty Corporation (the "Company" or "Kimco") contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The Company intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and include this statement for purposes of complying with these safe harbor provisions. Forward-looking statements, which are based on certain assumptions and describe our future plans, strategies and expectations, are generally identifiable by use of the words "believe," "expect," "intend," "anticipate," "estimate," "project" or similar expressions. You should not rely on forward-looking statements since they involve known and unknown risks, uncertainties and other factors which are, in some cases, beyond the Company's control and which could materially affect actual results, performances or achievements. Factors which may cause actual results to differ materially from current expectations include, but are not limited to, (i) general economic and local real estate conditions, (ii) financing risks, such as the inability to obtain equity or debt financing on favorable terms, (iii) changes in governmental laws and regulations, (iv) the level and volatility of interest rates, (v) the availability of suitable acquisition opportunities and (vi) increases in operating costs. Accordingly, there is no assurance that the Company's expectations will be realized.

The following discussion should be read in conjunction with the Consolidated Financial Statements and Notes thereto included in this Annual Report. Historical results and percentage relationships set forth in the Consolidated Statements of Income contained in the Consolidated Financial Statements, including trends which might appear, should not be taken as indicative of future operations.

Results of Operations

Comparison 1999 to 1998

Revenues from rental property increased $95.1 million, or 28.1%, to $433.9 million for the year ended December 31, 1999, as compared with $338.8 million for the year ended December 31, 1998. This net increase resulted primarily from the combined effect of (i) the acquisition of 35 shopping center properties during 1999, two of which were subsequently sold to Kimco Income REIT ("KIR"), providing revenues of $13.5 million for the year ended December 31, 1999, (ii) the full year impact related to the 62 shopping center properties and three retail properties acquired in 1998 providing incremental revenues of $37.4 million, (iii) the acquisition of The Price REIT, Inc. as of June 19, 1998 (the "Price REIT Acquisition") providing incremental revenues of $35.6 million and (iv) new leasing, property redevelopments and re-tenanting within the portfolio at improved rental rates providing incremental revenues of $11.0 million. These increases were reduced as a result of the deconsolidation of 21 shopping center properties as of April 28, 1999 in connection with the sale of a controlling interest in KIR.

Rental property expenses, including depreciation and amortization, increased $55.4 million, or 26.7%, to $262.9 million for the year ended December 31, 1999, as compared with $207.5 million for the year ended December 31, 1998. The rental property expense components of real estate taxes, operating and maintenance, and depreciation and amortization increased by $10.2 million, $8.8 million and $16.1 million, respectively, for the year ended December 31, 1999, as compared to the year ended December 31, 1998. These rental property expense increases are primarily due to property acquisitions during the year ended December 31, 1999, and the incremental costs associated with the Price REIT Acquisition and the property acquisitions throughout 1998. These increases were reduced as a result of the deconsolidation of 21 shopping center properties as of April 28, 1999 in connection with the sale of a controlling interest in KIR. Interest expense increased $18.7 million for the year ended December 31, 1999, reflecting higher average outstanding borrowings as compared to the preceding year resulting from (i) the issuance of additional unsecured debt during 1999 and 1998 and the assumption of $250.0 million in connection with the Price REIT Acquisition, (ii) the assumption of mortgage debt during 1999 and 1998 in connection with certain property acquisitions and (iii) mortgage financing obtained on certain properties in 1999 and 1998, offset by the deconsolidation of $252.4 million of mortgage debt on 19 properties as of April 28, 1999 in connection with the sale of a controlling interest in KIR.

The Company has interests in various retail store leases relating to the anchor stores premises in neighborhood and community shopping centers. These premises have been substantially sublet to retailers which lease the stores pursuant to net lease agreements. Income from the investment in retail store leases during the years ended December 31, 1999 and 1998 was $4.1 million and $3.7 million, respectively.

General and administrative expenses increased approximately $5.2 million for the year ended December 31, 1999, as compared to the preceding calendar year. The increase is due primarily to an increase in senior management and staff levels and other personnel costs in connection with the growth of the Company and the Price REIT Acquisition.

During 1998, the Company formed KIR, a limited partnership established to invest in high quality retail properties financed primarily through the use of individual non-recourse mortgages. At the time of formation, the Company contributed 19 property interests to KIR. On April 28, 1999, KIR sold a significant interest in the partnership to an institutional investor. As a result, the Company holds a non-controlling limited partnership interest in KIR and accounts for its investment in KIR under the equity method of accounting. The Company's equity in income of KIR for the period April 28, 1999 to December 31, 1999 was approximately $6.0 million.

During 1999, the Company disposed of six shopping center properties and a land parcel. Cash proceeds from four of these dispositions aggregated approximately $6.1 million, which approximated their aggregate net book value. During July 1999, the Company disposed of an additional shopping center property in New Port Richey, FL. Cash proceeds from the disposition totaling $0.5 million, together with an additional $5.5 million cash investment, were used to acquire an exchange shopping center property located in Greensboro, NC during September 1999. The sale of this property resulted in a gain of approximately $0.3 million.

During October 1999, the Company, in separate transactions, disposed of a shopping center and a land parcel for an aggregate sale price of approximately $4.5 million, which resulted in a gain of approximately $1.3 million.

Net income for the year ended December 31, 1999 was $176.8 million as compared to $122.3 million for the year ended December 31, 1998, representing an increase of $54.5 million. After adjusting for the gains on sales of shopping center properties in each year and the extraordinary charge in 1998, net income for 1999 increased $49.0 million, or $0.43 per basic share compared to 1998. This improved performance is primarily attributable to the Company's strong acquisition program, internal growth from development and redevelopment projects and increased leasing activity which strengthened operating profitability.

Comparison 1998 to 1997

Revenues from rental property increased approximately $139.9 million, or 70.3%, to $338.8 million for the year ended December 31, 1998, as compared with $198.9 million for the year ended December 31, 1997. This increase resulted primarily from the combined effect of (i) the acquisition of 62 shopping center properties and three retail properties during 1998 providing revenues from rental property of $35.5 million, (ii) the full year impact related to the 63 property interests acquired in 1997 providing incremental revenues of $42.1 million, (iii) the Price REIT Acquisition providing revenues of $52.9 million and (iv) new leasing, re-tenanting and completion of certain property redevelopments within the portfolio providing improved rental rates.

Rental property expenses, including depreciation and amortization, increased approximately $92.3 million, or 80.1%, to $207.5 million for the year ended December 31, 1998, as compared with $115.2 million for the preceding calendar year. The rental property expense components of rent, real estate taxes and depreciation and amortization increased $7.7 million, $19.1 million and $21.3 million, respectively, for the year ended December 31, 1998 as compared to the preceding year. These rental property expense increases are primarily due to the 62 shopping center properties and three retail properties acquired during 1998, the Price REIT Acquisition and the incremental costs related to the 63 property interests acquired during 1997. Interest expense increased approximately $33.2 million between the respective periods reflecting higher average outstanding borrowings during calendar year 1998 resulting from (i) the issuance of an aggregate $290 million unsecured medium-term notes during 1998, (ii) the assumption of approximately $49.2 million of mortgage debt in connection with the acquisition of certain property interests during 1998, as compared to the preceding year, (iii) the aggregate of $281.3 million of mortgage financing obtained in 1998 in connection with 22 property interests and (iv) the assumption of approximately $250.0 million of unsecured debt and $60.0 million of mortgage debt in connection with the Price REIT Acquisition. These increased borrowings were offset, in part, by the July 1998 repayment of $50.0 million medium-term notes which matured and the repayment of approximately $79.2 million of mortgage debt during 1998.

The Company has interests in various retail store leases relating to the anchor store premises in neighborhood and community shopping centers. These premises have been substantially sublet to retailers which lease the stores pursuant to net lease agreements. Income from the investment in retail store leases during the years ended December 31, 1998 and 1997 was $3.7 million and $3.6 million, respectively.

General and administrative expenses increased approximately $6.9 million to $18.6 million for the year ended December 31, 1998, as compared to $11.7 million for the preceding calendar year. The increase during 1998 is due primarily to an increase in senior management and staff levels and other personnel costs in connection with the growth of the Company, including approximately $3.0 million attributable to the Price REIT Acquisition.

During 1998, the Company disposed of a property in Pinellas Park, FL. Cash proceeds from the disposition totaling $2.3 million, together with an additional $7.1 million cash investment, were used to acquire an exchange shopping center property located in Cranston, RI.

Management's Discussion and Analysis of Financial Condition and Results of Operations

(continued)

Additionally, during December 1998, the Company disposed of a vacant distribution center and adjacent facility located in O'Fallon, MO, which were acquired as part of the Venture transactions, for $10 million, which amount approximated their net book value.

During 1998, the Company prepaid certain mortgage loans resulting in extraordinary charges of approximately $4.9 million, or on a per-basic share and diluted share basis, $0.10 and $0.09, respectively, representing the premiums paid and other costs written-off in connection with the early satisfaction of these mortgage loans.

Net income for the year ended December 31, 1998 of approximately $122.3 million represented a substantial improvement of approximately $36.5 million, as compared with net income of approximately $85.8 million for the preceding calendar year. After adjusting for the gains on sales of shopping center properties during both periods and the extraordinary charge during 1998, net income for 1998 increased by $40.7 million, or $0.24 per basic share, compared to 1997. This substantially improved performance was primarily attributable to the Company's strong property acquisition program, the Price REIT Acquisition and internal growth from redevelopments, re-tenanting of the Venture portfolio and increased leasing activity which strengthened operating profitability.

Liquidity and Capital Resources

Since the completion of the Company's IPO in 1991, the Company has utilized the public debt and equity markets as its principal source of capital. Since the IPO, the Company has completed additional offerings of its public unsecured debt and equity, raising in the aggregate over $2.0 billion for the purposes of repaying indebtedness, acquiring interests in neighborhood and community shopping centers and for expanding and improving properties in the portfolio.

During August 1998, the Company established a $215 million, unsecured revolving credit facility, which is scheduled to expire in August 2001. This credit facility, which replaced both the Company's $100 million unsecured revolving credit facility and $150 million interim credit facility, has made available funds to both finance the purchase of properties and meet any short-term working capital requirements. As of December 31, 1999, there were no amounts outstanding under the credit facility.

During November 1999, the Company established a $52 million unsecured term loan facility, which is scheduled to expire in November 2000. This credit facility was established to finance the purchase of properties and for general corporate purposes.

The Company has also implemented a $200 million MTN program pursuant to which it may from time to time offer for sale its senior unsecured debt for any general corporate purposes, including (i) funding specific liquidity requirements in its business, including property acquisitions, development and redevelopment costs and (ii) managing the Company's debt maturities (See Note 8 of the Notes to Consolidated Financial Statements included in this Annual Report).

In addition to the public equity and debt markets as capital sources, the Company may, from time to time, obtain mortgage financing on selected properties. As of December 31, 1999, the Company had over 350 unencumbered property interests in its portfolio.

During 1998, the Company filed a shelf registration on Form S-3 for up to $750 million of debt securities, preferred stock, depositary shares, common stock and common stock warrants. As of March 1, 2000, the Company had approximately $393.2 million available for issuance under this shelf registration statement.

In connection with its intention to continue to qualify as a REIT for Federal income tax purposes, the Company expects to continue paying regular dividends to its stockholders. These dividends will be paid from operating cash flows which are expected to increase due to property acquisitions and growth in rental revenues in the existing portfolio and from other sources. Since cash used to pay dividends reduces amounts available for capital investment, the Company generally intends to maintain a conservative dividend payout ratio, reserving such amounts as it considers necessary for the expansion and renovation of shopping centers in its portfolio, debt reduction, the acquisition of interests in new properties as suitable opportunities arise, and such other factors as the Board of Directors considers appropriate.

Cash dividends paid increased to $169.7 million in 1999, compared to $113.9 million in 1998 and $82.6 million in 1997. The Company's dividend payout ratio, based on funds from operations on a per-basic common share basis, for 1999, 1998 and 1997 was approximately 64.8%, 64.2% and 65.4%, respectively.

Although the Company receives substantially all of its rental payments on a monthly basis, it generally intends to continue paying dividends quarterly. Amounts accumulated in advance of each quarterly distribution will be invested by the Company in short-term money market or other suitable instruments.

The Company anticipates its capital commitment toward ground-up development and redevelopment projects during 2000 will be approximately $130 million. It is management's intention that the Company continually have access to the capital resources necessary to expand and develop its business. Accordingly, the Company may seek to obtain funds through additional equity offerings, unsecured debt financings and/or mortgage financings in a manner consistent with its intention to operate with a conservative debt capitalization policy.

The Company anticipates that cash flows from operations will continue to provide adequate capital to fund its operating and administrative expenses, regular debt service obligations and all dividend payments in accordance with REIT requirements in both the short-term and long-term. In addition, the Company anticipates that cash on hand, borrowings under its revolving credit facility, issuance of equity and public debt, as well as other debt and equity alternatives, will provide the necessary capital required by the Company. Cash flows from operations as reported in the Consolidated Statements of Cash Flows increased to $237.2 million for 1999 from $158.7 million for 1998 and $125.1 million for 1997.

Effects of Inflation

Many of the Company's leases contain provisions designed to mitigate the adverse impact of inflation. Such provisions include clauses enabling the Company to receive payment of additional rent calculated as a percentage of tenants' gross sales above pre-determined thresholds, which generally increase as prices rise, and/or escalation clauses, which generally increase rental rates during the terms of the leases. Such escalation clauses often include increases based upon changes in the consumer price index or similar inflation indices. In addition, many of the Company's leases are for terms of less than 10 years, which permits the Company to seek to increase rents to market rates upon renewal. Most of the Company's leases require the tenant to pay an allocable share of operating expenses, including common area maintenance costs, real estate taxes and insurance, thereby reducing the Company's exposure to increases in costs and operating expenses resulting from inflation. The Company periodically evaluates its exposure to short-term interest rates and will, from time to time, enter into interest rate protection agreements which mitigate, but do not eliminate, the effect of changes in interest rates on its floating-rate loans.

New Accounting Pronouncements

In 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133—"Accounting for Derivative Instruments and Hedging Activities" ("FASB No. 133"). FASB No. 133 is effective for all fiscal quarters of all fiscal years beginning after June 15, 1999. In June 1999, the FASB delayed the implementation date of FASB No. 133 by one year (January 1, 2001 for the Company). FASB No. 133 requires that all derivative instruments be recorded on the balance sheet at their fair value. Changes in the fair value of derivatives are recorded each period in current earnings or other comprehensive income, depending on whether a derivative is designated as part of a hedge transaction and, if it is, the type of hedge transaction. Management of the Company anticipates that, due to its limited use of derivative instruments, the adoption of FASB No. 133 will not have a significant effect on the Company's consolidated results of operations or its financial position.

Quantitative and Qualitative Disclosures About Market Risk

As of December 31, 1999, the Company had approximately $230.9 million of floating-rate debt outstanding. The interest rate risk on $212.0 million of such debt has been mitigated through the use of interest rate swap agreements (the "Swaps") with major financial institutions. The Company is exposed to credit risk in the event of nonperformance by the counter-parties to the Swaps. The Company believes it mitigates its credit risk by entering into these Swaps with major financial institutions.

The Company believes the interest rate risk represented by the remaining $18.9 million of floating-rate debt is not material in relation to the total debt outstanding of the Company or its market capitalization.

The Company has not, and does not plan to, enter into any derivative financial instruments for trading or speculative purposes. As of December 31, 1999, the Company had no other material exposure to market risk.

Report of Independent Accountants

To the Board of Directors and Stockholders of
Kimco Realty Corporation:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, stockholders' equity and cash flows present fairly, in all material respects, the financial position of Kimco Realty Corporation and Subsidiaries at December 31, 1999 and 1998, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1999, in conformity with accounting principles generally accepted in the United States. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

PricewaterhouseCoopers LLP

New York, New York
February 28, 2000

Consolidated Balance Sheets

(in thousands, except share information)

	December 31, 1999	December 31, 1998
Assets:		
Real Estate		
Rental property		
Land	**$ 490,414**	$ 528,549
Buildings and improvements	**2,459,288**	2,494,005
	2,949,702	3,022,554
Less, accumulated depreciation and amortization	**323,738**	255,950
	2,625,964	2,766,604
Undeveloped land parcels	**1,348**	1,348
Real estate, net	**2,627,312**	2,767,952
Investment and advances in KIR	**114,217**	—
Investments and advances in other real estate joint ventures	**68,553**	64,263
Investment in retail store leases	**12,709**	15,172
Cash and cash equivalents	**28,076**	43,920
Accounts and notes receivable	**31,689**	31,821
Deferred charges and prepaid expenses	**31,752**	34,031
Other assets	**93,168**	94,019
	$3,007,476	$3,051,178
Liabilities & Stockholders' Equity:		
Notes payable	**$1,037,250**	$ 855,250
Mortgages payable	**212,321**	434,311
Accounts payable and accrued expenses	**64,954**	66,179
Dividends payable	**45,290**	39,444
Other liabilities	**29,097**	58,020
	1,388,912	1,453,204
Minority interests in partnerships	**13,129**	12,955
Commitments and contingencies		
Stockholders' equity		
Preferred Stock, $1.00 par value, authorized 5,000,000 and 3,470,000 shares, respectively		
Class A Preferred Stock, $1.00 par value, authorized 345,000 shares		
Issued and outstanding 300,000 shares	**300**	300
Aggregate liquidation preference $75,000		
Class B Preferred Stock, $1.00 par value, authorized 230,000 shares		
Issued and outstanding 200,000 shares	**200**	200
Aggregate liquidation preference $50,000		
Class C Preferred Stock, $1.00 par value, authorized 460,000 shares		
Issued and outstanding 400,000 shares	**400**	400
Aggregate liquidation preference $100,000		
Class D Convertible Preferred Stock, $1.00 par value, authorized 700,000 shares		
Issued and outstanding 428,514 and 429,159 shares, respectively	**429**	429
Aggregate liquidation preference $107,129 and $107,290, respectively		
Common stock, $.01 par value, authorized 200,000,000 and 100,000,000 shares, respectively		
Issued and outstanding 60,795,593 and 60,133,704 shares, respectively	**608**	601
Paid-in capital	**1,730,278**	1,707,272
Cumulative distributions in excess of net income	**(122,959)**	(124,183)
	1,609,256	1,585,019
Notes receivable from officer stockholders	**(3,821)**	—
	1,605,435	1,585,019
	$3,007,476	$3,051,178

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Income

(in thousands, except per share information)

	Year Ended December 31, 1999	1998	1997
Revenues from rental property	**$433,880**	$338,798	$198,929
Rental property expenses:			
Rent	**14,167**	12,568	4,873
Real estate taxes	**55,644**	45,472	26,346
Interest	**83,646**	64,912	31,745
Operating and maintenance	**42,003**	33,246	22,194
Depreciation and amortization	**67,416**	51,348	30,053
	262,876	207,546	115,211
Income from rental property	**171,004**	131,252	83,718
Income from investment in retail store leases	**4,099**	3,703	3,572
	175,103	134,955	87,290
Management fee income	**5,091**	3,646	3,276
General and administrative expenses	**(23,833)**	(18,583)	(11,651)
Equity in income of KIR	**5,974**	—	—
Equity in income of other real estate joint ventures, net	**4,537**	3,106	1,117
Minority interests in income of partnerships, net	**(1,489)**	(1,275)	(464)
Other income, net	**9,843**	4,416	6,024
Income before gain on sale of shopping center properties and extraordinary items	**175,226**	126,265	85,592
Gain on sale of shopping center properties	**1,552**	901	244
Income before extraordinary items	**176,778**	127,166	85,836
Extraordinary items	**—**	(4,900)	—
Net income	**$176,778**	$122,266	$ 85,836
Net income applicable to common shares	**$150,300**	$ 97,612	$ 67,399
Per common share:			
Income before extraordinary items			
Basic	**$ 2.49**	$ 2.05	$ 1.80
Diluted	**$ 2.46**	$ 2.02	$ 1.78
Net income			
Basic	**$ 2.49**	$ 1.95	$ 1.80
Diluted	**$ 2.46**	$ 1.93	$ 1.78

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Stockholders' Equity

For the Years Ended December 31, 1999, 1998 and 1997
(in thousands, except per share information)

	Preferred Stock		Common Stock			Cumulative Distributions in Excess	Notes Receivable from Officer	Total Stockholders'
	Issued	Amount	Issued	Amount	Paid-In Capital	of Net Income	Stockholders	Equity
Balance, December 31, 1996	900	$ 900	36,215	$ 362	$ 719,602	$ (115,093)	$ —	$ 605,771
Net income						85,836		85,836
Dividends ($1.77 per common share; $1.9375, $2.125 and $2.0938 per Class A, Class B and Class C Depositary Share, respectively)						(86,386)		(86,386)
Issuance of common stock			4,000	40	134,293			134,333
Exercise of common stock options			180	2	3,763			3,765
Balance, December 31, 1997	900	900	40,395	404	857,658	(115,643)	—	743,319
Net income						122,266		122,266
Dividends ($2.06 per common share; $1.9375, $2.125, $2.0938, $1.0729 and $2.9609 per Class A, Class B, Class C, Class D and Class E Depositary Share, respectively)						(130,806)		(130,806)
Issuance of preferred stock	494	494			171,796			172,290
Issuance of common stock			19,588	195	739,591			739,786
Exercise of common stock options			151	2	3,162			3,164
Redemption of preferred stock	(65)	(65)			(64,935)			(65,000)
Balance, December 31, 1998	1,329	1,329	60,134	601	1,707,272	(124,183)	—	1,585,019
Net income						176,778		176,778
Dividends ($2.46 per common share; $1.9375, $2.125, $2.0938 and $1.875 per Class A, Class B, Class C and Class D Depositary Share, respectively)						(175,554)		(175,554)
Issuance of common stock			501	6	19,257			19,263
Exercise of common stock options			321	3	8,827		(3,821)	5,009
Repurchase of common stock			(160)	(2)	(5,078)			(5,080)
Balance, December 31, 1999	**1,329**	**$1,329**	**60,796**	**$608**	**$1,730,278**	**$(122,959)**	**$(3,821)**	**$1,605,435**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Cash Flows

(in thousands)

	Year Ended December 31, 1999	1998	1997
Cash flow from operating activities:			
Net income	**$ 176,778**	$ 122,266	$ 85,836
Adjustments for noncash items—			
Depreciation and amortization	**67,416**	51,348	30,053
Extraordinary items	**—**	4,900	—
Gain on sale of shopping center properties	**(1,552)**	(901)	(244)
Minority interests in income of partnerships, net	**1,489**	1,275	463
Equity in income of KIR	**(5,974)**	—	—
Equity in income of other real estate joint ventures, net	**(4,537)**	(3,106)	(1,117)
Change in accounts and notes receivable	**(2,832)**	(11,422)	(2,217)
Change in accounts payable and accrued expenses	**1,177**	(6,608)	12,304
Change in other operating assets and liabilities	**5,188**	954	29
Net cash flow provided by operations	**237,153**	158,706	125,107
Cash flow from investing activities:			
Acquisition of and improvements to real estate	**(278,726)**	(583,979)	(261,226)
Acquisition of real estate through joint venture investment	**(10,562)**	(23,314)	(4,625)
Investment in marketable securities	**(17,159)**	(7,089)	(11,138)
Proceeds from sale of marketable securities	**11,590**	—	—
Investments and advances to affiliated companies	**(1,450)**	—	(14,036)
Investments and advances to joint ventures, net	**(10,649)**	—	—
Investment in mortgage loans receivable	**(8,646)**	(27,698)	—
Repayment of mortgage loans receivable	**4,545**	1,456	—
Advances to real estate joint ventures	**(2,705)**	(1,905)	—
Reimbursement of advances to real estate joint ventures	**29,287**	—	8,652
Net proceeds from sale of interest in KIR	**68,179**	—	—
Proceeds from sale of shopping center properties	**11,077**	12,300	1,550
Net cash flow used for investing activities	**(205,219)**	(630,229)	(280,823)
Cash flow from financing activities:			
Principal payments on debt, excluding normal amortization of rental property debt	**(61,098)**	(84,056)	(4,650)
Principal payments on rental property debt, net	**(4,417)**	(4,403)	(1,618)
Proceeds from mortgage financing	**28,733**	281,275	—
Payment of unsecured obligation	**(26,816)**	—	—
Mortgage financing origination costs	**—**	(7,324)	—
Proceeds from issuance of medium-term notes	**100,000**	290,000	100,000
Repayment of medium-term notes	**—**	(50,000)	—
Proceeds from issuance of senior notes	**130,000**	—	—
Repayment of senior notes	**(100,000)**	—	—
Borrowings under revolving credit facilities	**95,000**	220,000	—
Repayment of borrowings under revolving credit facilities	**(95,000)**	(265,000)	—
Borrowings under senior term loan	**52,000**	—	—
Dividends paid	**(169,708)**	(113,908)	(82,561)
Proceeds from issuance of stock	**8,608**	282,881	138,098
Payment for repurchase of stock	**(5,080)**	—	—
Redemption of preferred stock	**—**	(65,000)	—
Net cash flow (used for)/provided by financing activities	**(47,778)**	484,465	149,269
(Decrease)/increase in cash and cash equivalents	**(15,844)**	12,942	(6,447)
Cash and cash equivalents, beginning of year	**43,920**	30,978	37,425
Cash and cash equivalents, end of year	**$ 28,076**	$ 43,920	$ 30,978
Supplemental schedule of noncash investing/financing activity:			
Acquisition of real estate interests by issuance of common stock, preferred stock, and assumption of debt	**$ 98,770**	$1,005,713	$ 73,227
Notes received upon exercise of stock options	**$ 3,821**	$ —	$ —
Declaration of dividends paid in succeeding year	**$ 45,290**	$ 39,444	$ 22,546

The accompanying notes are an integral part of these consolidated financial statements.

Notes to Consolidated Financial Statements

1. Summary of Significant Accounting Policies:

Business

Kimco Realty Corporation (the "Company" or "Kimco"), its subsidiaries, affiliates and related real estate joint ventures are engaged principally in the operation of neighborhood and community shopping centers which are anchored generally by discount department stores, supermarkets or drugstores. Additionally, the Company provides management services for shopping centers owned by affiliated entities and various real estate joint ventures.

The Company seeks to reduce its operating and leasing risks through diversification achieved by the geographic distribution of its properties, avoiding dependence on any single property, and a large tenant base. At December 31, 1999, the Company's single largest neighborhood and community shopping center accounted for only 1.4% of the Company's annualized base rental revenues and only 1.0% of the Company's total shopping center gross leasable area ("GLA"). At December 31, 1999, the Company's five largest tenants include Kmart Corporation, Kohl's, Ames, The Home Depot and TJX Companies, which represented approximately 13.8%, 2.8%, 2.5%, 2.4% and 1.8%, respectively, of the Company's annualized base rental revenues.

The above statistics do not include the KIR Portfolio, as defined in Note 4 to the Consolidated Financial Statements.

Principles of Consolidation and Estimates

The accompanying Consolidated Financial Statements include the accounts of the Company, its subsidiaries, all of which are wholly-owned, and all partnerships in which the Company has a controlling interest. All significant intercompany balances and transactions have been eliminated in consolidation.

Generally accepted accounting principles require the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses during a reporting period. Actual results may differ from such estimates. The most significant assumptions and estimates relate to depreciable lives, valuation of real estate and the recoverability of trade accounts receivable.

Real Estate

Real estate assets are stated at cost, less accumulated depreciation and amortization. If there is an event or a change in circumstances that indicates that the basis of a property may not be recoverable, then management will assess any impairment in value by making a comparison of (i) the current and projected operating cash flows (undiscounted and without interest charges) of the property over its remaining useful life and (ii) the net carrying amount of the property. If the current and projected operating cash flows (undiscounted and without interest charges) are less than the carrying value of its property, the carrying value would be written down to an amount to reflect the fair value of the property.

Depreciation and amortization are provided on the straight-line method over the estimated useful lives of the assets, as follows:

Buildings	15 to 39 years
Fixtures and leasehold improvements	Terms of leases or useful lives, whichever is shorter

Expenditures for maintenance and repairs are charged to operations as incurred. Significant renovations are capitalized.

Investments in Real Estate Joint Ventures

Investments in real estate joint ventures are accounted for on the equity method.

Deferred Leasing and Financing Costs

Costs incurred in obtaining tenant leases and long-term financing, included in deferred charges and prepaid expenses in the accompanying Consolidated Balance Sheets, are amortized over the terms of the related leases or debt agreements, as applicable.

Revenue Recognition

Minimum revenues from rental property are recognized on a straight-line basis over the terms of the related leases.

Income Taxes

The Company and its subsidiaries file a consolidated Federal income tax return. The Company has made an election to qualify, and believes it is operating so as to qualify, as a Real Estate Investment Trust (a "REIT") for Federal income tax purposes. Accordingly, the Company generally will not be subject to Federal income tax, provided that distributions to its stockholders equal at least the amount of its REIT taxable income as defined under the Code.

Per Share Data

In 1997, the Financial Accounting Standards Board issued Financial Accounting Standards No. 128—"Earnings Per Share." Statement 128 replaced the presentation of primary and fully diluted earnings per share ("EPS") pursuant to Accounting Principles Board Opinion No. 15 with the presentation of basic and diluted EPS. Basic EPS excludes dilution and is computed by dividing net income available to common shareholders by the weighted average number of common shares outstanding for the period. Diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue common shares were exercised or converted into common shares and then shared in the earnings of the Company.

The following table sets forth the reconciliation between basic and diluted weighted average number of shares outstanding for each period:

	1999	1998	1997
Basic EPS—weighted average number of common shares outstanding	**60,472,768**	50,071,425	37,387,984
Effect of dilutive securities—Stock options	**504,749**	569,113	462,076
Diluted EPS—weighted average number of common shares	**60,977,517**	50,640,538	37,850,060

The effect of the conversion of the Class D Preferred Stock (as defined in Note 3) would have an anti-dilutive effect upon the calculation of net income per common share. Accordingly, the impact of such conversion has not been included in the determination of diluted net income per common share.

New Accounting Pronouncements

In 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133—"Accounting for Derivative Instruments and Hedging Activities" ("FASB No. 133"). FASB No. 133 is effective for all fiscal quarters of all fiscal years beginning after June 15, 1999. In June 1999, the FASB delayed the implementation date of FASB No. 133 by one year (January 1, 2001 for the Company). FASB No. 133 requires that all derivative instruments be recorded on the balance sheet at their fair value. Changes in the fair value of derivatives are recorded each period in current earnings or other comprehensive income, depending on whether a derivative is designated as part of a hedge transaction and, if it is, the type of hedge transaction. Management of the Company anticipates that, due to its limited use of derivative instruments, the adoption of FASB No. 133 will not have a significant effect on the Company's consolidated results of operations or its financial position.

2. Property Acquisitions:

Shopping Centers

During the years 1999, 1998 and 1997, certain subsidiaries and affiliates of the Company acquired real estate interests, in separate transactions, in various shopping center properties at aggregate costs of approximately $249 million, $303 million and $146 million, respectively.

Venture Stores, Inc. Properties Transactions

During January 1996, certain subsidiaries of the Company entered into two sale-leaseback transactions with Venture Stores, Inc. ("Venture") pursuant to which it acquired fee title to 16 retail properties for an aggregate purchase price of $40 million.

In August 1997, certain subsidiaries of the Company acquired certain real estate assets from Venture consisting of interests in 49 fee and leasehold properties totaling approximately 5.9 million square feet of leasable area located in seven states. The aggregate price was approximately $130 million, consisting of $70.5 million in cash and the assumption of approximately $59.5 million of existing mortgage debt on certain of these properties. Simultaneous with this transaction, the Company entered into a long-term unitary net lease with Venture covering all premises occupied by Venture on these properties.

In January 1998, Venture filed for protection under Chapter 11 of the United States Bankruptcy Code. On April 27, 1998, Venture announced it would discontinue its retail operations and that it had reached an agreement to sell its leasehold position at 89 locations to the Company, including 56 properties pursuant to two unitary leases already in place with the Company, 30 properties pursuant to a master lease with Metropolitan Life Insurance Company ("Metropolitan Life") and three properties leased by Venture from others. The purchase price for the leasehold positions was $95.0 million, less certain closing adjustments, but is subject to upward adjustment based on the Company's success in re-tenanting the properties over a two-year period. On July 17, 1998, the Company purchased the leasehold positions with an initial cash payment to Venture of approximately $53.3 million. During April and December 1999, the Company paid Venture an additional $21.0 million and $5.8 million, respectively.

Additionally, on July 1, 1998, the Company reached an agreement with Metropolitan Life to purchase the 30 fee and leasehold positions which were leased by Metropolitan Life to Venture, for an aggregate purchase price of $167.5 million.

During August 1998, the Company acquired from Venture five additional leasehold positions, including two leases already in place with the Company, for an aggregate purchase price of approximately $2.2 million.

During 1999, the Company substantially completed its re-tenanting effort with regard to the former Venture locations.

Retail Property Acquisitions

During January 1998, the Company, through a partnership interest, acquired fee interest in three properties from a retailer in the Chicago, IL market comprising approximately 516,000 square feet of GLA for an aggregate purchase price of approximately $23.7 million. These properties include approximately 70,000 square feet of showroom space and adjoining warehouses of approximately 100,000 square feet at each location. Simultaneous with this transaction, the Company leased, to a national furniture retailer, the showroom portion of each property under individual long-term leases. The Company is currently planning the redevelopment of the warehouse portion of each property.

Other Acquisitions

During December 1998, the Company acquired a first mortgage on a shopping center in Manhasset, NY for approximately $21 million. During April 1999, the Company acquired fee title to this property.

These property acquisitions have been funded principally through the application of proceeds from the Company's public unsecured debt and equity offerings and proceeds from mortgage financings (See Notes 8, 9 and 13).

3. Price REIT Merger:

On January 13, 1998, the Company, REIT Sub, Inc., a Maryland corporation and a wholly-owned subsidiary of the Company ("Merger Sub") and The Price REIT, Inc., a Maryland corporation, ("Price REIT"), signed a definitive Agreement and Plan of Merger dated January 13, 1998, as amended March 5, 1998 and May 14, 1998 (the "Merger Agreement"). On June 19, 1998, upon approval by the shareholders of the Company and the shareholders of Price REIT, Price REIT was merged into Merger Sub, whereupon the separate existence of Price REIT ceased (the "Merger"). For financial reporting purposes, the Merger was accounted for using the purchase method of accounting.

Prior to the Merger, Price REIT was a self-administered and self-managed equity REIT that was focused on the acquisition, development, management and redevelopment of large community shopping center properties concentrated in the western part of the United States. In connection with the Merger, the Company acquired interests in 43 properties, consisting of 39 retail community centers, one standalone retail warehouse, one project under development and two undeveloped land parcels, located in 17 states containing approximately 8.0 million square feet of GLA. The overall occupancy rate of the retail community centers was 98%.

In connection with the Merger, holders of Price REIT common stock received one share of Kimco common stock and 0.36 shares of Kimco Class D Depositary Shares (the "Class D Depositary Shares"), each Class D Depositary Share representing a one-tenth fractional interest in a new issue of Kimco 7.5% Cumulative Convertible Preferred Stock, par value $1.00 per share (the "Class D Preferred Stock"), for each share of Price REIT common stock. On June 19, 1998, the Company issued 11,921,992 shares of its common stock and 429,159 shares of Class D Preferred Stock (represented by 4,291,590 Class D Depositary Shares) in connection with the Merger. Additionally, in connection with the Merger, the Company issued 65,000 shares of a new issue of Kimco Class E Floating Rate Cumulative Preferred Stock, par value $1.00 per share ((the "Class E Preferred Stock"), represented by 650,000 Class E Depositary Shares, (the "Class E Depositary Shares")), each Class E Depositary Share representing a one-tenth fractional interest in the Class E Preferred Stock. The Class E Preferred Stock was redeemable at the option of the Company for 150 days after its issuance at a price equal to the liquidation preference of $1,000 per share plus accrued and unpaid dividends. The Company exercised its option in November 1998 to redeem all of the Class E Preferred Stock for $65.065 million representing the liquidation preference of $65 million and approximately $65,000 of accrued dividends (See Note 13).

The total Merger consideration was approximately $960 million, including the assumption of approximately $310 million of debt. Management has allocated the purchase price based on the fair value of assets and liabilities assumed.

4. Investment and Advances in Kimco Income REIT ("KIR"):

During 1998, the Company formed KIR, an entity in which the Company held a 99.99% limited partnership interest. KIR was established for the purpose of investing in real estate that it believes would be more appropriately financed through greater leverage than the Company traditionally uses. These properties include, but are not limited to, fully developed properties with strong, stable cash flows from credit-worthy retailers with long-term leases that have limited near-term potential for growth through redevelopment or re-tenanting. The Company initially identified and contributed 19 property interests to KIR which met this criteria. Each of these properties was encumbered by an individual non-recourse mortgage. On April 28, 1999, the Company entered into an agreement whereby an institutional investor purchased a significant interest in KIR.

Under the terms of the agreement, the agreed equity value for the 19 shopping centers previously contributed by the Company to KIR was approximately $107 million and the Company agreed to contribute an additional $10 million for a total investment of approximately $117 million. The institutional investor has subscribed for up to $117 million of equity in KIR, of which approximately $107 million has been contributed as of December 31, 1999. During August 1999, KIR admitted three additional limited partners. Each new partner entered into a subscription agreement whereby they subscribed for an aggregate $35 million of equity in KIR. At December 31, 1999, approximately $32 million of such subscriptions has been contributed. As of December 31, 1999, KIR has subscription agreements totaling approximately $269 million, of which approximately $246 million has been contributed. As a result of these transactions, the Company holds a 43.3% non-controlling limited partnership interest in KIR and accounts for its investment in KIR under the equity method of accounting. The Company's equity in income from KIR for the period April 28, 1999 to December 31, 1999 was approximately $6.0 million.

In addition, KIR entered into a master management agreement with the Company, whereby the Company will perform services for fee relating to the management, operation, supervision and maintenance of the joint venture properties. For the period from April 28, 1999 to December 31, 1999, the Company earned management fees, leasing commissions and was reimbursed for administrative services of approximately $.9 million, $.1 million and $.5 million, respectively.

During the period April 28, 1999 to December 31, 1999, KIR purchased ten shopping center properties, in separate transactions, aggregating 2.2 million square feet of GLA for approximately $218.3 million including the assumption of approximately $36.1 million of mortgage debt. Four of these properties were purchased from the Company for an aggregate purchase price of $70.1 million. As of December 31, 1999, the KIR portfolio included 29 shopping center properties comprising 5.4 million square feet of GLA (the "KIR Portfolio").

During May 1999, KIR obtained individual non-recourse, non-cross collateralized ten-year fixed-rate first mortgages aggregating $52.6 million on four of its properties. These mortgages bear interest at rates ranging from 7.57% to 7.72% per annum. The net proceeds were used to finance the acquisition of various shopping center properties.

Summarized financial information for the recurring operations of KIR is as follows (in millions):

	December 31, 1999
Assets:	
Real estate, net	$569.4
Other assets	32.3
	$601.7
Liabilities and Partners' Capital:	
Mortgages payable	$338.9
Other liabilities	7.9
Minority interest	.3
Partners' capital	254.6
	$601.7

	For Period April 28, 1999 to December 31, 1999
Revenues from rental property	$ 39.9
Operating expenses	(8.7)
Mortgage interest	(14.5)
Depreciation and amortization	(6.6)
Other, net	.6
	(29.2)
Net income	$ 10.7

5. Investments and Advances in Other Real Estate Joint Ventures:

The Company and its subsidiaries have investments in and advances to various other real estate joint ventures. These joint ventures are engaged primarily in the operation of shopping centers which are either owned or held under long-term operating leases.

During 1999, the Company invested approximately $4.9 million in a partnership which is developing an office and retail center in Dover, DE and separately, through a partnership investment, the Company invested approximately $5.7 million in a joint venture which acquired a parcel of land in Henderson, NV for the development of a retail shopping center. The Company has a 50% interest in each of these partnerships.

During 1998, in connection with the Merger, the Company acquired two additional joint venture interests. The Company also invested approximately $19.0 million in a partnership which has acquired and leased-back 11 automotive dealerships and invested approximately $3.6 million in a partnership which acquired a shopping center for approximately $34 million, including mortgage debt of approximately $27 million. The Company has a 50% interest in each of these partnerships.

Summarized financial information for the recurring operations of these real estate joint ventures is as follows (in millions):

	December 31,	
	1999	1998
Assets:		
Real estate, net	**$248.4**	$168.2
Other assets	**20.4**	20.3
	$268.8	$188.5
Liabilities and Partners' Capital:		
Mortgages payable	**$173.2**	$104.3
Other liabilities	**27.1**	24.7
Partners' capital	**68.5**	59.5
	$268.8	$188.5

	Year Ended December 31,		
	1999	1998	1997
Revenues from rental property	**$ 45.7**	$ 26.8	$ 14.8
Operating expenses	**(15.9)**	(9.7)	(3.6)
Mortgage interest	**(10.8)**	(6.2)	(3.1)
Depreciation and amortization	**(5.0)**	(2.9)	(2.2)
Other, net	**.3**	.1	(1.8)
	(31.4)	(18.7)	(10.7)
Net income	**$ 14.3**	$ 8.1	$ 4.1

Other liabilities in the accompanying Consolidated Balance Sheets include accounts with certain real estate joint ventures totaling approximately $5.4 million and $5.0 million at December 31, 1999 and 1998, respectively. The Company and its subsidiaries have varying equity interests in these real estate joint ventures which may differ from their proportionate share of net income or loss recognized in accordance with generally accepted accounting principles.

6. Investment in Retail Store Leases:

The Company has interests in various retail store leases relating to the anchor store premises in neighborhood and community shopping centers. These premises have been substantially sublet to retailers which lease the stores pursuant to net lease agreements. Income from the investment in these retail store leases during the years ended December 31, 1999 and 1998 was approximately $4.1 million and $3.7 million, respectively. These amounts represent sublease revenues during the years ended December 31, 1999 and 1998 of approximately $20.3 million and $20.2 million, respectively, less related expenses of $14.7 million and $14.9 million, respectively, and an amount, which in management's estimate, reasonably provides for the recovery of the investment over a period representing the expected remaining term of the retail store leases. The Company's future minimum revenues under the terms of all noncancellable tenant subleases and future minimum obligations through the remaining terms of its retail store leases, assuming no new or renegotiated leases are executed for such premises, for future years are as follows (in millions): 2000, $18.0 and $12.6; 2001, $16.8 and $11.2; 2002, $14.0 and $8.7; 2003, $10.4 and $5.9; 2004, $6.9 and $3.4; thereafter, $13.7 and $2.0, respectively.

7. Cash and Cash Equivalents:

Cash and cash equivalents (demand deposits in banks, commercial paper and certificates of deposit with original maturities of three months or less) includes tenants' security deposits, escrowed funds and other restricted deposits approximating $.1 million at December 31, 1999 and 1998.

Cash and cash equivalent balances may, at a limited number of banks and financial institutions, exceed insurable amounts. The Company believes it mitigates its risks by investing in or through major financial institutions. Recoverability of investments is dependent upon the performance of the issuers.

8. Notes Payable:

During February 1999, the Company issued $130 million of 6⅞% fixed-rate Senior Notes due 2009. Interest on the notes is payable semi-annually in arrears. The notes were sold at 99.85% of par value. Net proceeds from the issuance totaling approximately $128.9 million, after related transaction costs of approximately $.9 million, were used, in part, to repay $100 million floating-rate senior notes that matured during February 1999 and for general corporate purposes.

Notes to Consolidated Financial Statements

(continued)

During November 1999, the Company entered into an unsecured term loan for an aggregate of $52.0 million. The term loan bears interest at LIBOR plus .70% per annum and matures in November 2000. The proceeds were used to finance the acquisition of various shopping center properties and for general corporate purposes.

The Company has a $200 million unsecured medium-term notes ("MTN") program pursuant to which it may, from time to time, offer for sale its senior unsecured debt for any general corporate purposes, including (i) funding specific liquidity requirements in its business, including property acquisitions, development and redevelopment costs, and (ii) managing the Company's debt maturities.

During October and December 1999, the Company issued an aggregate $100 million of fixed-rate unsecured medium-term notes (the "October and December MTNs") under its MTN program. The October and December MTNs mature in October 2004 and December 2007, respectively, and bear interest at 7.62% and 7.90% per annum, respectively. Interest on these notes is payable semi-annually in arrears.

During June and July 1998, the Company issued an aggregate $130 million of fixed-rate unsecured medium-term notes under its MTN program (the "June and July MTNs"). The June and July MTNs mature in June 2005 and July 2006, respectively, and bear interest at 6.73% and 6.93% per annum, respectively. Interest on these notes is payable semi-annually in arrears.

As of December 31, 1999, a total principal amount of $390.25 million in fixed-rate senior unsecured MTNs had been issued under the MTN program primarily for the acquisition of neighborhood and community shopping centers and the expansion and improvement of properties in the Company's portfolio. These fixed-rate notes had maturities ranging from five to twelve years at the time of issuance and bear interest at rates ranging from 6.70% to 7.91%. Interest on these fixed-rate senior unsecured notes is payable semi-annually in arrears.

During August 1998, the Company issued $60 million of floating-rate MTNs which mature in August 2000 and bear interest at LIBOR plus .15% per annum. The interest rate resets quarterly and is payable quarterly in arrears. Concurrent with the issuance of these MTNs, the Company entered into an interest rate swap agreement for the term of these MTNs, which effectively fixed the interest rate at 5.91% per annum. The proceeds from this MTN issuance were used to prepay certain mortgage loans with a principal amount of approximately $57 million bearing interest at 10.54% per annum plus prepayment premiums of approximately $4.9 million (See Note 10).

Also during August 1998, the Company issued $100 million of remarketed reset notes under its MTN program. The remarketed reset notes mature in August 2008 and bore interest initially at a floating rate of LIBOR plus .30% per annum. After an initial period of one year, the interest rate spread applicable to each subsequent period is determined pursuant to a remarketing agreement between the Company and a financial institution. The interest rate resets quarterly and is payable quarterly in arrears. During August 1999, the Company remarketed the notes for a one-year period at LIBOR plus .65% per annum. The proceeds from the MTN issuance were used, in part, to repay $50 million MTNs that matured in July 1998 and for general corporate purposes.

In connection with the Price REIT Merger, the Company assumed $205 million of fixed-rate unsecured senior notes consisting of: (i) $50 million which mature in June 2004 and bear interest at 7.125%, (ii) $55 million which mature November 2006 and bear interest at 7.5% and (iii) $100 million which mature November 2000 and bear interest at 7.25% (collectively, "the Price REIT Notes"). Interest is payable on the Price REIT Notes semi-annually in arrears.

As of December 31, 1999, the Company had $100 million in 6.5% fixed-rate unsecured Senior Notes due 2003. Interest on these senior unsecured notes is paid semi-annually in arrears.

The scheduled maturities of all unsecured senior notes payable as of December 31, 1999, are approximately as follows (in millions): 2000, $212.0; 2003, $100.0; 2004, $100.0 and thereafter, $625.25.

In accordance with the terms of the Indenture, as amended, pursuant to which the Company's senior, unsecured notes have been issued, the Company is (a) subject to maintaining certain maximum leverage ratios on both unsecured senior corporate and secured debt, minimum debt service coverage ratios and minimum equity levels, and (b) restricted from paying dividends in amounts that exceed by more than $26 million the funds from operations, as defined, generated through the end of the calendar quarter most recently completed prior to the declaration of such dividend; however, this dividend limitation does not apply to any distributions necessary to maintain the Company's qualification as a REIT providing the Company is in compliance with its total leverage limitations.

The Company maintains a $215 million, unsecured revolving credit agreement with a group of banks. Borrowings under this facility are available for general corporate purposes, including the funding of property acquisitions, development and redevelopment costs. Interest on borrowings accrues at a spread (currently .50%) to LIBOR or money-market rates, as applicable, which fluctuates in accordance with changes in the Company's senior debt ratings. A fee approximating .20% per annum is payable on that portion of the facility which remains unused. Pursuant to the terms of the agreement, the Company, among other things, is (a) subject to maintaining certain maximum leverage ratios on both unsecured senior corporate and secured debt, a minimum debt service coverage ratio and minimum unencumbered asset and equity levels, and (b) restricted from paying dividends in amounts that exceed 90% of funds from operations, as defined, plus 10% of the Company's stockholders' equity determined in accordance with generally accepted accounting principles. There were no borrowings outstanding under this facility at December 31, 1999. This revolving credit facility is scheduled to expire in August 2001.

9. Mortgages Payable:

During 1999, the Company obtained non-recourse, non-cross collateralized fixed-rate first mortgage financing aggregating approximately $28.7 million on five of its properties. The mortgages bear interest at rates ranging from 7.00% to 8.25% per annum and mature at various dates through 2009.

During 1998, the Company obtained mortgage financing aggregating approximately $272.3 million on 20 of its properties. These mortgages are non-recourse, non-cross collateralized, ten-year fixed-rate first mortgages, bearing interest at a weighted average rate of 6.585% per annum over the term of the loans. The proceeds from the mortgages were used primarily for the acquisition of neighborhood and community shopping centers. During April 1999, mortgages encumbering 19 of these properties totaling approximately $252.4 million were deconsolidated in connection with the sale of a controlling interest in KIR (See Note 4).

Also during 1998, the Company, through an affiliated entity, obtained mortgage financing of approximately $9 million on two other properties. These ten-year fixed-rate mortgages, which are cross-collateralized, bear interest at 7% per annum for the term of the loans.

Mortgages payable, collateralized by certain shopping center properties and related tenants' leases, are generally due in monthly installments of principal and/or interest which mature at various dates through 2023. Interest rates range from approximately 6.57% to 10.5% (weighted average interest rate of 8.09% as of December 31, 1999). The scheduled maturities of all mortgages payable as of December 31, 1999 are approximately as follows (in millions): 2000, $16.5; 2001, $4.7; 2002, $7.8; 2003, $6.3; 2004, $9.1 and thereafter, $167.9.

Three of the Company's properties are encumbered by approximately $12.6 million in floating-rate, tax-exempt mortgage bond financing. The rates on the bonds are reset annually, at which time bondholders have the right to require the Company to repurchase the bonds. The Company has engaged a remarketing agent for the purpose of offering for resale those bonds that are tendered to the Company. All bonds tendered for redemption in the past have been remarketed and the Company has arrangements, including letters of credit, with banks to both collateralize the principal amount and accrued interest on such bonds and to fund any repurchase obligations.

10. Extraordinary Items:

During 1998, the Company prepaid certain mortgage loans resulting in extraordinary charges of approximately $4.9 million, or, on a per-basic share and diluted share basis, $.10 and $.09, respectively, representing the premiums paid and other costs written-off in connection with the early satisfaction of these mortgage loans.

11. KC Holdings, Inc.:

To facilitate the Company's November 1991 initial public stock offering (the "IPO"), 46 shopping center properties and certain other assets, together with indebtedness related thereto, were transferred to subsidiaries of KC Holdings, Inc. ("KC Holdings"), a newly-formed corporation that is owned by the stockholders of the Company prior to the IPO. The Company was granted ten-year, fixed-price acquisition options to reacquire the real estate assets owned by KC Holdings' subsidiaries, subject to any liabilities outstanding with respect to such assets at the time of an option exercise. As of December 31, 1999, KC Holdings' subsidiaries had conveyed 27 shopping centers back to the Company and had disposed of ten additional centers in transactions with third parties. The members of the Company's Board of Directors who are not also shareholders of KC Holdings unanimously approved the purchase of each of the 27 shopping centers that have been reacquired by the Company from KC Holdings. The Company manages five of KC Holdings nine remaining shopping center properties pursuant to a management agreement.

Selected financial information for the property interests owned by KC Holdings' subsidiaries as of December 31, 1999 and for the year ended December 31, 1999 is as follows: Real estate, net of accumulated depreciation and amortization, $19.4 million; Notes and mortgages payable, $33.1 million; Revenues from rental property, $8.4 million; Loss from rental operations, $.6 million, after depreciation and amortization deductions of $1.5 million; Income adjustment for real estate joint ventures, net, $.7 million.

12. Fair Value Disclosure of Financial Instruments:

All financial instruments of the Company are reflected in the accompanying Consolidated Balance Sheets at amounts which, in management's estimation based upon an interpretation of available market information and valuation methodologies (including discounted cash flow analyses with regard to fixed-rate debt) considered appropriate, reasonably approximate their fair values. Such fair value estimates are not necessarily indicative of the amounts that would be realized upon disposition of the Company's financial instruments.

13. Preferred and Common Stock Transactions:

During 1999, the Company issued 401,646 shares of common stock at $39.00 per share in connection with its exercise of its option to acquire 13 shopping center properties from KC Holdings (See Note 15).

During December 1999, the Company purchased and retired 160,000 shares of its common stock at a price of $31.75 per share, totaling approximately $5.1 million. The Company does not have a share repurchase program but acquired the shares when it received an unsolicited offer to buy them from an institutional investor.

During April and May 1998, the Company completed the sale of an aggregate 3,039,507 shares of common stock in five separate transactions consisting of (i) a primary public stock offering of 460,000 shares of common stock priced at $36.0625 per share, and (ii) four direct placements of 415,945 shares, 546,075 shares, 837,000 shares and 780,487 shares of common stock priced at $36.0625, $36.625, $36.25 and $38.4375 per share, respectively. The shares of common stock sold in the direct placements were deposited in separate unit investment trusts. The net proceeds from these offerings totaled approximately $106.0 million, after related transaction costs of approximately $5.9 million.

During July 1998, the Company completed the sale of an aggregate 1,315,498 shares of common stock in three separate transactions consisting of (i) a primary public stock offering of 510,000 shares of common stock priced at $39.4375 per share and (ii) two direct placements of 375,000 and 430,498 shares of common stock priced at $38.2575 and $38.56 per share, respectively. The net proceeds from these offerings totaled approximately $49.9 million, after related transaction costs of approximately $1.2 million.

During September 1998, the Company completed the sale of an aggregate 750,000 shares of common stock priced at $38.75 per share in a primary public stock offering. In addition, during October 1998, the Company sold an additional 112,500 shares of common stock pursuant to an election by the underwriter to exercise, in full, their over-allotment option. The net proceeds from these sales of common stock totaled approximately $31.6 million, after related transaction costs of approximately $1.8 million.

During November 1998, the Company completed the sale of an aggregate 1,395,000 shares of common stock in four separate transactions consisting of primary public stock offerings of 650,000 shares, 170,000 shares, 475,000 shares and 100,000 shares of common stock priced at $39.6875, $39.6875, $39.00 and $39.00 per share, respectively. The net proceeds from these sales of common stock totaled approximately $52.4 million after related transaction costs of approximately $2.5 million.

During December 1998, the Company completed the sale of an aggregate 1,005,800 shares of common stock in three direct placements. The transactions were each priced at $38.25 per share and provided net proceeds to the Company of approximately $38.4 million, after related transaction costs of approximately $.1 million.

The net proceeds from these common stock offerings have been used for general corporate purposes, including the acquisition of neighborhood and community shopping centers, the expansion and improvement of certain properties in the Company's portfolio, and the redemption of the Class E Preferred Stock issued in connection with the Merger.

During June 1998, in connection with the Merger, the Company issued 4,291,590 Class D Depositary Shares (each such depositary share representing a one-tenth fractional interest in the Class D Preferred Stock) and 650,000 Class E Depositary Shares (each depositary share representing a one-tenth fractional interest in the Class E Preferred Stock). During November 1998, the Company exercised its option to redeem all of the Class E Preferred Stock (represented by the Class E Depositary Shares) (See Note 3).

Dividends on the Class D Depositary Shares are cumulative and payable at the rate per depositary share equal to the greater of (i) 7.5% per annum based upon a $25 per share initial value or $1.875 per share or (ii) the cash dividend on the shares of the Company's common stock into which a Class D Depositary Share is convertible plus $0.0275 per quarter. The Class D Depositary Shares are convertible into the Company's common stock at a conversion price of $40.25 per share of common stock at any time by the holder and may be redeemed by the Company at the conversion price in shares of the Company's common stock at any time after June 19, 2001 if, for any 20 trading days within any period of 30 consecutive trading days, including the last day of such period, the average closing price per share of the Company's common stock exceeds 120% of the conversion price or $48.30 per share, subject to certain adjustments.

The dividend rate on the Class E Preferred Stock (represented by the Class E Depositary Shares) was equal to LIBOR plus 2% per annum, adjusted quarterly, and had an initial dividend rate of 7.68% per annum.

The Class D Preferred Stock (represented by the Class D Depositary Shares outstanding) ranks pari passu with the Company's 7¾% Class A Cumulative Redeemable Preferred Stock, 8½% Class B Cumulative Redeemable Preferred Stock and the 8⅜% Class C Cumulative Redeemable Preferred Stock as to voting rights, priority for receiving dividends and liquidation preferences as set forth below.

At December 31, 1999, the Company has outstanding 3,000,000 Depositary Shares (the "Class A Depositary Shares"), each such Class A Depositary Share representing a one-tenth fractional interest of a share of the Company's 7¾% Class A Cumulative Redeemable Preferred Stock, par value $1.00 per share (the "Class A Preferred Stock"), 2,000,000 Depositary Shares (the "Class B Depositary Shares"), each such Class B Depositary Share representing a one-tenth fractional interest of a share of the Company's 8½% Class B Cumulative Redeemable Preferred Stock, par value $1.00 per share (the "Class B Preferred Stock"), 4,000,000 Depositary Shares ("the Class C Depositary Shares"), each such Class C Depositary Share representing a one-tenth fractional interest of a share of the Company's 8⅜% Class C Cumulative Redeemable Preferred Stock, par value $1.00 per share (the "Class C Preferred Stock").

Dividends on the Class A Depositary Shares are cumulative and payable quarterly in arrears at the rate of 7¾% per annum based on the $25 per share initial offering price, or $1.9375 per depositary share. The Class A Depositary Shares are redeemable, in whole or in part, for cash on or after September 23, 1998 at the option of the Company, at a redemption price of $25 per depositary share, plus any accrued and unpaid dividends thereon. The Class A Depositary Shares are not convertible or exchangeable for any other property or securities of the Company. The Class A Preferred Stock (represented by the Class A Depositary Shares outstanding) ranks pari passu with the Company's Class B Preferred Stock, Class C Preferred Stock and Class D Preferred Stock as to voting rights, priority for receiving dividends and liquidation preferences as set forth below.

Dividends on the Class B Depositary Shares are cumulative and payable quarterly in arrears at the rate of 8½% per annum based on the $25 per share initial offering price, or $2.125 per depositary share. The Class B Depositary Shares are redeemable, in whole or in part, for cash on or after July 15, 2000 at the option of the Company at a redemption price of $25 per depositary share, plus any accrued and unpaid dividends thereon. The redemption price of the Class B Preferred Stock may be paid solely from the sale proceeds of other capital stock of the Company, which may include other classes or series of preferred stock. The Class B Depositary Shares are not convertible or exchangeable for any other property or securities of the Company. The Class B Preferred Stock (represented by the Class B Depositary Shares outstanding) ranks pari passu with the Company's Class A Preferred Stock, Class C Preferred Stock and Class D Preferred Stock as to voting rights, priority for receiving dividends and liquidation preferences as set forth below.

Dividends on the Class C Depositary Shares are cumulative and payable quarterly in arrears at the rate of 8⅜% per annum based on the $25 per share initial offering price, or $2.0938 per depositary share. The Class C Depositary Shares are redeemable, in whole or in part, for cash on or after April 15, 2001 at the option of the Company at a redemption price of $25 per depositary share, plus any accrued and unpaid dividends thereon. The redemption price of the Class C Preferred Stock may be paid solely from the sale proceeds of other capital stock of the Company, which may include other classes or series of preferred stock. The Class C Depositary Shares are not convertible or exchangeable for any other property or securities of the Company. The Class C Preferred Stock (represented by the Class C Depositary Shares outstanding) ranks pari passu with the Company's Class A Preferred Stock, Class B Preferred Stock and Class D Preferred Stock as to voting rights, priority for receiving dividends and liquidation preferences as set forth below.

Voting Rights—As to any matter on which the Class A Preferred Stock, Class B Preferred Stock, Class C Preferred Stock and Class D Preferred Stock (collectively, the "Preferred Stock") may vote, including any action by written consent, each share of Preferred Stock shall be entitled to 10 votes, each of which 10 votes may be directed separately by the holder thereof. With respect to each share of Preferred Stock, the holder thereof may designate up to 10 proxies, with each such proxy having the right to vote a whole number of votes (totaling 10 votes per share of Preferred Stock). As a result, each Class A, each Class B, each Class C and each Class D Depositary Share is entitled to one vote.

Liquidation Rights—In the event of any liquidation, dissolution or winding up of the affairs of the Company, the Preferred Stock holders are entitled to be paid, out of the assets of the Company legally available for distribution to its stockholders, a liquidation preference of $250.00 per share ($25 per Class A, Class B, Class C and Class D Depositary Share, respectively), plus an amount equal to any accrued and unpaid dividends to the date of payment, before any distribution of assets is made to holders of the Company's common stock or any other capital stock that ranks junior to the Preferred Stock as to liquidation rights.

14. Dispositions of Real Estate:

During the year ended December 31, 1999, the Company disposed of six shopping center properties and a land parcel. Cash proceeds from four of these dispositions aggregated approximately $6.1 million which approximated their aggregate net book value.

During July 1999, the Company disposed of a shopping center property in New Port Richey, FL. Cash proceeds from the disposition totaling $.5 million, together with an additional $5.5 million cash investment, were used to acquire an exchange shopping center property located in Greensboro, NC during September 1999. The sale of this property resulted in a gain of approximately $.3 million.

During October 1999, the Company, in separate transactions, disposed of a shopping center property and a land parcel for an aggregate sale price of approximately $4.5 million, which resulted in a gain of approximately $1.3 million.

During January 1998, the Company disposed of a property in Pinellas Park, FL. Proceeds from the disposition totaling approximately $2.3 million, together with an additional $7.1 million cash investment, were used to acquire an exchange shopping center property located in Cranston, RI.

During December 1998, the Company disposed of a vacant distribution center and adjacent facility located in O'Fallon, MO, which were acquired as part of the Venture transactions, for $10 million, which amount approximated their net book value.

15. Transactions with Related Parties:

The Company provides management services for shopping centers owned principally by affiliated entities and various real estate joint ventures in which certain stockholders of the Company have economic interests. Such services are performed pursuant to management agreements which provide for fees based upon a percentage of gross revenues from the properties and other direct costs incurred in connection with management of the centers. The Consolidated Statements of Income include management fee income from KC Holdings of approximately $.4 million, $.6 million and $.6 million for the years ended December 31, 1999, 1998 and 1997, respectively.

During July 1999, the Company exercised its option and acquired 13 shopping center properties from KC Holdings. The properties were acquired for an aggregate option price of approximately $39.8 million, paid $15.7 million in shares of the Company's common stock (valued at $39.00 per share at July 1, 1999) and $24.1 million through the assumption of mortgage debt encumbering the properties.

Reference is made to Notes 4, 5 and 11 for additional information regarding transactions with related parties.

16. Commitments and Contingencies:

The Company and its subsidiaries are engaged in the operation of shopping centers which are either owned or held under long-term leases which expire at various dates through 2087. The Company and its subsidiaries, in turn, lease premises in these centers to tenants pursuant to lease agreements which provide for terms ranging generally from 5 to 25 years and for annual minimum rentals plus incremental rents based on operating expense levels and tenants' sales volumes. Annual minimum rentals plus incremental rents based on operating expense levels comprised approximately 98% of total revenues from rental property for each of the three years ended December 31, 1999, 1998 and 1997.

The future minimum revenues from rental property under the terms of all noncancellable tenant leases, assuming no new or renegotiated leases are executed for such premises, for future years are approximately as follows (in millions): 2000, $345.5; 2001, $331.8; 2002, $307.7; 2003, $280.3; 2004, $252.3 and thereafter, $2,154.0.

Minimum rental payments under the terms of all noncancellable operating leases pertaining to its shopping center portfolio for future years are approximately as follows (in millions): 2000, $13.9; 2001, $13.0; 2002, $12.3; 2003, $11.2; 2004, $10.8 and thereafter, $164.5.

17. Incentive Plans:

The Company maintains a stock option plan (the "Plan") pursuant to which a maximum 6,000,000 shares of the Company's common stock may be issued for qualified and non-qualified options. Options granted under the Plan generally vest ratably over a three-year term, expire ten years from the date of grant and are exercisable at the market price on the date of grant, unless otherwise determined by the Board in its sole discretion. In addition, the Plan provides for the granting of certain options to each of the Company's non-employee directors (the "Independent Directors") and permits such Independent Directors to elect to receive deferred stock awards in lieu of directors' fees.

Information with respect to stock options under the Plan for the years ended December 31, 1999, 1998 and 1997 is as follows:

	Shares	Weighted Average Exercise Price Per Share
Options outstanding,		
December 31, 1996	1,604,146	$ 23.01
Exercised	(179,750)	$ 20.94
Granted	470,700	$ 31.72
Options outstanding,		
December 31, 1997	1,895,096	$ 25.37
Exercised	(150,766)	$ 20.99
Granted	1,023,500	$ 37.32
Options outstanding,		
December 31, 1998	2,767,830	$ 30.03
Exercised	(320,781)	$ 27.54
Granted	799,050	$ 32.33
Options outstanding,		
December 31, 1999	**3,246,099**	**$30.84**
Options exercisable—		
December 31, 1997	1,126,093	$ 22.39
December 31, 1998	1,326,224	$ 24.13
December 31, 1999	**1,605,886**	**$27.24**

The exercise prices for options outstanding as of December 31, 1999 range from $13.33 to $39.94 per share. The weighted average remaining contractual life for options outstanding as of December 31, 1999 was approximately 7.7 years. Options to purchase 1,507,120, 2,306,170 and 329,673 shares of the Company's common stock were available for issuance under the Plan at December 31, 1999, 1998 and 1997, respectively.

The Company has elected to adopt the disclosure-only provisions of Statement of Financial Accounting Standards No. 123—"Accounting for Stock-Based Compensation." Accordingly, no compensation cost has been recognized with regard to options granted under the Plan in the accompanying Consolidated Statements of Income. If stock-based compensation costs had been recognized based on the estimated fair values at the dates of grant for options awarded during 1999, 1998 and 1997, net income and net income per common share for these calendar years would have been reduced by approximately $1.7 million or $.03 per basic share, $1.4 million, or $.03 per basic share and $.7 million, or $.02 per basic share, respectively.

These pro forma adjustments to net income and net income per basic common share assume fair values of each option grant estimated using the Black-Scholes option-pricing formula. The more significant assumptions underlying the determination of such fair values for options granted during 1999, 1998 and 1997 include: (i) weighted average risk-free interest rates of 6.30%, 5.07% and 6.18%, respectively; (ii) weighted average expected option lives of 5.4 years, 5.6 years and 8.2 years, respectively; (iii) an expected volatility of 15.91%, 15.76% and 15.65%, respectively, and (iv) an expected dividend yield of 7.30%, 6.40% and 6.44%, respectively. The per share weighted average fair value at the dates of grant for options awarded during 1999, 1998 and 1997 was $2.53, $2.86 and $3.02, respectively.

The Company maintains a 401(k) retirement plan covering substantially all officers and employees which permits participants to defer up to a maximum 10% of their eligible compensation. This deferred compensation, together with Company matching contributions which generally equal employee deferrals up to a maximum of 5%, is fully vested and funded as of December 31, 1999. Company contributions to the plan totaled less than $.5 million for each of the years ended December 31, 1999, 1998 and 1997.

Notes to Consolidated Financial Statements
(continued)

18. Supplemental Financial Information:

The following represents the results of operations, expressed in thousands except per share amounts, for each quarter during years 1999 and 1998.

	1999 (Unaudited)			
	Mar. 31	**June 30**	**Sept. 30**	**Dec. 31**
Revenues from rental property	**$112,876**	**$106,072**	**$106,044**	**$108,888**
Net income	**$ 39,488**	**$ 42,441**	**$ 45,614**	**$ 49,235**
Net income, per common share:				
Basic	**$ .55**	**$ .59**	**$ .64**	**$ .70**
Diluted	**$ .54**	**$ .59**	**$ .64**	**$ .70**

	1998 (Unaudited)			
	Mar. 31	June 30	Sept. 30	Dec. 31
Revenues from rental property	$ 63,112	$ 69,341	$ 98,085	$ 108,260
Income before extraordinary items	$ 25,484	$ 27,530	$ 36,107	$ 38,046
Net income	$ 25,484	$ 27,530	$ 31,255	$ 37,997
Per common share:				
Income before extraordinary items:				
Basic	$ .52	$ .51	$ .50	$ .53
Diluted	$ .51	$ .50	$ .49	$ .52
Net income:				
Basic	$ .52	$ .51	$ .41	$ .53
Diluted	$ .51	$ .50	$ .41	$ .52

Interest paid during years 1999, 1998 and 1997 approximated $80.0 million, $60.7 million and $29.9 million, respectively.

Accounts and notes receivable in the accompanying Consolidated Balance Sheets are net of estimated unrecoverable amounts of approximately $3.8 million and $3.2 million, respectively, at December 31, 1999 and 1998.

19. Pro Forma Financial Information (Unaudited):

As discussed in Notes 2 and 14, the Company and certain of its subsidiaries acquired and disposed of interests in shopping center properties during 1999. The pro forma financial information set forth below is based upon the Company's historical Consolidated Statements of Income for the years ended December 31, 1999 and 1998, adjusted to give effect to these transactions as of January 1, 1998.

The pro forma financial information is presented for informational purposes only and may not be indicative of what actual results of operations would have been had the transactions occurred on January 1, 1998, nor does it purport to represent the results of operations for future periods. (Amounts presented in millions, except per share figures.)

	Years ended December 31,	
	1999	1998
Revenues from rental property	**$451.3**	$372.1
Income before extraordinary items	**$178.8**	$136.1
Net income	**$178.8**	$131.2
Per common share:		
Income before extraordinary items:		
Basic	**$ 2.51**	$ 2.21
Diluted	**$ 2.49**	$ 2.18
Net income:		
Basic	**$ 2.51**	$ 2.11
Diluted	**$ 2.49**	$ 2.09

Corporate Directory

Directors

Martin S. Kimmel
Chairman (Emeritus) of the Board

Milton Cooper
Chairman of the Board

Michael J. Flynn
Vice Chairman of the Board

Richard G. Dooley
Executive Vice President and
Chief Investment Officer—Retired
Massachusetts Mutual
Life Insurance Company

Joe Grills
Chief Investment Officer—Retired
IBM Retirement Funds

Joseph K. Kornwasser
Senior Executive Vice President

Frank Lourenso
Executive Vice President
The Chase Manhattan Bank

Officers and Operating Management

Milton Cooper
Chairman and Chief Executive Officer

Michael J. Flynn
Vice Chairman and President

Patrick J. Callan, Jr.
Vice President, Eastern Region

Glenn G. Cohen
Treasurer

Joseph V. Denis
Vice President, Construction

Jerald Friedman
Executive Vice President

Bruce M. Kauderer
Vice President, Legal
General Counsel and Secretary

Joseph K. Kornwasser
Senior Executive Vice President

Robert Nadler
Vice President, Mid-West Region

Michael V. Pappagallo
Vice President, Chief Financial Officer

Daniel Slattery
Vice President, Development

Alex Weiss
Vice President,
Management Information Systems

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Counsel

Latham & Watkins
New York, NY

Auditors

PricewaterhouseCoopers LLP
New York, NY

Registrar and Transfer Agent

Fleet National Bank
c/o EquiServe, L.P.
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781-575-3400
www.equiserve.com

Stock Listings

NYSE—Symbols KIM, KIMprA, KIMprB, KIMprC, KIMprD

Annual Report—Form 10-K

A copy of the Company's Annual Report to the U.S. Securities and Exchange Commission on Form 10-K may be obtained at no cost to stockholders by writing to:

Kimco Realty Corporation
Investor Relations
3333 New Hyde Park Road
Suite 100
New Hyde Park, NY 11042

Annual Meeting of Stockholders

Stockholders of Kimco Realty Corporation are cordially invited to attend the 2000 Annual Meeting of Stockholders scheduled to be held on May 18, 2000 at 270 Park Avenue, New York, New York, Floor 11, Room F at 10:00 a.m.

Dividend Reinvestment and Common Stock Purchase Plan

The Company's Dividend Reinvestment and Common Stock Purchase Plan provides common and preferred stockholders with an opportunity to conveniently and economically acquire Kimco common stock. Stockholders may have their dividends automatically directed to our transfer agent to purchase common shares without paying any brokerage commissions. Requests for booklets describing the Plan, enrollment forms and any correspondence or questions regarding the Plan should be directed to:

EquiServe, L.P.
Dividend Reinvestment
P.O. Box 8040
Boston, MA 02266-8040

Holders of Record

Holders of record of the Company's common stock, par value $.01 per share, totaled 1,540 as of March 1, 2000.

KIM Listed NYSE
THE NEW YORK STOCK EXCHANGE

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