



Finding
secure opportunities

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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 495 properties comprising approximately 66.5 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. The Company has achieved dramatic growth through selective acquisitions of neighborhood and community shopping centers that 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.



KIMCO'S MANAGEMENT TEAM HAS A HISTORY OF FINDING SECURE OPPORTUNITIES

Top row from left to right: Josh Smith, Western Region President; Rob Nadler, Midwest Region President; Tom Caputo, Kimco Income REIT Executive Vice President.

Bottom row from left to right: Mike Pappagallo, Chief Financial Officer; Jerry Friedman, President of Kimco Developers, Inc.

2000 Highlights

- > Funds from operations increased 14.8% to \$254.1 million from \$221.4 million.
- > Net income increased 16.0% to \$205.0 million from \$176.8 million.
- > Funds from operations per diluted common share increased 11.6% to \$4.03 from \$3.61.
- > Net income per diluted common share increased 16.3% to \$2.86 from \$2.46.
- > Annual dividends paid per common share increased 12.2% to \$2.66 from \$2.37.

To Our Shareholders, Customers & Associates:

"Kimco reported record operating results for the year." To me, sweeter words are rarely spoken. Every year since becoming a public company in 1991 we have been able to say those words and the year 2000 was no exception. As we enter our 35th year of operation under the Kimco name and our tenth year as a publicly traded company, we have much to be proud of, yet we have much work to do. We expect 2001 to be an exciting year in which we continue finding secure opportunities to invest in, we continue to partner with the right people to execute our business plan and we continue to strengthen our balance sheet to support our future growth.

As Mike Flynn, our President, Vice Chairman and my longtime adviser will detail in his letter, our funds from operations (FFO) grew 14.8%, for another year of solid gains. Our dividends paid per share rose 12.2%, and our two dividend increases continued our record of raising dividends every year since Kimco's initial public offering.

It was gratifying to see that our strong financial performance in 2000 did not go unnoticed in

the equity marketplace. While I think more work needs to be done, many on Wall Street returned to valuing companies based on traditional metrics like earnings, cash flow and dividends, which is what Kimco is known for. However, while today's short-term markets are moved by fashion, and fashion changes, investors can rest assured that Kimco's primary objective of building increased value for our shareholders never changes.

Ten Years of Increasing Shareholder Value —
It is hard for me to believe that it has been nearly ten years since KIM was first listed on the New York Stock Exchange, but as the saying goes, time flies when you're having fun. Kimco has consistently increased shareholder value by focusing on the fundamental building blocks of our business strategy, which are outlined later in this report. Our disciplined approach has enabled us to increase FFO per share at a compounded annual growth rate of 12.0% and dividends per share increased at a compounded annual growth rate of 10.8%.



Milton Cooper
Chairman and Chief Executive Officer

In only ten years, Kimco has grown from a regional owner of real estate to become a national organization, expanding from owning interests in 126 properties in 23 states to our current 495 properties in 41 states. In less than ten years our equity market capitalization has soared from \$286.0 million to \$3.1 billion.

Building from a Strong Foundation — A hallmark of Kimco's long-term success has also been our ability to effectively manage our growth by attracting talented managers and associates. We have devoted ourselves to assur-

ing that Kimco's culture of creativity and entrepreneurship continues to flourish for decades to come. A key component of our future success will depend on a smooth plan of leadership succession, and we are therefore very pleased that Dave Henry is joining Kimco as Chief Investment Officer and has been nominated for the position of Vice Chairman of the Board of Directors. Dave's impressive credentials are outlined in the accompanying sidebar. I have known Dave for over 15 years and, needless to say, I believe his background of investing opportunistically in real estate is perfectly suited to Kimco's established culture. I also believe his experience is just what

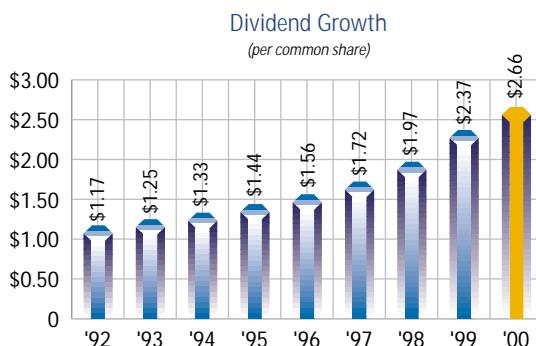
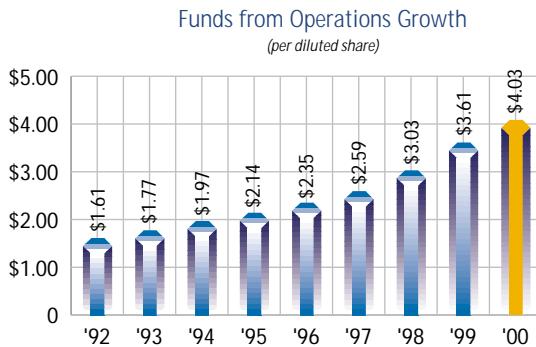
David B. Henry, Chief Investment Officer — Will join Kimco Realty Corporation after 23 years at General Electric where he was Chief Investment Officer and Senior Vice President of GE Capital Real Estate. He was responsible for managing real estate investments totaling more than \$20.0 billion in 11 countries worldwide.



Dave was chosen to help lead Kimco to the next level of success based on his expertise unearthing special situation real estate opportunities, his highly developed leadership skills and the strength of his character. With Dave joining the team, Kimco has carefully constructed its management structure to support superior growth for years to come.

“Our strong financial performance in 2000 did not go unnoticed in the equity marketplace, helping us deliver on our primary objective – **unlocking** increased value for shareholders.”





Kimco needs as we embark on our next stage of growth. Dave will undoubtedly continue our record of delivering increased value to shareholders.

To facilitate his transition to the post of Chief Executive next year, Dave will join Mike Flynn and me in the newly established Office of the Chairman. While Mike and I have no intention of leaving Kimco any time soon, we want to establish Dave firmly in the driver's seat during the next 12 months. In fact, we expect to be even more active doing what we love, making opportunistic deals.

Senior management strength only begins with the addition of our new Chief Investment

Officer. Pictured in this report are several other key senior officers of the Company. Kimco has always been known as a team of creative entrepreneurs, but we have recently added even more depth to an already talented team.

Kimco 2001 — As I look out into the future, where many see uncertainty, I see abundant opportunity. Kimco has established its franchise in opportunistic deal-making, and we have developed that franchise through the talents of our people. Kimco's successful track record is in fact the result of the efforts put forth by all Kimco's Associates. Our Associates' desire to succeed is surpassed only by the quality and depth of their character—character that will undoubtedly drive Kimco to new record-setting performances for years to come.

Milton Cooper
Chairman & Chief Executive Officer



Michael J. Flynn
President and Vice Chairman

To Our Shareholders, Customers & Associates:

As Milton said in his letter, I too am pleased to report that Kimco had record operating results for the year ended December 31, 2000. Kimco generated funds from operations (FFO) of \$254.1 million an increase of 14.8% over the \$221.4 million we reported in 1999. On a per-share basis FFO increased 11.6% to \$4.03 per diluted common share from \$3.61 per diluted common share a year earlier. Net income increased 16.0% to \$205.0 million or \$2.86 per diluted common share from \$176.8 million or \$2.46 per diluted common share in 1999. These gains were primarily the result of internal growth in the portfolio from increased occupancy and rent, acquisitions in the Kimco Income REIT (KIR) portfolio and our opportunistic investing activities.

Leasing — Leasing activity in the portfolio was steady through the year, and we were able to increase the core portfolio occupancy 150 basis

points to 92.9% from 91.4%. On a portfolio as large as ours, this increase represents over 1.0 million square feet of absorption. Including KIR, we signed a total of 387 new leases for more than 3.7 million square feet. Occupancy in the KIR portfolio increased slightly to 98.3% from 98.0%.

Acquisitions — We focused our acquisition efforts on expanding KIR during 2000. We were able to identify and acquire a significant amount of property well suited to the KIR philosophy of using non-recourse mortgage debt to isolate risk and enhance property investment returns. KIR acquired 24 shopping centers totaling 3.8 million square feet of leasable space for approximately \$421.0 million. With a total of 54 shopping centers totaling 9.2 million square feet and gross assets in excess of \$1.0 billion, KIR now rivals many publicly traded shopping center REITs in size.

“We spent considerable time and effort in 2000 building the foundation to support a much larger company.”

In the core portfolio we continued to be selective and acquired properties where we felt we could add value. We invested \$62.5 million to acquire interests in 12 shopping center properties totaling 1.4 million square feet of gross leasable area. Almost as important as our acquisition activities was our effort to dispose of underperforming assets. During 2000, we disposed of 15 locations for \$34.0 million, allowing us to raise cash, lower debt and reduce operating expenses.

Kimco met and exceeded many of our operating objectives in the year 2000, but despite that success we continue to set the bar higher. In 2001 we expect our business to continue the pattern of steady, reliable growth that Kimco is recognized for. We have already acquired asset designation rights for 315 Montgomery Ward retail stores and other property interests. We are also actively pursuing acquisitions for KIR and the core portfolio. Our development subsidiary has sold its first property, and we have identified several other new business opportunities that can power our growth for years to come.

Like Milton, I am very excited to welcome Dave Henry to Kimco. He is an experienced real estate investor with an eye for finding secure investment opportunities. We spent considerable time and effort in 2000 building the foundation to support a much larger company, and I believe Dave has the skills to help lead the way. As we embark on our next stage of growth, we will continue to focus on delivering strong performance for our shareholders, meeting and even exceeding our own high expectations.



Michael J. Flynn
President & Vice Chairman



The Fundamentals of a Successful Business Strategy:

Kimco's success at building increased value for our shareholders, in our nearly ten years as a public company, is due to the successful business strategy we've followed ever since our founding in 1966. At the heart of this strategy are five fundamental values that serve as the pillars underpinning everything we do. Together, they make up a solid foundation to support Kimco's future growth.

1. Integrity 2. Security

Integrity — Kimco has been in business for 35 years, and in that time we have earned the widespread trust and respect of our industry. Our management is known for following the highest standards of business practice and for delivering on our promises. Kimco's reputation for integrity has helped build long-term relationships with our key constituencies, including retailers, developers and investors in both the equity and debt markets. We have won the confidence of the nation's fastest-growing retailers by focusing on their needs and watching out for their interests. We've established a strong partnership with the institutional investors in our strategic joint venture, Kimco Income REIT, as demonstrated by the additional investments we're making in KIR. Kimco is a preferred joint venture partner for development projects, where we often team up with local developers who assist in gaining necessary approvals. We have also built an excellent relationship with our Associates by providing a positive work environment and attractive opportunities for advancement.

Security — Maintaining continuous access to capital with a strong balance sheet is an essential part of Kimco's successful business strategy. Our conservative financial management and steady cash flow from our leases, which are contractual obligations, have enabled us to maintain bond ratings that are among the highest in the industry. Kimco is one of only two REITs with A ratings from both Standard & Poor's and Moody's Investor Service. We are continually seeking ways to increase our financial flexibility and bolster our balance sheet, as shown by several actions taken in 2000. Kimco raised net proceeds of \$72.4 million in an equity offering to fund additional equity investments in KIR. We refinanced our maturing unsecured debt so that we have no unsecured obligations maturing until late 2002. Our unsecured credit facility was extended for a new three-year term and increased to \$250.0 million during 2000. This facility, along with more than 350 properties on which we currently have no debt, gives us enormous untapped firepower in the event attractive opportunities should arise.

3. Discipline 4. Expertise

Discipline — Kimco has built a successful long-term track record despite fluctuations in the real estate market by utilizing a highly disciplined approach in all elements of our business. We concentrate our efforts on our core competencies in retail real estate, where we have developed a leadership position and strong competitive advantages. Our acquisitions must always have a high return on capital, and our management is not afraid to walk away from deals that do not meet our strict criteria. In our negotiations with retail tenants, we continually strive to be the low-cost provider of space to our tenants. Our approach to development of new properties strikes the proper balance between aggressiveness and conservatism. We do not build on speculation, instead seeking attractive sites with strong intrinsic real estate value and only proceeding with development when major tenants have been signed.

Expertise — Kimco is widely recognized for having one of the most knowledgeable management teams in the industry, with decades of experience and a highly talented, energized staff. This is no accident, as we continually strive to strengthen our management team and organization. This was demonstrated by a number of promotions from within the Company and significant new hires in 2000 and early 2001. Over the years, Kimco has developed unmatched capabilities in recognizing undervalued properties, creating innovative deal structures and working with distressed retailers. The specialized expertise of our management and associates is backed by substantial investments in information technology, which provides powerful tools to assist in analyzing the business. Our sophisticated systems enable us to leverage the extensive knowledge and insight gathered by our nationwide network of asset managers about trends in local real estate markets. We also utilize advanced technology to provide information that helps management analyze acquisition opportunities more rapidly and make other important business decisions more efficiently. Our commitment to having the most talented staff supported by state-of-the-art technology is a major factor in our ability to expand Kimco's market leadership.

5. Entrepreneurship

Entrepreneurship — Kimco's success from the early days can be traced to our entrepreneurial culture, which started with the Company's leadership and is now instilled in every part of the organization. This culture is a primary reason why Kimco is able to move quickly and decisively to identify and capitalize on attractive opportunities. One of the ways we maintain this culture is to continually work to push decision-making lower down in the organization. For example, in 2000 we set up a decentralized regional organizational structure in which individual managers are given responsibility and held accountable for their decisions. Kimco also takes an entrepreneurial approach to dealing with our customers. We pride ourselves on being proactive with retailers, presenting them with leasing solutions based on our analysis of their needs and our knowledge of the local markets. Kimco is also flexible in working with joint venture partners, seeking innovative ways to structure deals so that everyone comes out a winner. Our flexibility and creativity has enabled us to quickly set up new business formats such as KIR and our new taxable subsidiary, Kimco Developers Inc., to take advantage of new laws and other market developments. Kimco's entrepreneurial culture will enable us to remain nimble even as we move forward to become a substantially larger company.

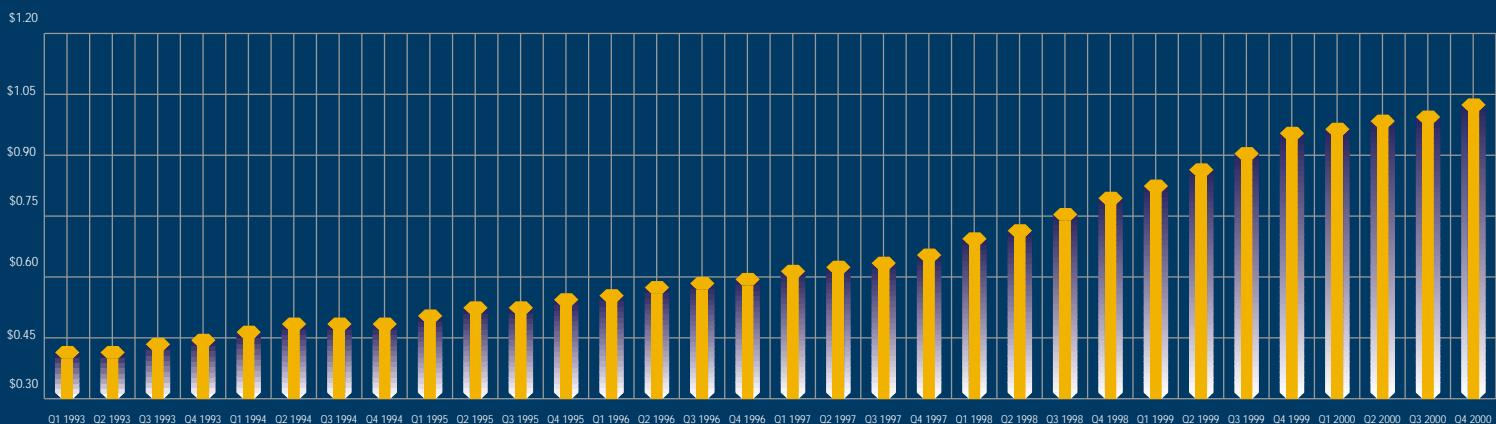
Our focus on these fundamentals of our business strategy allows Kimco to maintain our sharp competitive edge.

With our **high-caliber management team**,
Kimco has realized superior growth.



Key to Kimco Associates on page 45.

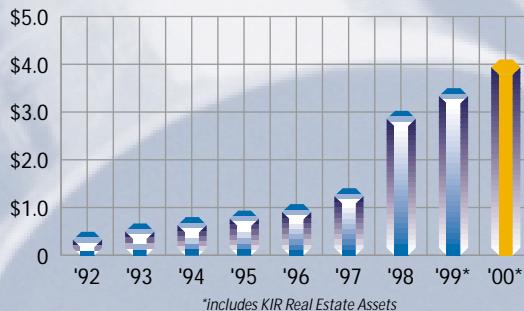
Kimco Quarterly FFO Per Share



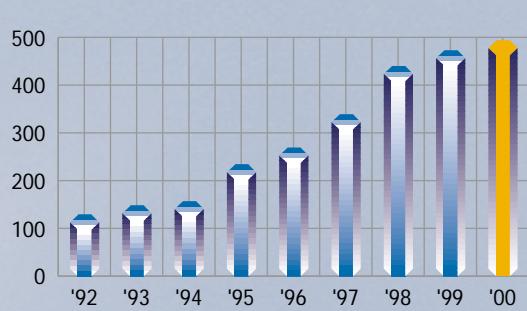
Square Feet
(in millions)



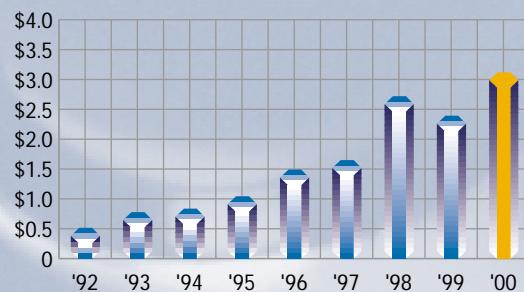
Real Estate Assets, Before Depreciation
(in billions)



Total Properties



Equity Market Capitalization
(in billions)



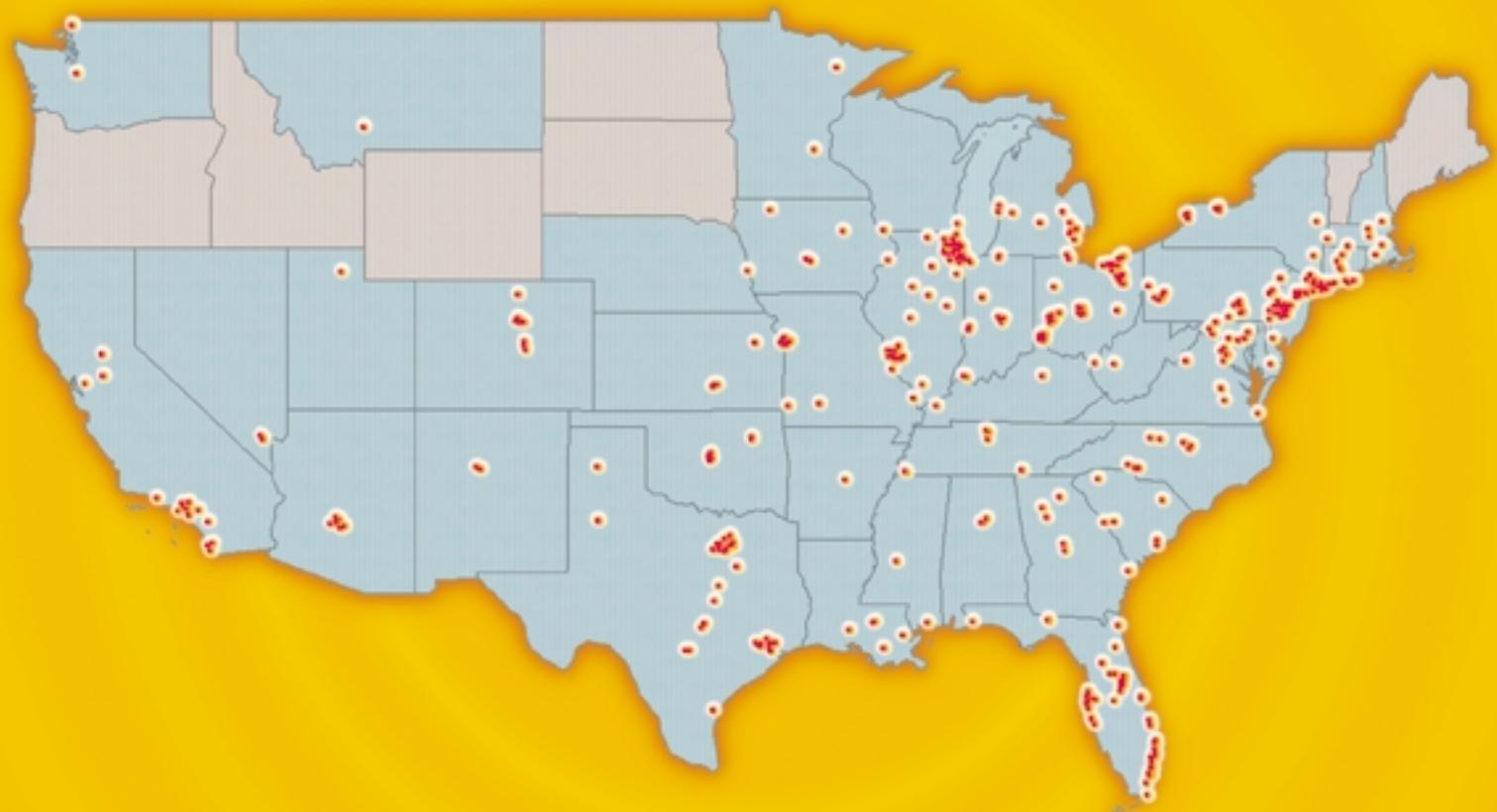
Securing Opportunities for the Future

Kimco's continued growth will depend on its ability to execute its business plan and secure opportunities for the future. Kimco's business has been built based on fundamental values that have served it well in the past, and it will rely on these values in the future. The Company's value system has helped it increase from \$500.0 million in real estate assets in 1991 to more than \$4.1 billion in 2000. Kimco has interests in more than 66.5 million square feet of gross leasable area (GLA) in 495 properties located in 41 states. When Kimco went public, almost ten years ago, it owned 126 properties and only 15.0 million square feet in 23 states. Over the same period, common stock shareholders have received more than \$700.0 million in dividends, and the Company's equity market capitalization has increased from the initial offering amount of \$286.0 million to more than \$3.1 billion at December 31, 2000.

Kimco's strong foundation will support the Company as it launches its next phase of growth. With a combination of experienced leadership and fresh ideas from its new talented managers, the Company can navigate through even the most uncertain times. Kimco's strong balance sheet will allow it to seize opportunities quickly where others cannot, and it has established diverse sources of income, from its core real estate properties to its new taxable REIT subsidiaries. Diversity provides consistent earnings in choppy markets. Kimco is ready to take on the future and continue its record of finding secure opportunities.

Portfolio of Properties

Interests Owned or Managed



Portfolio of Properties

Interests Owned or Managed

Site#	City	Center Name	Total GLA
Alabama			
* 731	Birmingham	East Town Shopping Plaza	103,161
* 734	Birmingham	Red Mountain Plaza	103,161
* 740	Fairfield	Bellevue Plaza	103,161
480	Fairfield	Fairfield S.C.	86,566
465	Hoover	Hoover Center	115,347
Arizona			
^ 476	Phoenix	Barclay Peoria Crossing	—
540	Phoenix	Hayden Plaza North	143,646
† 549	Phoenix	Costco Plaza	337,107
553	Phoenix	Metro Square	228,769
557	Phoenix	Costco Plaza	328,532
576-579	Phoenix	Talavi Towne Centre	124,325
580/581	Phoenix	Costco Plaza	381,312
^ 582	Phoenix	Palm Valley Center	—
647	Phoenix	Plaza @ Mountainside	124,989
679	Phoenix	Poca Fiesta S.C.	135,692
* 745	Phoenix	Hayden Plaza South	103,161
Arkansas			
* 754	North Little Rock	North Little Rock S.C.	106,029
California			
106	Anaheim	La Palma S.C.	15,396
† 037	Covina	Covina Town Square	254,281
541	Los Angeles	Costco Plaza	200,634
551	Los Angeles	La Mirada Theatre Center	253,859
559	Los Angeles	Home Depot Plaza	134,400
† 040	Montebello	Montebello Town Square	204,169
† 759	Oakland	Magnolia Square S.C.	42,066
546	Riverside	Corona Hills Plaza	475,908
† 762	Riverside	Palm Plaza S.C.	255,133
543	Sacramento	Madison Plaza	212,811
† 039	San Diego	Vista Balboa Center	112,410
544	San Diego	Costco Plaza	363,222
705	San Diego	Santee Town Center	103,903
324	Stockton	The Center	146,346
† 038	Torrance	Torrance Promenade	266,917
† 556	Venture	Target Plaza	171,580
Colorado			
686	Colorado Springs	Spring Creek S.C.	107,310
* 780	Colorado Springs	Woodman Valley S.C.	61,453
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 S.C.	105,862

Site#	City	Center Name	Total GLA
Connecticut			
† 034	Branford	Branhaven Plaza	191,496
† 029	Enfield	Elm Plaza	162,459
548	Farmington	West Farm S.C.	184,746
500	Hamden	Hamden Mart	341,502
554	North Haven	Home Depot Plaza	327,069
608	Waterbury	Bradlees Plaza	136,153
Delaware			
^ 501	Dover	Dover Promenade	—
278	Wilmington	Value City S.C.	111,600
Florida			
101	Boca Raton	Camino Square	73,549
† 005	Boynton Beach	Boynton West S.C.	192,759
152	Bradenton	Lakeside 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
604	Coral Springs	Peppertree Plaza	260,896
623	Coral Springs	Coral Square Promenade	46,497
673	Coral Springs	Maplewood Plaza	83,500
120	Ft. Lauderdale	Reef Plaza	112,476
290-3	Ft. Lauderdale	Ft Lauderdale S.C.	179,726
251	Ft. Lauderdale	Whole Foods Center	60,414
147	Ft. Pierce	Kmart Plaza	210,460
207	Jacksonville	Regency Plaza	203,536
† 022	Key Largo	Tradewinds S.C.	207,361
† 023	Lake Mary	Shoppes @ Lake Mary	38,125
136	Leesburg	Leesburg Shops	13,468
127	Melbourne	Nasa Plaza	168,737
616	Melbourne	Northgate S.C.	131,851
668	Melbourne	Shops @ West Melbourne	148,003
—	Miami	Miami Justice Building	147,803
129	Miami	Grove Gate S.C.	104,968
134	Miami	Coral Way Plaza	162,278
135	Miami	Coral Way Plaza	87,305
203	Miami	Homestead Towne Square	161,619
390	Miami	Miller Road S.C.	81,780
634	Miami	South Miami S.C.	60,804
702	Miami	Grove Gate S.C.	—
* 735	Miami	Carol City S.C.	103,161
677	Mount Dora	Tri-Cities Shopping Plaza	118,150
340	N. Miami Beach	Ives Dairy Crossing	92,130
* 761	New Port Richey	Southgate S.C.	65,000
665	Ocala	Shady Oaks S.C.	254,537
† 024	Orlando	Bayhill Plaza	124,065
115	Orlando	Sun Plaza	114,434
121	Orlando	Fern Park Plaza	131,646

Portfolio of Properties

Interests Owned or Managed (continued)

Site#	City	Center Name	Total GLA	Site#	City	Center Name	Total GLA				
Florida cont'd.											
125	Orlando	Grant Square	103,480	694	Chicago	E. Woodfield Square	167,690				
174	Orlando	Sports Authority Plaza	131,981	695	Chicago	Butterfield Square	87,639				
392	Orlando	Seminole Centre	302,455	* 758	Chicago	Marketplace of Oaklawn	94,707				
574	Orlando	Renaissance Centre	271,095	764	Chicago	Downers Park S.C.	123,918				
613	Orlando	Vine Street Square	130,983	822	Chicago	Randal S.C.	104,688				
618	Orlando	Sand Lake Plaza	230,704	835	Chicago	Oak Lawn Center	165,337				
636	Orlando	Pearl Arts S.C.	94,193	836	Chicago	Calumet Center	197,699				
638	Orlando	Century Plaza	126,356	837	Chicago	22nd Street Plaza	163,892				
* 739	Orlando	Butler Plaza	103,161	838	Chicago	Matteson Center	164,987				
* 749	Orlando	Lee Road S.C.	103,161	839	Chicago	Mt. Prospect Center	192,473				
195	Palatka	Big Lots Plaza	81,330	841	Chicago	Pulaski Road S.C.	123,001				
* 726	Pensacola	Pensacola S.C.	102,997	845	Chicago	Norridge Center	116,914				
118	Pompano Beach	Sample Plaza	63,838	846	Chicago	Countryside Plaza	118,394				
[†] 716	Port Richey	The Piers S.C.	103,294	852	Chicago	Downers Grove Center	141,906				
171	Sarasota	Tuttle Bee Plaza	102,485	853	Chicago	Kostner S.C.	109,441				
378	Sarasota	Southeast Plaza	77,353	856	Chicago	87th Street Center	104,264				
128	St. Petersburg	Oak Tree Plaza	118,979	860	Chicago	Elgin S.C.	100,342				
619	Stuart	Marketplace Square	170,291	862	Chicago	Forest Park Mall	98,371				
317/318	Tallahassee	Governor's Marketplace	105,147	863	Chicago	Naper West Plaza	101,822				
715	Tallahassee	Village Commons S.C.	105,535	865	Chicago	Niles Center	101,775				
* 725	Tallahassee	Tallahassee Center	100,000	868	Chicago	Hillcrest Center	90,313				
^Δ 470	Tampa	Northwoods Center	—	874	Chicago	Mundelien S.C.	85,018				
664	Tampa	Carrollwood Commons	115,558	885	Chicago	Elston Center	86,894				
* 743	Tampa	Busch Plaza S.C.	106,986	886	Chicago	Lake Plaza	90,555				
111/511	West Palm Beach	Belmart Plaza	74,326	887	Chicago	Crestwood Center	79,903				
113	West Palm Beach	Riviera Square	46,390	890	Chicago	Aurora Commons	91,182				
633	West Palm Beach	Babies R Us Plaza	80,845	891	Chicago	Crystal Lake S.C.	81,365				
208	Winter Haven	Chain O' Lakes Plaza	88,400	893	Chicago	Peterson Avenue S.C.	80,842				
Georgia											
159	Atlanta	Gainesville Towne Center	142,288	896	Chicago	Arlington Heights S.C.	80,040				
187	Atlanta	Macon Plaza	127,260	897	Chicago	Streamwood S.C.	81,000				
442	Atlanta	Atlanta Center	165,314	898	Chicago	Addison Center	115,130				
* 724	Atlanta	Town & Country S.C.	105,405	* 722	Dekalb	Northland Plaza S.C.	80,562				
635	Augusta	Augusta Square	119,930	881	Fairview Heights	Bellville Road S.C.	159,587				
185	Savannah	Savannah Center	187,071	* 755	Homewood	Washington Park Plaza	106,029				
632	Savannah	Largo Plaza	88,325	693	Orland Park	Orland Square	166,000				
215	Warner Robins	Robins Plaza	111,355	809	Orland Park	Orland Park S.C.	121,011				
Illinois											
802	Alton	Beltline Highway S.C.	159,824	175	Ottawa	Value City S.C.	60,000				
808	Belleville	Belleville S.C.	81,490	832	Peoria	Evergreen Square	156,067				
176	Bloomington	Bloomington Commons	175,530	796	Rockford	Plaza @ Rockford	102,971				
825	Bradley	Northfield Square	80,535	854	Skokie	Skokie Pointe	58,499				
894	Bridgeview	South Harlem S.C.	88,069	799	Springfield	MacArthur Boulevard S.C.	115,526				
848	Carbondale	Carbondale Mall	80,535	Indiana							
[†] 043	Champaign	Pinetree Plaza	111,720	397	Evansville	Plaza East	193,472				
870	Champaign	Neil Street S.C.	102,615	398	Evansville	Plaza West	149,182				
122	Chicago	Lake Street Plaza	93,289	132	Felbрам	Felbрам S.C.	27,400				
224/387	Chicago	Town & Country S.C.	183,432	851	Griffith	Griffith Center	114,684				
563	Chicago	Woodgrove Festival	163,573	107	Indianapolis	Eagledale	75,000				
				133	Indianapolis	Linwood Square	96,104				
				153	Indianapolis	Greenwood S.C.	110,162				
				388	Indianapolis	Target 31 South S.C.	178,610				
				864	Indianapolis	East Washington Center	96,476				

Portfolio of Properties

Interests Owned or Managed (continued)

Site#	City	Center Name	Total GLA
* 732	Lafayette	Lafayette Square	103,161
145	Lafayette	Lafayette S.C.	90,500
671	Lafayette	Sagamore @ 26 S.C.	183,440
697	Lafayette	Lafayette Marketplace	208,376
849	Merrillville	Merrillville Center	105,511
895	Mishawaka	K's S.C.	82,100
883	South Bend	Erskine Plaza	81,668
* 721	Terre Haute	Terre Haute S.C.	102,997
* 777	Terre Haute	South Third Street S.C.	73,828
Iowa			
812	Clive	Clive Plaza	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	136,131
* 736	Kansas City	Topeka S.C.	103,161
* 751	Kansas City	Wichita S.C.	103,161
805	Kansas City	Home Depot Center	162,982
807	Kansas City	State Avenue Plaza	167,301
† 814	Kansas City	Tall Grass S.C.	97,992
† 815	Kansas City	Shopko S.C.	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	Hinkelville Center	85,229
Louisiana			
297	Baton Rouge	Clearview Mall	190,000
666	Baton Rouge	Hammond Aire Plaza	342,706
* 752	Baton Rouge	Arcadian Village	103,161
274	Houma	Houma Power Center	98,586
670	Lafayette	Acadiana Square	222,923
Maryland			
173	Baltimore	Laurel Plaza	75,924
214	Baltimore	Laurel Plaza	81,550
463	Gaithersburg	Gaithersburg S.C.	87,061
675	Glen Burnie	Glen Burnie S.C.	60,173
468	Landover	Landover Center	232,903
* 766	Salisbury	Twilley Centre	79,902
221	Washington, DC	Hagerstown S.C.	117,718
560	White Marsh	Costco Plaza	187,331

Site#	City	Center Name	Total GLA
Massachusetts			
† 033	Foxborough	Foxboro Plaza	118,844
609	Great Barrington	Barrington Plaza	134,817
238	Leominster	Searstown Mall	595,958
481	Shrewsbury	Shrewsbury S.C.	112,322
Michigan			
667	Clarkston	White Lake Commons	156,864
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
383	Flint	Hallwood Plaza	243,847
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			
* 746	Jackson	Ellis Isle S.C.	103,161
Missouri			
873	Cape Girardeau	West Park Mall	80,803
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 Plaza	174,716
625	Springfield	Primrose Marketplace	277,552
869	Springfield	Springfield S.C.	167,828
△ 598	St. Charles	Home Depot Plaza	8,000
798	St. Charles	Center Point S.C.	84,460
154	St. Louis	Shop & Save S.C.	118,080
162	St. Louis	Gravois Plaza	163,821
169/699	St. Louis	Hazelwood Plaza	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
830	St. Louis	Creve Coeur S.C.	113,781
844	St. Louis	Deer Creek Plaza	163,097
* 850	St. Louis	Crystal Center	100,724
† 872	St. Louis	Manchester S.C.	89,305
875	St. Louis	Plaza @ De Paul	101,592
829	St. Louis	Kmart S.C.	155,868
831	St. Louis	Dunn Center	168,367
834	St. Louis	South County Center	128,765
840	St. Peters	Cave Springs Crossing	171,780

Portfolio of Properties

Interests Owned or Managed (continued)

Site#	City	Center Name	Total GLA
Montana			
* 774	Bozeman	Main Mall S.C.	49,694
Nebraska			
* 741	Omaha	Frederick S.C.	92,332
Nevada			
△ 508	Henderson	Warm Springs Promenade	40,704
† 036	Las Vegas	Charleston Plaza	229,020
New Hampshire			
620	Salem	Rockingham Mall	340,626
New Jersey			
* 787	Audubon	Black Horse Pike S.C.	69,984
573	Bridgewater	The Promenade	157,695
306	Cherry Hill	Super G Plaza	121,673
614	Cherry Hill	Westmont Plaza	192,380
643	Cherry Hill	Marlton Plaza	129,809
645/945	Cinnaminson	Cinnaminson S.C.	138,408
† 032	Delran	Millside Plaza	161,128
587	Franklin	Franklin Towne Center	138,364
617	North Brunswick	North Brunswick Plaza	403,079
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 Heights	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			
750	Bronx	Concourse Plaza	262,786
† 030	Brooklyn	Mill Basin Plaza	80,708
453	Buffalo	Elmwood Plaza	141,077
454	Buffalo	Shops @ Seneca	153,125
456	Buffalo	Tops Plaza	101,066
† 008	Latham	Latham Farms	603,171
† 021	Long Island	Walgreens @ Freeport	13,905
† 025	Long Island	North Shore Triangle	49,597
† 027	Long Island	Meadowbrook Commons	173,031
† 028	Long Island	Merrick Commons	107,871
105	Long Island	East End Commons	107,806
109	Long Island	Syosset S.C.	32,124
116	Long Island	Manetto Hill Plaza	88,222
237	Long Island	Manhasset Center	236,373
354	Long Island	Hampton Bays Plaza	70,990
360	Long Island	Bridgehampton Commons	287,632

Site#	City	Center Name	Total GLA
395	Long Island	Voice Road Plaza	132,318
504	Long Island	Duane Reade S.C.	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
† 041	Middletown	Galleria @ Crystal Run	80,000
† 020	Munsey Park	Munsey Park	72,748
307	Nanuet	Nanuet Mall South	70,522
218	Poughkeepsie	44 Plaza	165,733
425	Rochester	Irondequoit S.C.	17,995
426/149	Rochester	West Gates S.C.	185,153
427	Rochester	Henrietta S.C.	123,000
† 031	Staten Island	Forest Avenue S.C.	177,118
601	Staten Island	Richmond S.C.	210,990
674	Staten Island	Greenridge Plaza	95,893
† 026	Yonkers	Yonkers S.C.	56,361
801	Yonkers	Shop Rite S.C.	43,560
North Carolina			
144	Charlotte	Woodlawn Marketplace	110,300
192	Charlotte	Independence Square	135,269
380/384	Charlotte	Tyvola Mall	227,808
602	Charlotte	Akers Center	235,607
639	Durham	Oakcreek Village S.C.	116,186
275	Greensboro	Landsmark Station S.C.	100,794
† 550	Greensboro	Wendover Ridge	41,387
177	Raleigh	Pleasantville Valley Promenade	374,395
△ 478	Raleigh	Wakefield Crossing	—
483	Raleigh	Crossroads Plaza	86,015
696	Raleigh	Wellington Park S.C.	102,787
126	Winston-Salem	Cloverdale Plaza	137,868
Ohio			
220	Akron	Barberton S.C.	38,175
245	Akron	Harvest Plaza	56,975
419	Akron	West Market Plaza	138,363
430	Akron	Ames Plaza	149,054
437	Akron	Ames Plaza	106,500
457/657	Akron	Ames Plaza	230,021
242	Cambridge	Cambridge Square	95,955
182	Canton	Canton Ames S.C.	63,989
188	Canton	Belden Village Commons	161,569
422	Canton	Canton Ames S.C.	99,267
439	Canton	Ames Plaza	150,900
† 017	Cincinnati	Colerain Towne Center	375,499
276	Cincinnati	Kmart Plaza	130,715
413	Cincinnati	Ridge Plaza	139,985
415	Cincinnati	Glenway Plaza	121,242
420	Cincinnati	Cassinelli Square	321,537
482	Cincinnati	Glenway Crossing	88,317

Portfolio of Properties

Interests Owned or Managed (continued)

Site#	City	Center Name	Total GLA
513	Cincinnati	Highland Ridge Plaza	168,635
233	Cleveland	Greenlite S.C.	83,061
246	Cleveland	Kmart Plaza	168,523
399	Cleveland	Ames Plaza	103,910
408	Cleveland	Kmart Plaza	103,400
409	Cleveland	Ames Plaza	104,342
410	Cleveland	Willoughby Plaza	152,508
411	Cleveland	Ames Plaza	133,563
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	158,395
234	Columbus	Town Square	128,180
401	Columbus	Morse Plaza	131,789
402	Columbus	South Hamilton S.C.	140,993
403	Columbus	Olentangy Plaza	129,008
407	Columbus	West Broad Plaza	135,650
423/178	Columbus	Westerville Plaza	242,124
424	Columbus	South High Plaza	99,262
△ 486	Columbus	High Park Center	—
† 597	Columbus	North West Square	113,183
131	Dayton	Shiloh Springs Plaza	163,131
308/310	Dayton	Oak Creek Plaza	214,279
309/311/313	Dayton	Woodman Plaza	127,520
345	Dayton	Beavercreek Plaza	146,636
404	Dayton	Salem Plaza	141,616
405	Dayton	Cross Pointe S.C.	115,114
406	Dayton	Value City Plaza	116,374
△ 714	Dayton	Mallwoods Centre	72,000
† 006	Huber Heights	North Park Center	309,768
325	Lima	Eastgate Plaza	193,633
320	Springboro Pike	Southland 75 S.C.	99,147
† 018	Springdale	Tri-County Commons	243,929
416	Springfield	Kmart Plaza	131,628
* 728	Toledo	Toledo S.C.	102,997
* 729	Toledo	Northwood S.C.	103,161

Oklahoma

857	Midwest City	Midwest City S.C.	99,433
555	Oklahoma City	Centennial Plaza	232,635
* 871	Oklahoma City	Shields Plaza	111,314
876	Oklahoma City	Broadway Plaza	97,527
810	Tulsa	Kmart S.C.	96,100
* 859	Tulsa	Sheridan Plaza	93,748

Pennsylvania

460	Chippewa	Chippewa Plaza	215,206
210	E. Stroudsburg	Pocono Plaza	168,218
375	Gettysburg	Gettysburg Plaza	30,706
△ 326	Hamburg	Hamburg Wellness	—

Site#	City	Center Name	Total GLA
193	Harrisburg	Harrisburg East S.C.	175,917
227	Harrisburg	Harrisburg West S.C.	152,565
243	Harrisburg	Olmstead 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.	114,970
389	Philadelphia	Crossroads Plaza	109,741
469	Philadelphia	Acme Supermarket S.C.	60,685
612	Philadelphia	Cottman-Bustleton Center	208,330
649	Philadelphia	Center Square S.C.	116,055
650	Philadelphia	Frankford Avenue S.C.	82,345
651	Philadelphia	Bucks Crossing	86,575
653	Philadelphia	Whitehall Mall	84,524
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
661	Philadelphia	The Wellness Place	36,511
662	Philadelphia	The Wellness Place	48,936
148	Pittsburgh	Duquesne Plaza	69,733
249	Pittsburgh	Kennywood Mall	194,283
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
464	Scott Township	Carnegie S.C.	69,288
* 760	Souderton	Souderton S.C.	68,380
663	Trexertown	The Wellness Place	41,680
370	York	Eastern Boulevard Plaza	61,979
371	York	Mount Rose Plaza	53,011
372	York	West Market Street Plaza	35,500

Rhode Island

691	Cranston	Marshalls Plaza	129,907
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South Carolina

379	Aiken	Heritage Square	11,200
254	Charleston	St. Andrews Center	165,973
631	Charleston	Westwood Plaza	186,000
692/622	Charleston	North Rivers Marketplace	267,102
646	Florence	Crossroads Center	113,922
676	Greenville	The Gallery S.C.	148,532

Tennessee

253	Chattanooga	Red Bank S.C.	44,288
† 007	Madison	Northside Marketplace	189,299
282	Madison	Old Towne Village	182,256

Portfolio of Properties

Interests Owned or Managed (continued)

Site#	City	Center Name	Total GLA
Tennessee cont'd.			
484	Memphis	Hickory Ridge Commons	87,962
594	Memphis	Trolley Station	167,283
[†] 004	Nashville	Hickory Hollow S.C.	99,159
583	Nashville	Marketplace @ Rivergate	109,012
588	Nashville	The Shoppes @ Rivergate	171,236
Texas			
[†] 879	Amarillo	Westgate Plaza	342,859
[†] 564	Austin	Arboretum Crossing	191,760
589	Austin	Center of the Hills	153,625
[△] 496	Burleson	Gateway Station	—
[△] 712	Cedar Hills	Cedar Hills Crossing	154,699
* 878	Corpus Christi	Padre Plaza	100,540
828	Corsicana	Distribution Center	350,000
170	Dallas	Big Town Mall	682,635
256	Dallas	Kroger Plaza	79,550
270	Dallas	Big Town Center	101,040
[†] 565	Dallas	City Place	83,867
[†] 566	Dallas	Broadmoor Village	62,000
568	Dallas	Shops @ Vista Ridge	74,837
569	Dallas	Vista Ridge Plaza	124,103
570/571	Dallas	Mesquite Town Centre	209,582
590	Dallas	Vista Ridge Plaza	93,668
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	97,798
818	Dallas	Randol Plaza	97,000
819	Dallas	Skyline Plaza	96,500
820	Dallas	Broadway Center	103,600
866	Dallas	Arlington Center	96,127
824	Ft. Worth	Kmart S.C.	106,000
230	Houston	Kroger S.C.	45,494
567	Houston	Center @ Baybrook	405,758
[△] 584	Houston	Price Plaza	162,451
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.	104,050
877	Houston	Westheimer Crossing	106,295
678	Lubbock	South Plains Plaza	108,326
* 742	Lubbock	Lubbock S.C.	103,161
827	North Richland Hills	Richland Center	—
[†] 010	Pasadena	Fairway Place	169,203
[†] 572	Richardson	Richardson Plaza	112,604
[△] 717	San Antonio	The Forum	382,968
* 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

Site#	City	Center Name	Total GLA
Utah			
103	Ogden	Kmart S.C.	121,449
Virginia			
467	Colonial Heights	Colonial Heights	60,909
[†] 547	Fairfax	Costco Plaza	323,262
466	Harrisonburg	Harrisonburg Center	31,111
672	Manassas	Festival @ Manassas	117,525
462	Richmond	Westpark Center	84,683
800	Richmond	Burlington Coat Center	121,550
* 753	Virginia Beach	Virginia Beach S.C.	103,161
225	Washington, DC	Gordon Plaza	187,063
[†] 915-920	Washington, DC	Smoketown Station	480,001
Washington			
[†] 035	Federal Way	Pavilions Center	200,209
[†] 542	Seattle	Cordata Center	179,885
West Virginia			
330	Charles Town	Charles Town Plaza	206,208
595	Charleston	Riverwalk Plaza	134,943
376	Martinsburg	Martin's Food Plaza	43,212
Wisconsin			
381	Racine	Badger Plaza	156,430
Total Number of Property Interests			509
Total GLA Owned or Managed			67,113,791

[△] 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

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Financial Highlights

(in thousands, except per share information)

Year ended December 31,	2000	1999	1998	1997	1996
OPERATING DATA:					
Revenues from rental property ⁽¹⁾	\$ 459,407	\$ 433,880	\$ 338,798	\$ 198,929	\$ 168,144
Depreciation and amortization	\$ 71,129	\$ 67,416	\$ 51,348	\$ 30,053	\$ 27,067
Income before extraordinary items	\$ 205,025 ⁽³⁾	\$ 176,778 ⁽³⁾	\$ 127,166 ⁽³⁾	\$ 85,836 ⁽³⁾	\$ 73,827 ⁽³⁾
Income per common share, before extraordinary items:					
Basic	\$ 2.89 ⁽³⁾	\$ 2.49 ⁽³⁾	\$ 2.05 ⁽³⁾	\$ 1.80 ⁽³⁾	\$ 1.61 ⁽³⁾
Diluted	\$ 2.86 ⁽³⁾	\$ 2.46 ⁽³⁾	\$ 2.02 ⁽³⁾	\$ 1.78 ⁽³⁾	\$ 1.59 ⁽³⁾
Interest expense	\$ 92,100	\$ 83,646	\$ 64,912	\$ 31,745	\$ 27,019
Weighted average number of shares of common stock:					
Basic	61,792	60,473	50,071	37,388	35,906
Diluted	62,435	60,978	50,641	37,850	36,219
Cash dividends paid per common share	\$ 2.66	\$ 2.37	\$ 1.97	\$ 1.72	\$ 1.56
December 31,	2000	1999	1998	1997	1996
BALANCE SHEET DATA:					
Real estate, before accumulated depreciation	\$ 3,111,708	\$ 2,951,050	\$ 3,023,902	\$ 1,404,196	\$ 1,072,056
Total assets	\$ 3,171,348	\$ 3,007,476	\$ 3,051,178	\$ 1,343,890	\$ 1,023,033
Total debt	\$ 1,325,663	\$ 1,249,571	\$ 1,289,561	\$ 531,614	\$ 364,655
Year ended December 31,	2000	1999	1998	1997	1996
OTHER DATA:					
Funds from Operations ⁽²⁾ :					
Net income	\$ 205,025	\$ 176,778	\$ 122,266	\$ 85,836	\$ 73,827
Depreciation and amortization	71,129	67,416	51,348	30,053	27,067
Depreciation and amortization - KIR	6,083	3,819	—	—	—
Depreciation and amortization - other real estate joint ventures	2,194	1,420	788	976	1,148
(Gain) loss on sales of properties and early repayment of mortgage debt	(3,962)	(1,552)	3,999	(244)	(802)
Preferred stock dividends	(26,328)	(26,478)	(24,654)	(18,438)	(16,134)
Funds from Operations	\$ 254,141	\$ 221,403	\$ 153,747	\$ 98,183	\$ 85,106
Cash flow provided by operations	\$ 250,546	\$ 237,153	\$ 158,706	\$ 125,107	\$ 101,892
Cash flow used for investing activities	\$ (191,626)	\$ (205,219)	\$ (630,229)	\$ (280,823)	\$ (144,027)
Cash flow (used for) provided by financing activities	\$ (67,899)	\$ (47,778)	\$ 484,465	\$ 149,269	\$ 63,395

(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 these modifications 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 the pro-rata amount of depreciation and amortization 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 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 \$4.0 million or \$0.06 per share in 2000, \$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

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 2000 to 1999

Revenues from rental property increased \$25.5 million or 5.9% to \$459.4 million for the year ended December 31, 2000, as compared with \$433.9 million for the year ended December 31, 1999. This net increase resulted primarily from the combined effect of (i) the acquisition of 12 shopping center properties during 2000, providing revenues of \$6.4 million for the year ended December 31, 2000, (ii) the full year impact related to the 35 shopping center properties acquired in 1999 providing incremental revenues of \$13.0 million, and (iii) the completion of certain development and redevelopment projects, new leasing, and re-tenanting within the portfolio at improved rental rates providing incremental revenues of approximately \$22.4 million as compared to the corresponding year ended December 31, 1999. These increases were reduced as a result of the deconsolidation of 23 shopping center properties as of April 28, 1999 in connection with the sale of a controlling interest in Kimco Income REIT ("KIR"). Revenues from these 23 properties totaled approximately \$16.3 million for the period January 1, 1999 to April 28, 1999.

Rental property expenses, including depreciation and amortization, increased \$12.3 million or 4.7% to \$275.2 million for the year ended December 31, 2000, as compared with \$262.9 million for the year ended December 31, 1999. These net increases in rental property expenses are the result of the combined effect of (i) increased expenses relating to new property acquisitions made throughout calendar years 1999 and 2000, offset by (ii) the reduction of rental property expenses relating to the deconsolidation of 23 shopping center properties as of April 28, 1999, in connection with the sale of a controlling interest in KIR. Interest expense increased \$8.5 million for the year ended December 31, 2000, reflecting higher average outstanding borrowings as compared to the preceding year resulting primarily from (i) the issuance of additional unsecured debt during 1999 and 2000, (ii) additional mortgage financing obtained on certain properties totaling approximately \$44.2 million during 2000 and (iii) the assumption of mortgage debt during 1999 and 2000 in connection with certain property acquisitions offset by (iv) 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, 2000 and 1999 was \$4.0 million and \$4.1 million, respectively.

Operating and administrative expenses increased approximately \$1.9 million for the year ended December 31, 2000, 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.

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 year ended December 31, 2000 was \$9.5 million and for the period April 28, 1999 to December 31, 1999 was approximately \$6.0 million.

Other income, net increased \$10.1 million for the year ended December 31, 2000, as compared to the preceding calendar year. The net increase was primarily attributed to higher interest and dividend income related to the Company's investment in certain marketable equity and debt securities.

During 2000, the Company, in separate transactions, disposed of ten shopping center properties. Sale prices from two of these dispositions aggregated approximately \$4.5 million which approximated their aggregate net book value. Sale prices from eight of these dispositions aggregated approximately \$29.7 million which resulted in net gains of approximately \$4.0 million.

Net income for the year ended December 31, 2000 was \$205.0 million as compared to \$176.8 million for the year ended December 31, 1999, representing an increase of \$28.2 million. After adjusting for the gains on sales of shopping center properties in each year, net income for 2000 increased \$25.8 million, or \$0.36 per diluted share compared to 1999. This improved performance is primarily attributable to the Company's strong acquisition and investment program, internal growth from development and redevelopment projects and increased leasing activity which strengthened operating profitability.

Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

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 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.

Operating 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.

Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

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 \$2.2 billion for the purposes of, among other things, repaying indebtedness, acquiring interests in neighborhood and community shopping centers, funding ground-up development projects and for expanding and improving properties in the portfolio.

During August 2000, the Company established a \$250.0 million, unsecured revolving credit facility, which is scheduled to expire in August 2003. This credit facility, which replaced the Company's \$215.0 million unsecured revolving 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, 2000 there was \$45.0 million outstanding under the credit facility.

The Company has also implemented a 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 (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, 2000, 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 \$750.0 million of debt securities, preferred stock, depositary shares, common stock and common stock warrants. As of February 1, 2001, the Company had approximately \$106.7 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 and other investments as suitable opportunities arise, and such other factors as the Board of Directors considers appropriate.

Cash dividends paid increased to \$189.9 million in 2000, compared to \$169.7 million in 1999 and \$113.9 million in 1998. The Company's dividend payout ratio, based on funds from operations on a per-basic common share basis, for 2000, 1999 and 1998 was approximately 64.7%, 64.8% and 64.2%, 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 2001 will be approximately \$190.0 million to \$240.0 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 and other debt and equity alternatives 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 \$250.5 million for 2000 from \$237.2 million for 1999 and \$158.7 million for 1998.

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

Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

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

During December 1999, the Securities and Exchange Commission issued Staff Accounting Bulletin No. 101 "Revenue Recognition in Financial Statements" ("SAB 101") which, among other things, provides further guidance as to the recognition of contingent rents (i.e. additional rents based on tenants' sales volumes). The Company has elected early adoption of SAB 101 effective January 1, 2000. The implementation of SAB 101 has not had a material impact on the Company's financial position or results of operations.

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"). In June 1999, the FASB delayed the implementation date of FASB No. 133 making it effective for the Company for periods beginning January 1, 2001. 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 financial position or results of operations.

Quantitative and Qualitative Disclosures About Market Risk

As of December 31, 2000, the Company had approximately \$267.1 million of floating-rate debt outstanding. The interest rate risk on \$110.0 million of such debt has been mitigated through the use of an interest rate swap agreement (the "Swap") with a major financial institution. The Company is exposed to credit risk in the event of non-performance by the counter-parties to the Swap. The Company believes it mitigates its credit risk by entering into this Swap with a major financial institution.

The Company believes the interest rate risk represented by the remaining \$157.1 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, 2000, the Company had no other material exposure to market risk.

Forward-Looking Statements

This Annual Report, together with other statements and information publicly disseminated by the Company 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 the Company's 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.

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, 2000 and 1999, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States of America. 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 of America, 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 our opinion.

PricewaterhouseCoopers LLP

New York, New York
February 15, 2001, except as to Note 20, which is dated
as of March 15, 2001

Consolidated Balance Sheets

(in thousands, except share information)

	December 31, 2000	December 31, 1999
ASSETS:		
Real Estate		
Rental property		
Land	\$ 519,814	\$ 490,414
Buildings and improvements	2,590,546	2,459,288
	3,110,360	2,949,702
Less, accumulated depreciation and amortization	391,946	323,738
	2,718,414	2,625,964
Undeveloped land parcels	1,348	1,348
Real estate, net	2,719,762	2,627,312
Investment and advances in KIR	142,437	114,217
Investments and advances in other real estate joint ventures	61,601	68,553
Investment in retail store leases	11,316	12,709
Cash and cash equivalents	19,097	28,076
Accounts and notes receivable	44,673	31,689
Deferred charges and prepaid expenses	40,054	31,752
Other assets	132,408	93,168
	\$3,171,348	\$3,007,476
LIABILITIES & STOCKHOLDERS' EQUITY:		
Notes payable	\$1,080,250	\$1,037,250
Mortgages payable	245,413	212,321
Accounts payable and accrued expenses	64,024	64,954
Dividends payable	50,570	45,290
Other liabilities	12,985	29,097
	1,453,242	1,388,912
Minority interests in partnerships	13,767	13,129
Commitments and contingencies		
Stockholders' equity		
Preferred Stock, \$1.00 par value, authorized 5,000,000 shares		
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 418,254 and 428,514 shares, respectively		
Aggregate liquidation preference \$104,564 and \$107,129, respectively	418	429
Common stock, \$.01 par value, authorized 200,000,000 shares		
Issued and outstanding 63,144,859 and 60,795,593 shares, respectively	631	608
Paid-in capital	1,819,446	1,730,278
Cumulative distributions in excess of net income	(113,110)	(122,959)
Notes receivable from officer stockholders	1,708,285	1,609,256
	(3,946)	(3,821)
	1,704,339	1,605,435
	\$3,171,348	\$3,007,476

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,		
	2000	1999	1998
Revenues from rental property	\$459,407	\$433,880	\$338,798
Rental property expenses:			
Rent	13,522	14,167	12,568
Real estate taxes	55,996	55,644	45,472
Interest	92,100	83,646	64,912
Operating and maintenance	42,449	42,003	33,246
Depreciation and amortization	71,129	67,416	51,348
	275,196	262,876	207,546
Income from rental property	184,211	171,004	131,252
Income from investment in retail store leases	3,985	4,099	3,703
	188,196	175,103	134,955
Management fee income	6,131	5,091	3,646
Operating and administrative expenses	(25,691)	(23,833)	(18,583)
Equity in income of KIR	9,508	5,974	—
Equity in income of other real estate joint ventures, net	5,062	4,537	3,106
Minority interests in income of partnerships, net	(2,054)	(1,489)	(1,275)
Other income, net	19,911	9,843	4,416
Income before gain on sale of shopping center properties and extraordinary items	201,063	175,226	126,265
Gain on sale of shopping center properties, net	3,962	1,552	901
Income before extraordinary items	205,025	176,778	127,166
Extraordinary items	—	—	(4,900)
Net income	\$205,025	\$176,778	\$122,266
Net income applicable to common shares	\$178,697	\$150,300	\$ 97,612
Per common share:			
Income before extraordinary items			
Basic	\$ 2.89	\$ 2.49	\$ 2.05
Diluted	\$ 2.86	\$ 2.46	\$ 2.02
Net Income			
Basic	\$ 2.89	\$ 2.49	\$ 1.95
Diluted	\$ 2.86	\$ 2.46	\$ 1.93

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

Consolidated Statements of Stockholders' Equity

For the Years Ended December 31, 2000, 1999 and 1998

(in thousands, except per share information)

	Preferred Stock		Common Stock		Paid-in Capital	Cumulative Distributions in Excess of Net Income	Notes Receivable from Officer Stockholders	Total Stockholders' Equity
	Issued	Amount	Issued	Amount				
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 Depository Share, respectively)								(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 Depository Share, respectively)								(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
Net income						205,025		205,025
Dividends (\$2.72 per common share; \$1.9375, \$2.125, \$2.0938 and \$1.875 per Class A, Class B, Class C and Class D Depository Share, respectively)								(195,176)
Issuance of common stock			2,156	21		86,728		86,749
Exercise of common stock options			193	2		4,934	(387)	4,549
Repurchase of Class D Preferred Stock	(11)	(11)				(2,494)		(2,505)
Collection of notes receivable								262
Balance, December 31, 2000	1,318	\$1,318	63,145	\$631	\$1,819,446	(\$113,110)	(\$3,946)	\$1,704,339

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

Consolidated Statements of Cash Flows

(in thousands)

		Year Ended December 31,		
		2000	1999	1998
Cash flow from operating activities:				
Net income	\$205,025	\$176,778	\$ 122,266	
Adjustments for noncash items -				
Depreciation and amortization	71,129	67,416	51,348	
Extraordinary items	—	—	4,900	
Gain on sale of shopping center properties, net	(3,962)	(1,552)	(901)	
Minority interests in income of partnerships, net	2,054	1,489	1,275	
Equity in income of KIR	(9,508)	(5,974)	—	
Equity in income of other real estate joint ventures, net	(5,062)	(4,537)	(3,106)	
Change in accounts and notes receivable	(12,806)	(2,832)	(11,422)	
Change in accounts payable and accrued expenses	(1,176)	1,177	(6,608)	
Change in other operating assets and liabilities	4,852	5,188	954	
Net cash flow provided by operations	250,546	237,153	158,706	
Cash flow from investing activities:				
Acquisition of and improvements to real estate	(158,515)	(278,726)	(583,979)	
Acquisition of real estate through joint venture investment	—	(10,562)	(23,314)	
Advances to real estate joint ventures	—	(2,705)	(1,905)	
Reimbursement of advances to real estate joint ventures	2,400	29,287	—	
Investment in KIR	(29,566)	—	—	
Net proceeds from sale of interest in KIR	—	68,179	—	
Investment in marketable securities	(45,616)	(17,159)	(7,089)	
Proceeds from sale of marketable securities	16,055	11,590	—	
Investments and advances to affiliated companies	(6,866)	(1,450)	—	
Investments and advances to joint ventures, net	(500)	(10,649)	—	
Investment in mortgage loans receivable	—	(8,646)	(27,698)	
Collection of mortgage loans receivable	2,967	4,545	1,456	
Proceeds from sale of real estate interests	28,015	11,077	12,300	
Net cash flow used for investing activities	(191,626)	(205,219)	(630,229)	
Cash flow from financing activities:				
Principal payments on debt, excluding				
normal amortization of rental property debt	(17,024)	(61,098)	(84,056)	
Principal payments on rental property debt, net	(4,510)	(4,417)	(4,403)	
Proceeds from mortgage financing	44,396	28,733	281,275	
Payment of unsecured obligation	(18,172)	(26,816)	—	
Proceeds from issuance of medium-term notes	210,000	100,000	290,000	
Repayment of medium-term notes	(60,000)	—	(50,000)	
Proceeds from issuance of senior notes	—	130,000	—	
Repayment of senior notes	(100,000)	(100,000)	—	
Borrowings under senior term loan	—	52,000	—	
Repayment of borrowings under senior term loan	(52,000)	—	—	
Borrowings under revolving credit facility	90,000	95,000	220,000	
Repayment of borrowings under revolving credit facility	(45,000)	(95,000)	(265,000)	
Financing origination costs	(2,863)	—	(7,324)	
Dividends paid	(189,896)	(169,708)	(113,908)	
Proceeds from issuance of stock	79,675	8,608	282,881	
Payment for repurchase of stock	(2,505)	(5,080)	—	
Redemption of preferred stock	—	—	(65,000)	
Net cash flow (used for)/provided by financing activities	(67,899)	(47,778)	484,465	
Change in cash and cash equivalents	(8,979)	(15,844)	12,942	
Cash and cash equivalents, beginning of year	28,076	43,920	30,978	
Cash and cash equivalents, end of year	\$ 19,097	\$ 28,076	\$ 43,920	
Supplemental schedule of noncash investing/financing activity:				
Acquisition of real estate interests by issuance of stock and/or assumption of mortgage debt	\$ 30,986	\$ 98,770	\$ 1,005,713	
Notes received upon exercise of stock options	\$ 387	\$ 3,821	\$ —	
Disposition of real estate interests by assignment of mortgage debt	\$ 9,124	\$ —	\$ —	
Proceeds held in escrow from sale of real estate interest	\$ 2,700	\$ —	\$ —	
Declaration of dividends paid in succeeding year	\$ 50,570	\$ 45,290	\$ 39,444	

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 drug-stores. The Company also provides management services for shopping centers owned by affiliated entities and various real estate joint ventures. Additionally, the Company is engaged in the ground-up development of neighborhood and community shopping centers and the subsequent sale thereof upon completion.

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, 2000, 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, 2000, the Company's five largest tenants include Kmart Corporation, Kohl's, The Home Depot, Ames and TJX Companies, which represented approximately 13.3%, 2.9%, 2.6%, 2.6% and 1.9%, 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. However, in connection with the Tax Relief Extension Act of 1999, which became effective January 1, 2001, the Company is now permitted to participate in certain activities which it was previously precluded from in order to maintain its qualification as a REIT, so long as these activities are conducted in entities which elect to be treated as taxable subsidiaries under the Code. As such, the Company will be subject to federal income tax on the income from these activities.

Notes to Consolidated Financial Statements (continued)

Per Share Data

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

	2000	1999	1998
Basic EPS—weighted average number of common shares outstanding	61,792,047	60,472,768	50,071,425
Effect of dilutive securities—Stock options	643,394	504,749	569,113
Diluted EPS—weighted average number of common shares	62,435,441	60,977,517	50,640,538

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

During December 1999, the Securities and Exchange Commission issued Staff Accounting Bulletin No. 101 "Revenue Recognition in Financial Statements" ("SAB 101") which, among other things, provides further guidance as to the recognition of contingent rents (i.e. additional rents based on tenants' sales volumes). The Company has elected early adoption of SAB 101 effective January 1, 2000. The implementation of SAB 101 has not had a material impact on the Company's financial position or results of operations.

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"). In June 1999, the FASB delayed the implementation date of FASB No. 133 making it effective for the Company for periods beginning January 1, 2001. 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 financial position or results of operations.

2. Property Acquisitions and Developments:*Shopping Centers—*

During the years 2000, 1999 and 1998 certain subsidiaries and affiliates of the Company acquired real estate interests, in separate transactions, at aggregate costs of approximately \$62.5 million, \$249.0 million and \$303.0 million, respectively.

Ground-Up Development—

During the years 2000 and 1999 certain subsidiaries and affiliates of the Company expended approximately \$74.0 million and \$80.0 million, respectively, in connection with the purchase of land and construction costs related to its ground-up development projects.

Venture Stores, Inc. Properties Transactions—

During the period January 1996 through August 1997, the Company acquired 65 fee and leasehold interests from Venture Stores, Inc. ("Venture") for an aggregate purchase price of approximately \$170.0 million. Simultaneously with these transactions, the Company entered into long-term unitary net leases 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. 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.

The purchase price for the 89 leasehold positions was \$95.0 million, less certain closing adjustments, but was 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. During August 2000, the Company paid Venture a final cash payment of approximately \$14.9 million.

The Company has substantially completed its re-tenanting efforts with regard to the former Venture locations.

Notes to Consolidated Financial Statements (continued)

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 a 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.

Other Acquisitions—

In January 2000, the Company acquired fee title to a shopping center property in which the Company held a leasehold interest for an aggregate purchase price of approximately \$2.5 million.

During 1998, in connection with the Company's merger with The Price REIT, Inc., the Company acquired a 50% interest in a joint venture in Houston, TX. During March 2000, the Company acquired the remaining 50% interest in such partnership for \$5.0 million and now accounts for its investment under the consolidation method of accounting.

During December 1998, the Company acquired a first mortgage on a shopping center in Manhasset, New York for approximately \$21.0 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 stand-alone 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.

The total Merger consideration was approximately \$960.0 million, including the assumption of approximately \$310.0 million of debt. Management has allocated the purchase price based on the fair value of assets and liabilities assumed.

Notes to Consolidated Financial Statements (continued)

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 high quality real estate properties financed primarily with individual non-recourse mortgages. These properties include, but are not limited to, fully developed properties with strong, stable cash flows from credit-worthy retailers with long-term leases. The Company believes these type of properties are more appropriately financed with greater leverage than the Company traditionally uses. During April 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 properties previously contributed by the Company to KIR was approximately \$107.0 million and the Company agreed to contribute an additional \$10.0 million for a total investment of \$117.0 million. During August 1999, KIR admitted three additional limited partners. The limited partners other than the Company subscribed for a total of \$152.0 million in KIR. As a result of these transactions, the Company had a 43.3% non-controlling limited partnership interest in KIR as of December 31, 1999, and accounts for its investment in KIR under the equity method of accounting.

During 2000, all unfunded subscriptions related to the initial commitments were contributed. During August 2000, KIR obtained additional subscriptions aggregating \$300.0 million from the existing limited partners, of which the Company subscribed for an additional \$130.0 million. As of December 31, 2000, the Company had contributed \$19.5 million of such subscriptions and KIR had unfunded capital commitments of \$255.0 million. The Company maintained its 43.3% non-controlling limited partnership interest in KIR as of December 31, 2000.

The Company's equity in income from KIR for the year ended December 31, 2000 and for the period April 28, 1999 to December 31, 1999 was approximately \$9.5 million and \$6.0 million, respectively.

In addition, KIR entered into a master management agreement with the Company, whereby the Company will perform services for fees relating to the management, leasing, operation, supervision and maintenance of the joint venture properties. For the year ended December 31, 2000 and for the period April 28, 1999 through December 31, 1999, the Company earned management fees of approximately \$2.0 million and \$0.9 million, respectively, reimbursement of administrative fees of approximately \$1.4 million and \$0.5 million, respectively, and leasing commissions of approximately \$0.1 million and \$0.1 million, respectively.

During the year ended December 31, 2000, KIR purchased 24 shopping center properties, in separate transactions, aggregating 3.8 million square feet of GLA for approximately \$421.0 million, including the assumption of approximately \$152.0 million of mortgage debt. During the period April 28, 1999 through December 31, 1999, KIR purchased ten shopping cen-

ter properties, 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.

During 2000, KIR obtained individual non-recourse, non-cross collateralized ten-year fixed-rate first mortgages aggregating \$137.3 million on 12 of its properties, with interest rates ranging from 7.97% to 8.36% per annum. During 1999, KIR obtained individual non-recourse, non-cross collateralized ten-year fixed-rate first mortgages aggregating \$52.6 million on four of its properties, with interest rates ranging from 7.57% to 7.72% per annum. The net proceeds were used to finance the acquisition of various shopping center properties.

During November 2000, KIR established a two year \$100.0 million secured revolving credit facility with a group of banks which is scheduled to expire in November 2002. This facility is collateralized by the unfunded subscriptions of certain partners', including those of the Company. Under the terms of the facility, funds may be borrowed for general corporate purposes including funding the acquisition of institutional quality properties. Borrowings under the facility accrued interest at LIBOR plus 0.80%. A fee of 0.15% per annum is payable quarterly in arrears on the unused portion of the facility. As of December 31, 2000, there was \$58.0 million outstanding under this facility.

As of December 31, 2000, the KIR portfolio was comprised of 53 shopping center properties totaling approximately 9.2 million square feet of GLA.

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

	December 31, 2000	December 31, 1999
Assets:		
Real estate, net	\$ 985.6	\$569.4
Other assets	43.5	32.3
	\$1,029.1	\$601.7
Liabilities and Partners' Capital:		
Notes payable	\$ 58.0	\$ —
Mortgages payable	623.3	338.9
Other liabilities	15.9	7.9
Minority interest	10.8	0.3
Partners' capital	321.1	254.6
	\$1,029.1	\$601.7
	For the year ended December 31, 2000	For the period April 28, 1999 to December 31, 1999
Revenues from rental property	\$ 86.5	\$ 39.9
Operating expenses	(18.9)	(8.7)
Mortgage interest	(31.0)	(14.5)
Depreciation and amortization	(14.1)	(6.6)
Other, net	0.4	0.6
	(63.6)	(29.2)
Net income	\$ 22.9	\$ 10.7

Notes to Consolidated Financial Statements (continued)

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 \$34.0 million, including mortgage debt of approximately \$27.0 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,	
	2000	1999
Assets:		
Real estate, net	\$235.7	\$248.4
Other assets	19.3	20.4
	\$255.0	\$268.8
Liabilities and Partners' Capital:		
Mortgages payable	\$175.3	\$173.2
Other liabilities	23.9	27.1
Partners' capital	55.8	68.5
	\$255.0	\$268.8

	Year Ended December 31,		
	2000	1999	1998
Revenues from rental property	\$ 48.4	\$ 45.7	\$ 26.8
Operating expenses	(16.1)	(15.9)	(9.7)
Mortgage interest	(13.8)	(10.8)	(6.2)
Depreciation and amortization	(5.7)	(5.0)	(2.9)
Other, net	0.2	0.3	0.1
	(35.4)	(31.4)	(18.7)
Net income	\$ 13.0	\$ 14.3	\$ 8.1

Other liabilities in the accompanying Consolidated Balance Sheets include accounts with certain real estate joint ventures totaling approximately \$4.8 million and \$5.4 million at December 31, 2000 and 1999, 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 who lease the stores pursuant to net lease agreements. Income from the investment in these retail store leases during the years ended December 31, 2000 and 1999 was approximately \$4.0 million and \$4.1 million, respectively. These amounts represent sublease revenues during the years ended December 31, 2000 and 1999 of approximately \$19.0 million and \$20.3 million, respectively, less related expenses of \$13.6 million and \$14.7 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 noncancelable 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): 2001, \$15.2 and \$11.2; 2002, \$14.3 and \$10.2; 2003, \$13.2 and \$8.7; 2004, \$10.0 and \$6.3; 2005, \$7.5 and \$4.5 and thereafter, \$12.5 and \$4.1, 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 \$0.1 million at December 31, 2000 and 1999.

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.

Notes to Consolidated Financial Statements (continued)

8. Notes Payable:

The Company has implemented a 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 2000, the Company issued an aggregate \$100.0 million of senior fixed rate MTNs under its MTN program. These issuances consisted of (i) a \$50.0 million MTN which matures in November 2005 and bears interest at 7.68% per annum, and (ii) a \$50.0 million MTN which matures in November 2007 and bears interest at 7.86% per annum. Interest on these notes is payable semi-annually in arrears. The proceeds from these MTN issuances were used to repay a \$100.0 million senior note that bore interest at 7.25% and matured in November 2000.

During October and December 1999, the Company issued an aggregate \$100.0 million of senior fixed-rate MTNs (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.

As of December 31, 2000, a total principal amount of \$490.25 million, in senior fixed-rate MTNs had been issued under the MTN program primarily for the acquisition of neighborhood and community shopping centers, the expansion and improvement of properties in the Company's portfolio and the repayment of certain debt of the Company. 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 2000, the Company issued \$110.0 million of floating rate MTNs under its MTN program. These floating rate MTNs were priced at 99.7661% of par, mature in August 2002, and bear interest at LIBOR plus 0.25%. Interest on the MTNs is payable quarterly in arrears. As of November 2000, the Company entered into an interest rate swap agreement for the term of these MTNs, which effectively fixed the interest rate at 6.865% per annum. The proceeds from this MTN issuance were used to (i) repay a \$60.0 million MTN that matured in August 2000 and bore interest at LIBOR plus 0.15% per annum and (ii) to prepay a \$52.0 million term loan that matured in November 2000 and bore interest at LIBOR plus 0.70% per annum.

During February 1999, the Company issued \$130.0 million of 6.875% 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 \$0.9 million, were used, in part, to repay \$100.0 million floating-rate senior notes that matured during February 1999 and for general corporate purposes.

As of December 31, 2000, the Company had outstanding \$100.0 million of remarketed reset notes. The remarketed reset notes mature in August 2008 and bore interest at the initial issuance in August 1998 at a floating rate of LIBOR plus 0.30% 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 2000 and 1999, the Company remarketed the notes for a one-year period at Libor plus 0.65% per annum during each period.

As of December 31, 2000, the Company has outstanding \$105.0 million of fixed-rate unsecured senior notes consisting of: (i) \$50.0 million which mature in June 2004 and bears interest at 7.125% and (ii) \$55.0 million which mature in November 2006 and bears interest at 7.50%. These notes were assumed in connection with the Price REIT merger and interest on these notes is payable semi-annually in arrears.

As of December 31, 2000, the Company had \$100.0 million in 6.50% fixed-rate unsecured senior notes due 2003. Interest on these senior unsecured notes is paid semi-annually in arrears.

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.

During August 2000, the Company established a \$250.0 million, unsecured revolving credit agreement with a group of banks which is scheduled to expire in August 2003. This credit facility, which replaced the Company's \$215.0 million unsecured revolving credit facility has made available funds for general corporate purposes, including the funding of property acquisitions, development and redevelopment costs. Interest on borrowings accrues at a spread (currently 0.55%) to LIBOR or money-market rates, as applicable, which fluctuates in

Notes to Consolidated Financial Statements (continued)

accordance with changes in the Company's senior debt ratings. As part of this credit facility, the Company has a competitive bid option where the Company may auction up to \$100.0 million of its requested borrowings to the bank group. This competitive bid option provides the Company the opportunity to obtain pricing below the currently stated spread to LIBOR of 0.55%. A facility fee of 0.15% per annum is payable quarterly in arrears. 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. As of December 31, 2000, there was \$45.0 million outstanding under this facility.

The scheduled maturities of all unsecured senior notes payable as of December 31, 2000 are approximately as follows (in millions): 2002, \$110.0; 2003, \$145.0; 2004, \$100.0; 2005, \$200.25 and thereafter, \$525.0.

9. Mortgages Payable:

During 2000, the Company obtained individual non-recourse, fixed-rate mortgage financing on five Kmart anchored shopping centers, providing aggregate proceeds to the Company of approximately \$44.2 million. These ten-year loans mature in 2010 and have effective interest rates ranging from 7.91% to 8.15% per annum.

During 1999, the Company obtained individual non-recourse, fixed-rate 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 individual mortgages were 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 \$9.0 million on two other properties. These ten-year fixed-rate mortgages, which are cross-collateralized, bear interest at 7.00% 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 9.50% (weighted average interest rate of 7.91% as of December 31, 2000). The scheduled maturities of all mortgages payable as of December 31, 2000, are approximately as follows (in millions): 2001, \$4.6; 2002, \$7.6; 2004, \$9.0; 2005, \$15.2 and thereafter, \$209.0.

Three of the Company's properties are encumbered by approximately \$12.1 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, \$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.

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, 2000, KC Holdings' subsidiaries had conveyed 29 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 29 shopping centers that have been reacquired by the Company from KC Holdings. The Company manages three of KC Holdings' seven remaining shopping center properties pursuant to a management agreement (See Note 15).

Notes to Consolidated Financial Statements (continued)

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 May 2000, the Company repurchased from an officer and director of the Company 100,217 depositary shares of its Class D Preferred Stock at a price of \$25.00 per depositary share, totaling approximately \$2.5 million.

During June 2000, the Company issued 285,148 shares of common stock at \$40.7625 per share in connection with its exercise of its option to acquire two shopping center properties from KC Holdings (See Note 15).

During August 2000, the Company completed a primary public stock offering of 1,800,000 shares of common stock priced at \$42.50 per share. The net proceeds from this sale of common stock, totaling approximately \$72.4 million (after related transaction costs of \$4.1 million) were used for general corporate purposes, including (i) the investment of additional equity capital in KIR (see Note 4), and (ii) the development, redevelopment and expansion of properties in the Company's portfolio.

During July 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 did not have a share repurchase program but acquired the shares when it received an unsolicited offer to buy them from an institutional investor.

At December 31, 2000, the Company had 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 7-3/4% 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 8-1/2% 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 8-3/4% Class C Cumulative Redeemable Preferred Stock, par value \$1.00 per share (the "Class C Preferred Stock"), 4,182,542 Depositary Shares (the "Class D Depositary Shares"), each such Class D Depositary Share representing a one-tenth fractional interest of a share of the Company's 7-1/2% Cumulative Convertible Preferred Stock, par value \$1.00 per share (the "Class D Preferred Stock").

Dividends on the Class A Depositary Shares are cumulative and payable quarterly in arrears at the rate of 7-3/4% per annum based on the \$25.00 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 \$25.00 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 8-1/2% per annum based on the \$25.00 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 \$25.00 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 8-3/4% per annum based on the \$25.00 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 \$25.00 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

Notes to Consolidated Financial Statements (continued)

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.

Dividends on the Class D Depositary Shares are cumulative and payable at the rate per depositary share equal to the greater of (i) 7-1/2% per annum based upon a \$25.00 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 Class D Preferred Stock (represented by the Class D Depositary Shares outstanding) ranks pari passu with the Company's Class A Preferred Stock, Class B Preferred Stock and Class C 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 (\$25.00 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, 2000, the Company, in separate transactions, disposed of ten shopping center properties. Sale prices from two of these dispositions aggregated approximately \$4.5 million which approximated their aggregate net book value. Sale prices from eight of these dispositions aggregated approximately \$29.7 million which resulted in net gains of approximately \$4.0 million.

In addition, during 2000, the Company disposed of various land parcels, in separate transactions, for aggregate proceeds of approximately \$5.6 million.

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 \$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 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.

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 \$0.1 million, \$0.4 million and \$0.6 million for the years ended December 31, 2000, 1999 and 1998, respectively.

In June 2000, the Company exercised its option to acquire two shopping center properties from KC Holdings. The properties were acquired for an aggregate option price of approximately \$12.2 million, paid approximately \$11.6 million in shares of the Company's common stock (valued at \$40.7625 per share at June 1, 2000) and \$0.6 million through the assumption of mortgage debt encumbering one of the properties.

Notes to Consolidated Financial Statements (continued)

During July 1999, the Company exercised its option to acquire 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, 11 and 13 for additional information regarding transactions with related parties.

16. Commitments and Contingencies:

The Company and its subsidiaries are primarily 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 99%, 98% and 98% of total revenues from rental property for each of the three years ended December 31, 2000, 1999 and 1998, respectively.

The future minimum revenues from rental property under the terms of all noncancelable tenant leases, assuming no new or renegotiated leases are executed for such premises, for future years are approximately as follows (in millions): 2001, \$366.6; 2002, \$348.4; 2003, \$320.9; 2004, \$297.5; 2005, \$270.5 and thereafter, \$2,132.3.

Minimum rental payments under the terms of all noncancelable operating leases pertaining to its shopping center portfolio for future years are approximately as follows (in millions): 2001, \$13.9; 2002, \$13.8; 2003, \$12.7; 2004, \$12.0; 2005, \$10.9 and thereafter, \$156.8.

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, 2000, 1999 and 1998 is as follows:

	Shares	Weighted Average Exercise Price Per Share
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
Exercised	(193,404)	\$ 25.54
Granted	898,425	\$ 40.63
Forfeited	(258,583)	\$ 28.60
Options outstanding, December 31, 2000	3,692,537	\$33.66
Options exercisable—		
December 31, 1998	1,326,224	\$ 24.13
December 31, 1999	1,605,886	\$ 27.24
December 31, 2000	1,947,825	\$30.20

The exercise prices for options outstanding as of December 31, 2000 range from \$13.33 to \$42.53 per share. The weighted average remaining contractual life for options outstanding as of December 31, 2000 was approximately 7.6 years. Options to purchase 608,695, 1,507,120 and 2,306,170 shares of the Company's common stock were available for issuance under the Plan at December 31, 2000, 1999 and 1998, 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 2000, 1999 and 1998 net income and net income per common share for these calendar years would have been reduced by approximately \$2.2 million or \$0.04 per diluted share, \$1.7 million, or \$0.03 per diluted share and \$1.4 million, or \$0.03 per diluted share, respectively.

Notes to Consolidated Financial Statements (continued)

These pro forma adjustments to net income and net income per diluted 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 2000, 1999 and 1998 include: (i) weighted average risk-free interest rates of 5.69%, 6.30% and 5.07%, respectively; (ii) weighted average expected option lives of 4.4 years, 5.4 years and 5.6 years, respectively; (iii) an expected volatility of 15.82%, 15.91% and 15.76%, respectively, and (iv) an expected dividend yield of 6.95%, 7.30% and 6.40%, respectively. The per share weighted average fair value at the dates of grant for options awarded during 2000, 1999 and 1998 was \$3.07, \$2.53 and \$2.86, 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% of their eligible compensation, is fully vested and funded as of December 31, 2000. Company contributions to the plan were approximately \$0.6 million, \$0.4 million and \$0.3 million for the years ended December 31, 2000, 1999 and 1998, respectively.

18. Supplemental Financial Information:

The following represents the results of operations, expressed in thousands except per share amounts, for each quarter during years 2000 and 1999.

	2000 (Unaudited)			
	Mar. 31	June 30	Sept. 30	Dec. 31
Revenues from rental property	\$ 112,356	\$ 114,867	\$ 115,726	\$ 116,458
Net income	\$ 48,709	\$ 50,946	\$ 51,512	\$ 53,858
Net income per common share:				
Basic	\$.69	\$.73	\$.72	\$.75
Diluted	\$.69	\$.72	\$.71	\$.74
	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

Interest paid during years 2000, 1999 and 1998 approximated \$89.9 million, \$80.0 million and \$60.7 million, respectively.

Accounts and notes receivable in the accompanying Consolidated Balance Sheets are net of estimated unrecoverable amounts of approximately \$4.0 million and \$3.8 million at December 31, 2000 and 1999, respectively.

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 2000. 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, 2000 and 1999, adjusted to give effect to these transactions as of January 1, 1999.

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, 1999, nor does it purport to represent the results of operations for future periods. (Amounts presented in millions, except per share figures.)

	Year Ended December 31,	
	2000	1999
Revenues from rental property	\$ 458.3	\$ 440.5
Net income	\$ 201.6	\$ 182.6
Net income per common share:		
Basic	\$ 2.83	\$ 2.57
Diluted	\$ 2.80	\$ 2.55

20. Subsequent Events:

During March 2001, the Company, through a joint venture (the "Ward Venture") in which the Company has a 50% interest, acquired asset designation rights for substantially all of the real estate property interests of the bankrupt estate of Montgomery Ward LLC and its affiliates. These asset designation rights will enable the Ward Venture to direct the ultimate disposition of the 315 fee and leasehold interests held by the bankrupt estate. The Ward Venture acquired the asset designation rights for an initial purchase price of \$60.5 million, however, the price may ultimately exceed \$435.5 million under the terms of the designation rights agreement.

The asset designation rights expire in February 2002 for the leasehold positions and December 2004 for the fee owned locations. During the marketing period, the Ward Venture will be responsible for all carrying costs associated with the properties until the site is designated to a user.

Corporate Directory

Officers and Operating Management

Milton Cooper
Chairman and Chief Executive Officer

Michael J. Flynn
Vice Chairman and President

David B. Henry
Chief Investment Officer

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

Thomas A. Caputo
Executive Vice President

Glenn G. Cohen
Vice President, 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

Mitchell Margolis
Vice President,
Chief Information Office

Robert Nadler
President, Mid-West Region

Michael V. Pappagallo
Vice President, Chief Financial Officer

Daniel Slattery
Vice President, Development

Josh Smith
President, Western Division

Paul Weinberg
Vice President, Human Resources

Joel Yarmak
Vice President, Financial Operations

Executive Offices

3333 New Hyde Park Road
Suite 100
New Hyde Park, NY 11042
516-869-9000
www.kimcorealty.com

Regional Offices

Los Angeles, CA	Lisle, IL
323-937-7340	630-322-9200
San Diego, CA	Charlotte, NC
619-299-2677	704-367-0131
San Francisco, CA	Cleveland, OH
415-771-8844	330-702-8000
Margate, FL	Dayton, OH
954-977-7340	937-434-5421
Orlando, FL	Philadelphia, PA
407-834-7004	215-322-2750
Tampa, FL	Dallas, TX
727-536-3287	214-720-0559
Chicago, IL	
847-299-1160	



Key to Kimco Associates on page 13:

1. Tom Caputo, Georgia Misoulis	7. Patrick McCune, George Petkovich and Brian Neltner
2. Mike Pappagallo, Glenn Cohen	8. Joshua Weinkranz, Kimberly Maute, Pat Callan, Kim Wheeler, and Katie Cunningham
3. Rob Nadler, Joanne Jarosik	
4. Jerry Friedman	
5. Josh Smith	
6. Linda Shea, Kevin Hipes	

Corporate Directory

Counsel

Latham & Watkins
New York, NY

Auditors

PricewaterhouseCoopers LLP
New York, NY

Registrar and Transfer Agent

Fleet National Bank
c/o EquiServe, L.P.
P.O. Box 8040
Boston, MA 02266-8040
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 2001 Annual Meeting of Stockholders scheduled to be held on May 15, 2001, at 270 Park Avenue, New York, NY, Floor 11, Room C 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
1-877-453-1506

Holders of Record

Holders of record of the Company's common stock, par value \$.01 per share, totaled 1,556 as of March 15, 2001.

Stock Price and Dividend Information

	Stock Price		Dividends Paid Per Common Share ⁽¹⁾
	High	Low	
2000:			
First Quarter	\$ 37.50	\$ 32.75	\$ 0.66
Second Quarter	\$ 42.69	\$ 36.25	\$ 0.66
Third Quarter	\$ 42.81	\$ 39.13	\$ 0.66
Fourth Quarter	\$ 44.75	\$ 39.00	\$ 0.68
1999:			
First Quarter	\$ 39.81	\$ 36.44	\$ 0.57
Second Quarter	\$ 40.63	\$ 35.56	\$ 0.60
Third Quarter	\$ 39.00	\$ 34.31	\$ 0.60
Fourth Quarter	\$ 35.31	\$ 30.88	\$ 0.60

(1) The Company has determined that all dividends paid to its common and preferred stockholders during calendar years 2000 and 1999 represent ordinary dividend income.





BOARD OF DIRECTORS

Top row, left to right: Richard G. Dooley, Frank Lourenso, Joe Grills, Joseph K. Kornwasser

Bottom row, left to right: Michael J. Flynn, Milton Cooper, Martin S. Kimmel

Board of Directors

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
J.P. Morgan



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