

November 3, 2016



Cedar Realty Trust Reports Third Quarter 2016 Results

PORT WASHINGTON, N.Y., Nov. 3, 2016 /PRNewswire/ -- Cedar Realty Trust, Inc. (NYSE: CDR – the "Company") today reported results for the third quarter ended September 30, 2016. Net loss attributable to common shareholders was (\$0.05) per diluted share compared with net income attributable to common shareholders of \$0.03 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 1.2%
- Signed 39 new and renewal leases for 223,100 square feet
- Comparable cash-basis lease spreads of 10.8%
- Total portfolio 91.7% leased and same-property portfolio 92.2% leased at quarter-end
- 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 net proceeds of approximately \$44.2 million

"We continue making significant progress on the capital recycling, leasing and redevelopment fronts. With the closing of Upland Square yesterday, we paid down our line and significantly reduced leverage. Additionally, the execution of leases for two of our four vacant anchors, not to mention deals being negotiated for the other two vacant anchor spaces, supports a leasing pipeline that should start delivering meaningful NOI growth in the coming quarters. Lastly, we are making strides on both our in-process large scale redevelopment projects as well as our shadow pipeline and expect they will drive further significant organic earnings growth," commented Bruce Schanzer, CEO.

Financial Results

Net loss attributable to common shareholders for the third quarter of 2016 was \$(4.3) million or \$(0.05) per diluted share, compared to net income of \$2.6 million or \$0.03 per diluted share for the same period in 2015. Net loss attributable to common shareholders for the nine months ended September 30, 2016 was \$(4.9) million or \$(0.07) per diluted share, compared to net income of \$4.4 million or \$0.05 per diluted share for the same period in 2015. The principal difference in the comparative three-month results are impairment charges. The principal differences in the comparative nine-month results are impairment charges and acquisition pursuit costs.

NAREIT-defined FFO for the third quarter of 2016 was \$12.2 million or \$0.14 per diluted share, compared to \$11.9 million or \$0.14 per diluted share for the same period in 2015.

NAREIT-defined FFO for the nine months ended September 30, 2016 was \$31.8 million or \$0.37 per diluted share, compared to \$33.5 million or \$0.39 per diluted share for the same period in 2015. Operating FFO for the third quarter of 2016 was \$12.6 million or \$0.15 per diluted share, compared to \$12.0 million or \$0.14 per diluted share for the same period in 2015. Operating FFO for the nine months ended September 30, 2016 was \$37.2 million or \$0.43 per diluted share, compared to \$34.1 million or \$0.40 per diluted share for the same period in 2015. The principal differences between Operating FFO and FFO are acquisition pursuit, redevelopment and management transition costs.

Portfolio Results

Same-property NOI for the third quarter of 2016 increased 1.2% excluding redevelopments and 0.1% including redevelopments, compared to the same period in 2015.

During the third quarter of 2016, the Company signed 39 leases for 223,100 square feet. On a comparable space basis, the Company leased 193,000 square feet at a positive lease spread of 10.8% on a cash basis (new leases increased 13.7% and renewals increased 7.6%). During the nine months ended September 30, 2016, the Company signed 136 leases for 706,800 square feet. On a comparable space basis, the Company leased 644,000 square feet at a positive lease spread of 8.9% on a cash basis (new leases increased 11.8% and renewals increased 8.3%).

The Company's total portfolio, excluding properties held for sale, was 91.7% leased at September 30, 2016, compared to 91.2% at June 30, 2016 and 93.3% at September 30, 2015. The Company's same-property portfolio was 92.2% leased at September 30, 2016, compared to 91.6% at June 30, 2016 and 93.8% at September 30, 2015.

Balance Sheet

As of September 30, 2016, the Company had \$130.0 million available under its revolving credit facility and reported net debt to earnings before interest, taxes, depreciations, and amortization (EBITDA) of 7.6 times. Reflecting the sale of Upland Square on November 2, 2016, EBITDA would have been 7.2 times. Further, also reflecting the future settlement of the forward equity offering, EBITDA would have been 6.6 times.

On September 30, 2016, the Company drew down on its previously announced \$100 million term loan and used the proceeds to repay mortgages. Additionally, the Company entered into a forward interest rate swap agreement which converts the LIBOR rate to a fixed rate for the term loan beginning November 1, 2016 through its maturity. As a result, based on the Company's current leverage ratio, the effective fixed interest rate will be 3.2%.

On August 1, 2016, the Company entered into a forward sales agreement to issue 5,750,000 common shares for estimated net proceeds of \$44.2 million, before adjustments for dividends paid and other administrative costs prior to settlement. To date, there have been no physical settlements regarding this offering. The Company expects to physically settle the agreement in full prior to its expiration on August 1, 2017. The Company does have the right, at its option, to net settle this agreement in shares or cash prior to its expiration, but does not expect to do so.

2016 Guidance

The Company expects 2016 Operating FFO to be approximately \$0.56 per diluted share, which is the high end of its previously announced range. In addition, the Company updated its NAREIT-defined FFO range to \$0.50 to \$0.51 per diluted share. The difference between Operating FFO and NAREIT-defined FFO guidance for 2016 is principally attributable to acquisition pursuit, redevelopment 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 November 21, 2016, to shareholders of record as of the close of business on November 11, 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 pursuit 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 nine months ended September 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 pursuit 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 September 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.

Investor Conference Call

The Company will host a conference call today, November 3, 2016, at 5:00 PM (ET) to discuss the quarterly 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.

A replay of the call will be available from 8:00 PM (ET) on November 3, 2016, until midnight (ET) on November 17, 2016. The replay dial-in numbers are (877) 870-5176 or (1) (858) 384-5517 for international callers. Please use passcode 13645137 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 61 properties, with approximately 9.1 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.

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)

	September 30,	December 31,
	2016	2015
ASSETS		
Real estate, at cost	\$ 1,504,136,000	\$ 1,550,027,000
Less accumulated depreciation	(316,378,000)	(300,832,000)
Real estate, net	1,187,758,000	1,249,195,000
Real estate held for sale	81,772,000	14,402,000
Cash and cash equivalents	4,508,000	2,083,000
Restricted cash	2,371,000	5,592,000
Receivables	15,950,000	17,912,000
Other assets and deferred charges, net	30,459,000	29,196,000
TOTAL ASSETS	\$ 1,322,818,000	\$ 1,318,380,000
LIABILITIES AND EQUITY		
Liabilities:		
Mortgage loans payable	\$ 167,129,000	\$ 298,089,000
Unsecured revolving credit facility	130,000,000	78,000,000
Unsecured term loans	397,335,000	297,731,000
Accounts payable and accrued liabilities	33,417,000	23,831,000
Unamortized intangible lease liabilities	21,004,000	23,187,000
Total liabilities	748,885,000	720,838,000
Equity:		
Preferred stock	190,661,000	190,661,000
Common stock and other shareholders' equity	382,121,000	405,389,000
Noncontrolling interests	1,151,000	1,492,000
Total equity	573,933,000	597,542,000

TOTAL LIABILITIES AND EQUITY

\$ 1,322,818,000

\$ 1,318,380,000

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

	Three months ended September 30,	
	2016	2015
PROPERTY REVENUES		
Rents	\$ 30,159,000	\$ 29,209,000
Expense recoveries	7,523,000	6,852,000
Other	111,000	39,000
Total property revenues	<u>37,793,000</u>	<u>36,100,000</u>
PROPERTY OPERATING EXPENSES		
Operating, maintenance and management	5,555,000	5,071,000
Real estate and other property-related taxes	5,019,000	4,717,000
Total property operating expenses	<u>10,574,000</u>	<u>9,788,000</u>
PROPERTY OPERATING INCOME	<u>27,219,000</u>	<u>26,312,000</u>
OTHER EXPENSES AND INCOME		
General and administrative	4,318,000	3,696,000
Acquisition pursuit costs	293,000	-
Depreciation and amortization	10,413,000	9,642,000
Gain on sale	-	-
Impairment charges	6,270,000	(127,000)
Total other expenses and income	<u>21,294,000</u>	<u>13,211,000</u>
OPERATING INCOME	<u>5,925,000</u>	<u>13,101,000</u>
NON-OPERATING INCOME AND EXPENSES		
Interest expense	(6,636,000)	(6,927,000)
Early extinguishment of debt costs	(50,000)	(48,000)
Total non-operating income and expense	<u>(6,686,000)</u>	<u>(6,975,000)</u>
(LOSS) INCOME FROM CONTINUING OPERATIONS	(761,000)	6,126,000
Discontinued operations	<u>-</u>	<u>-</u>
NET (LOSS) INCOME	(761,000)	6,126,000
Attributable to noncontrolling interests	<u>74,000</u>	<u>66,000</u>
NET (LOSS) INCOME ATTRIBUTABLE TO CEDAR REALTY TRUST, INC.	(687,000)	6,192,000
Preferred stock dividends	<u>(3,602,000)</u>	<u>(3,602,000)</u>

NET (LOSS) INCOME ATTRIBUTABLE TO COMMON SHAREHOLDERS	<u>\$ (4,289,000)</u>	<u>\$ 2,590,000</u>
NET (LOSS) INCOME PER COMMON SHARE ATTRIBUTABLE TO COMMON SHAREHOLDERS (BASIC AND DILUTED)		
Continuing operations	\$ (0.05)	\$ 0.03
Discontinued operations	0.00	0.00
	<u>\$ (0.05)</u>	<u>\$ 0.03</u>
Weighted average number of common shares - basic and diluted	<u>81,676,000</u>	<u>81,598,000</u>

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

	<u>Three months ended Sept</u>	
	<u>2016</u>	
Net (loss) income attributable to common shareholders	\$ (4,289,000)	\$
Real estate depreciation and amortization	10,370,000	
Limited partners' interest	(15,000)	
Impairment charges / (reversals)	6,270,000	
Gain on sales	-	
Consolidated minority interests:		
Share of loss	(59,000)	
Share of FFO	(38,000)	
Funds From Operations ("FFO") applicable to diluted common shares	12,239,000	
Adjustments for items affecting comparability:		
Acquisition pursuit costs (a)	293,000	
Financing costs (b)	50,000	
Redevelopment costs (c)	35,000	
Management transition costs (d)	-	
Operating Funds From Operations ("Operating FFO") applicable to diluted common shares	\$ 12,617,000	\$
FFO per diluted common share:	\$ 0.14	\$
Operating FFO per diluted common share:	\$ 0.15	\$
Weighted average number of diluted common shares:		
Common shares	85,339,000	
OP Units	352,000	
	<u>85,691,000</u>	

To view the original version on PR Newswire, visit <http://www.prnewswire.com/news-releases/cedar-realty-trust-reports-third-quarter-2016-results-300357036.html>

SOURCE Cedar Realty Trust, Inc.