

August 4, 2016



# Cedar Realty Trust Reports Second Quarter 2016 Results

PORT WASHINGTON, N.Y., Aug. 4, 2016 /PRNewswire/ -- Cedar Realty Trust, Inc. (NYSE: CDR – the "Company") today reported results for the second quarter ended June 30, 2016. Net income attributable to common shareholders was \$0.01 per diluted share compared with \$0.02 per diluted share for the comparable 2015 period. Other highlights include:

## Highlights

- NAREIT-defined funds from operations (FFO) of \$0.14 per diluted share
- Operating funds from operations (Operating FFO) of \$0.15 per diluted share
- Same-property net operating income (NOI) increased 1.5%
- Signed 33 new and renewal leases for 137,800 square feet
- Comparable cash-basis lease spreads of 8.4%
- Total portfolio 91.2% leased and same-property portfolio 91.6% leased at quarter-end

## Previously-Announced and Subsequent Events

- On April 26, 2016, the Company closed on a \$100.0 million seven-year unsecured term loan with proceeds to be drawn by October 26, 2016
- On May 3, 2016, the Company refinanced its existing \$40.3 million mortgage loan payable secured by Franklin Village Plaza with a new \$50.0 million mortgage loan payable maturing on June 1, 2026
- On May 4, 2016, the Company acquired Glenwood Village located in Bloomfield, New Jersey for \$19.5 million
- On August 1, 2016, the Company completed a public offering of 5,750,000 shares of its common stock on a forward basis, which is initially expected to result in net proceeds of approximately \$44.2 million

"Our recently completed forward common share offering along with our undrawn \$100 million unsecured term loan not only strengthens our balance sheet but also provides us support and flexibility to continue advancing our capital migration and redevelopment efforts to build a leading shopping center REIT," commented Bruce Schanzer, CEO.

## Financial Results

Net income attributable to common shareholders for the second quarter of 2016 was \$1.3 million or \$0.01 per diluted share, compared to \$1.9 million or \$0.02 per diluted share for the same period in 2015. Net loss attributable to common shareholders for the six months ended June 30, 2016 was (\$0.7 million) or (\$0.01) per diluted share, compared to net income of \$1.8 million or \$0.02 per diluted share for the same period in 2015.

NAREIT-defined FFO for the second quarter of 2016 was \$12.1 million or \$0.14 per diluted share, compared to \$11.6 million or \$0.14 per diluted share for the same period in 2015. NAREIT-defined FFO for the six months ended June 30, 2016 was \$19.5 million or \$0.23 per diluted share, compared to \$21.6 million or \$0.25 per diluted share for the same period in 2015. Operating FFO for the second quarter of 2016 was \$12.6 million or \$0.15 per diluted share, compared to \$11.6 million or \$0.14 per diluted share for the same period in 2015. Operating FFO for the six months ended June 30, 2016 was \$24.6 million or \$0.29 per diluted share, compared to \$22.2 million or \$0.26 per diluted share for the same period in 2015. The principal differences between Operating FFO and FFO are acquisition costs, redevelopment costs and management transition costs.

## **Portfolio Results**

Same-property NOI for the second quarter of 2016 increased 1.5% excluding redevelopments and 0.6% including redevelopments, compared to the same period in 2015.

During the second quarter of 2016, the Company signed 33 leases for 137,800 square feet. On a comparable space basis, the Company leased 131,600 square feet at a positive lease spread of 8.4% on a cash basis (new leases increased 24.9% and renewals increased 6.5%). During the six months ended June 30, 2016, the Company signed 97 leases for 483,700 square feet. On a comparable space basis, the Company leased 451,000 square feet at a positive lease spread of 8.4% on a cash basis (new leases increased 7.0% and renewals increased 8.5%).

The Company's total portfolio, excluding properties held for sale, was 91.2% leased at June 30, 2016, compared to 91.6% at March 31, 2016 and 93.2% at June 30, 2015. The Company's same-property portfolio was 91.6% leased at June 30, 2016, compared to 91.9% at March 31, 2016 and 93.6% at June 30, 2015.

## **Balance Sheet**

As of June 30, 2016, the Company had \$168.0 million available under its revolving credit facility and reported net debt to earnings before interest, taxes, depreciations, and amortization (EBITDA) of 7.4 times.

On April 26, 2016, the Company closed on a \$100.0 million seven-year unsecured term loan. The loan provides for delayed draws of the proceeds through October 26, 2016, (with no proceeds drawn at closing). The term loan is priced at LIBOR plus a spread based on the Company's leverage ratio. The Company also entered into a forward LIBOR swap agreement that results in an effective fixed interest rate of 3.2% beginning November 1, 2016, based on the Company's leverage ratio at closing.

On August 1, 2016, the Company completed a public offering of 5,750,000 common shares on a forward basis, which is expected to result in approximately \$44.2 million of net proceeds, before adjustments for dividends paid and other administrative costs prior to settlement. The Company expects to physically settle the forward sale agreement in full, which settlement is expected to occur on one or more dates no later than approximately 12 months after the date of the related offering.

## **2016 Guidance**

The Company raised the low end of its previously-announced 2016 Operating FFO guidance to a new range of \$0.55 to \$0.56 per diluted share and updated its NAREIT-defined FFO to a new range of \$0.49 to \$0.50 per diluted share. The difference between Operating FFO and NAREIT-defined FFO guidance for 2016 is principally attributable to acquisition costs, redevelopment costs and management transition costs.

### **Quarterly Dividends**

The Company will pay a cash dividend of \$0.05 per share on the Company's common stock and \$0.453125 per share on the Company's 7.25% Series B Cumulative Redeemable Preferred Stock on August 22, 2016, to shareholders of record as of the close of business on August 12, 2016.

### **Non-GAAP Financial Measures**

NAREIT-defined FFO (FFO) is a widely recognized supplemental non-GAAP measure utilized to evaluate the financial performance of a REIT. The Company considers FFO to be an appropriate measure of its financial performance because it captures features particular to real estate performance by recognizing that real estate generally appreciates over time or maintains residual value to a much greater extent than other depreciable assets. The Company also considers Operating FFO to be an additional meaningful financial measure of financial performance because it excludes items the Company does not believe are indicative of its core operating performance, such as acquisition costs, amounts relating to early extinguishment of debt and preferred stock redemption costs, management transition costs and certain redevelopment costs. The Company believes Operating FFO further assists in comparing the Company's performance across reporting periods on a consistent basis by excluding such items. FFO and Operating FFO should be reviewed with GAAP net income attributable to common shareholders, the most directly comparable GAAP financial measure, when trying to understand the Company's operating performance. A reconciliation of net income (loss) attributable to common shareholders to FFO and Operating FFO for the three and six months ended June 30, 2016 and 2015 is detailed in the attached schedule.

EBITDA is a widely recognized supplemental non-GAAP financial measure. The Company computes EBITDA as net income from continuing operations, plus interest expense (including early extinguishment of debt costs), depreciation and amortization, minority interests share of consolidated joint venture EBITDA and discontinued operations. The Company believes EBITDA provides additional information with respect to the Company's performance and ability to meet its future debt service requirements. The Company also considers Adjusted EBITDA to be an additional meaningful financial measure of financial performance because it excludes items the Company does not believe are indicative of its core operating performance, such as acquisition costs, gain on sales, impairment provisions and management transition charges. The Company believes Adjusted EBITDA further assists in comparing the Company's performance across reporting periods on a consistent basis by excluding such items. EBITDA and Adjusted EBITDA should be reviewed with GAAP net income from continuing operations, the most directly comparable GAAP financial measure, when trying to understand the Company's operating performance.

Same-property NOI is a widely recognized supplemental non-GAAP financial measure for REITs. Properties are included in same-property NOI if they are owned and operated for the entirety of both periods being compared, except for properties undergoing significant

redevelopment and expansion until such properties have stabilized, and properties classified as held for sale. Consistent with the capital treatment of such costs under GAAP, tenant improvements, leasing commissions and other direct leasing costs are excluded from same-property NOI. The Company considers same-property NOI useful to investors as it provides an indication of the recurring cash generated by the Company's properties by excluding certain non-cash revenues and expenses, as well as other infrequent items such as lease termination income which tends to fluctuate more than rents from year to year. Same property NOI should be reviewed with consolidated operating income, the most directly comparable GAAP financial measure.

### **Supplemental Financial Information Package**

The Company has issued "Supplemental Financial Information" for the period ended June 30, 2016. Such information has been filed today as an exhibit to Form 8-K and will also be available on the Company's website at [www.cedarrealtytrust.com](http://www.cedarrealtytrust.com).

### **Investor Conference Call**

The Company will host a conference call today, August 4, 2016, at 5:00 PM (ET) to discuss the first quarter results. The conference call can be accessed by dialing (877) 705-6003 or (1) (201) 493-6725 for international participants. A live webcast of the conference call will be available online on the Company's website at [www.cedarrealtytrust.com](http://www.cedarrealtytrust.com).

A replay of the call will be available from 8:00 PM (ET) on August 4, 2016, until midnight (ET) on August 18, 2016. The replay dial-in numbers are (877) 870-5176 or (1) (858) 384-5517 for international callers. Please use passcode 13638535 for the telephonic replay. A replay of the Company's webcast will be available on the Company's website for a limited time.

### **About Cedar Realty Trust**

Cedar Realty Trust, Inc. is a fully-integrated real estate investment trust which focuses on the ownership and operation of primarily grocery-anchored shopping centers straddling the Washington D.C. to Boston corridor. The Company's portfolio (excluding properties treated as "held for sale") comprises 62 properties, with approximately 9.6 million square feet of gross leasable area.

For additional financial and descriptive information on the Company, its operations and its portfolio, please refer to the Company's website at [www.cedarrealtytrust.com](http://www.cedarrealtytrust.com).

### **Forward-Looking Statements**

Statements made in this press release that are not strictly historical are "forward-looking" statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance and outcomes to differ materially from those expressed or implied in forward-looking statements. Factors which could cause actual results to differ materially from current expectations include, among others: adverse general economic conditions in the United States and uncertainty in the credit and retail markets; financing risks, such as the inability to obtain new financing or refinancing on favorable terms as the result of market volatility or instability; risks related to

the market for retail space generally, including reductions in consumer spending, variability in retailer demand for leased space, tenant bankruptcies, adverse impact of internet sales demand, ongoing consolidation in the retail sector and changes in economic conditions and consumer confidence; risks endemic to real estate and the real estate industry generally; the impact of the Company's level of indebtedness on operating performance; inability of tenants to meet their rent and other lease obligations; adverse impact of new technology and e-commerce developments on the Company's tenants; competitive risk; risks related to the geographic concentration of the Company's properties in the Washington D.C. to Boston corridor; the effects of natural and other disasters; and the inability of the Company to realize anticipated returns from its redevelopment activities. Please refer to the documents filed by Cedar Realty Trust, Inc. with the SEC, specifically the Company's Annual Report on Form 10-K for the year ended December 31, 2015, as it may be updated or supplemented in the Company's Quarterly Reports on Form 10-Q and the Company's other filings with the SEC, which identify additional risk factors that could cause actual results to differ from those contained in forward-looking statements.

**CEDAR REALTY TRUST, INC.**  
**Condensed Consolidated Balance Sheets**  
(unaudited)

	<b>June 30, 2016</b>	<b>December 31, 2015</b>
<b>ASSETS</b>		
Real estate, at cost	\$ 1,594,753,000	\$ 1,550,027,000
Less accumulated depreciation	(319,621,000)	(300,832,000)
Real estate, net	1,275,132,000	1,249,195,000
Real estate held for sale	-	14,402,000
Cash and cash equivalents	2,660,000	2,083,000
Restricted cash	4,099,000	5,592,000
Receivables	17,394,000	17,912,000
Other assets and deferred charges, net	26,749,000	29,196,000
<b>TOTAL ASSETS</b>	<b>\$ 1,326,034,000</b>	<b>\$ 1,318,380,000</b>
<b>LIABILITIES AND EQUITY</b>		
Liabilities:		
Mortgage loans payable	\$ 303,319,000	\$ 298,089,000
Unsecured revolving credit facility	92,000,000	78,000,000
Unsecured term loans	297,168,000	297,731,000
Accounts payable and accrued liabilities	32,397,000	23,831,000
Unamortized intangible lease liabilities	21,741,000	23,187,000
Total liabilities	746,625,000	720,838,000
Equity:		
Preferred stock	190,661,000	190,661,000
Common stock and other shareholders' equity	387,512,000	405,389,000
Noncontrolling interests	1,236,000	1,492,000
Total equity	579,409,000	597,542,000
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 1,326,034,000</b>	<b>\$ 1,318,380,000</b>

**CEDAR REALTY TRUST, INC.**  
**Condensed Consolidated Statements of Operations**  
**(unaudited)**

	<u>Three months ended June 30,</u>		<u>Six mont</u>
	<u>2016</u>	<u>2015</u>	<u>2016</u>
<b>PROPERTY REVENUES</b>			
Rents	\$ 29,897,000	\$ 29,196,000	\$ 59,027,00
Expense recoveries	7,471,000	7,414,000	16,429,00
Other	504,000	132,000	667,00
Total property revenues	37,872,000	36,742,000	76,123,00
<b>PROPERTY OPERATING EXPENSES</b>			
Operating, maintenance and management	5,636,000	5,657,000	12,791,00
Real estate and other property-related taxes	4,941,000	4,965,000	9,821,00
Total property operating expenses	10,577,000	10,622,000	22,612,00
<b>PROPERTY OPERATING INCOME</b>	27,295,000	26,120,000	53,511,00
<b>OTHER EXPENSES AND INCOME</b>			
General and administrative	3,975,000	3,652,000	9,322,00
Acquisition costs	527,000	-	3,124,00
Depreciation and amortization	10,972,000	9,721,000	20,633,00
Gain on sale	-	-	(59,000)
Impairment charges	-	124,000	-
Total other expenses and income	15,474,000	13,497,000	33,020,00
<b>OPERATING INCOME</b>	11,821,000	12,623,000	20,491,00
<b>NON-OPERATING INCOME AND EXPENSES</b>			
Interest expense	(7,128,000)	(7,207,000)	(14,133,000)
Early extinguishment of debt costs	102,000	-	13,000
Total non-operating income and expense	(7,026,000)	(7,207,000)	(14,120,000)
<b>INCOME FROM CONTINUING OPERATIONS</b>	4,795,000	5,416,000	6,371,00
Discontinued operations	-	-	-
<b>NET INCOME</b>	4,795,000	5,416,000	6,371,00
Attributable to noncontrolling interests	93,000	101,000	180,000
<b>NET INCOME ATTRIBUTABLE TO CEDAR REALTY TRUST, INC.</b>	4,888,000	5,517,000	6,551,00

Preferred stock dividends	(3,602,000)	(3,602,000)	(7,204,000)
<b>NET INCOME (LOSS) ATTRIBUTABLE TO COMMON SHAREHOLDERS</b>	<u>\$ 1,286,000</u>	<u>\$ 1,915,000</u>	<u>\$ (653,000)</u>
<b>NET INCOME (LOSS) PER COMMON SHARE ATTRIBUTABLE TO COMMON SHAREHOLDERS (BASIC AND DILUTED)</b>			
Continuing operations	\$ 0.01	\$ 0.02	\$ (0.0)
Discontinued operations	0.00	0.00	0.0
	<u>\$ 0.01</u>	<u>\$ 0.02</u>	<u>\$ (0.0)</u>
Weighted average number of common shares - basic and diluted	<u>81,677,000</u>	<u>81,488,000</u>	<u>81,667,000</u>

**CEDAR REALTY TRUST, INC.**  
**Reconciliation of Net Income (Loss) Attributable to Common Shareholders to Funds From Operations and Operating Funds From Operations**  
(unaudited)

	Three months ended June 30,		
	2016	2015	
<b>Net income (loss) attributable to common shareholders</b>	<b>\$ 1,286,000</b>	<b>\$ 1,915,000</b>	<b>\$</b>
Real estate depreciation and amortization	10,930,000	9,657,000	
Limited partners' interest	7,000	10,000	
Impairment charges	-	124,000	
Gain on sales	-	-	
Consolidated minority interests:			
Share of loss	(100,000)	(111,000)	
Share of FFO	(47,000)	(42,000)	
<b>Funds From Operations ("FFO") applicable to diluted common shares</b>	<b>12,076,000</b>	<b>11,553,000</b>	
Adjustments for items affecting comparability:			
Acquisition costs (a)	527,000	-	
Financing costs (b)	(102,000)	-	
Redevelopment costs (c)	83,000	-	
Management transition costs (d)	-	-	
<b>Operating Funds From Operations ("Operating FFO") applicable to diluted common shares</b>	<b>\$ 12,584,000</b>	<b>\$ 11,553,000</b>	<b>\$</b>
<b>FFO per diluted common share:</b>	<b>\$ 0.14</b>	<b>\$ 0.14</b>	<b>\$</b>
<b>Operating FFO per diluted common share:</b>	<b>\$ 0.15</b>	<b>\$ 0.14</b>	<b>\$</b>
<b>Weighted average number of diluted common shares:</b>			
Common shares	85,342,000	85,022,000	
OP Units	352,000	393,000	
	<u>85,694,000</u>	<u>85,415,000</u>	

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