

February 23, 2017



Cedar Realty Trust Reports Fourth Quarter and Full Year 2016 Results

PORT WASHINGTON, N.Y., Feb. 23, 2017 /PRNewswire/ -- Cedar Realty Trust, Inc. (NYSE:CDR – the "Company") today reported results for the fourth quarter and full year 2016. Net loss attributable to common shareholders was \$(0.01) and \$(0.08) per diluted share for the fourth quarter and full year 2016, respectively. Other highlights include:

Highlights

- NAREIT-defined funds from operations (FFO) of \$0.11 per diluted share for the quarter and \$0.48 for the year.
- Operating funds from operations (Operating FFO) of \$0.14 per diluted share for the quarter and \$0.57 for the year
- Same-property net operating income (NOI) increased 0.6% for the quarter and 1.8% for the year
- Signed 42 new and renewal leases for 271,400 square feet in the quarter and 178 new and renewal leases for 978,200 square feet for the year
- Comparable cash-basis lease spreads of 25.7% for the quarter and 14.9% for the year
- Total portfolio 91.9% leased and same-property portfolio 92.6% leased at year-end
- On November 2, 2016, sold Upland Square, located in Pottstown, Pennsylvania for approximately \$83.3 million
- Subsequent to year end, acquired Christina Crossing, located in Wilmington, Delaware for \$29.3 million.

"We continue to make consistent strides on the leasing, redevelopment and capital migration fronts. The recent acquisition of Christina Crossing in Wilmington, Delaware and the sale of Upland Square in Pottstown, Pennsylvania, are examples of our continued success migrating our capital from lower density to higher density markets within our DC to Boston footprint." commented Bruce Schanzer, CEO.

Financial Results

Net loss attributable to common shareholders for the fourth quarter of 2016 was \$(0.5) million or \$(0.01) per diluted share, compared to net income of \$3.4 million or \$0.04 per diluted share for the same period in 2015. Net loss attributable to common shareholders for the full year 2016 was \$(5.5) million or \$(0.08) per diluted share, compared to net income of \$7.7 million or \$0.09 per diluted share for the same period in 2015. The principal differences in the comparative three-month results are early extinguishment of debt costs and impairment charges. The principal differences in the comparative full year results are impairment charges, acquisition pursuit, management transition and early extinguishment of debt costs.

NAREIT-defined FFO for the fourth quarter of 2016 was \$9.3 million or \$0.11 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 full year 2016 was \$41.1 million or \$0.48 per diluted share, compared to \$45.1 million or \$0.53 per diluted share for the same period in 2015. Operating FFO for the fourth quarter of 2016 was \$12.1 million or \$0.14 per diluted share, compared to \$12.3 million or \$0.14 per diluted share for the same period in 2015. Operating FFO for the full year 2016 was \$49.2 million or \$0.57 per diluted share, compared to \$46.4 million or \$0.54 per diluted share for the same period in 2015. The principal differences between Operating FFO and FFO are acquisition pursuit, redevelopment, management transition and early extinguishment of debt costs.

Portfolio Results

Same-property NOI for the fourth quarter of 2016 increased 0.6% excluding redevelopments and decreased (0.4)% including redevelopments, compared to the same period in 2015. Same property NOI for the year increased 1.8% excluding redevelopments and 0.2% including redevelopments.

During the fourth quarter of 2016, the Company signed 42 leases for 271,400 square feet. On a comparable space basis, the Company leased 264,800 square feet at a positive lease spread of 25.7% on a cash basis (new leases increased 60.2% and renewals increased 10.4%). During the full year 2016, the Company signed 178 leases for 978,200 square feet. On a comparable space basis, the Company leased 908,800 square feet at a positive lease spread of 14.9% on a cash basis (new leases increased 30.4% and renewals increased 8.8%).

The Company's total portfolio, excluding properties held for sale, was 91.9% leased at December 31, 2016, compared to 91.7% at September 30, 2016 and 91.5% at December 31, 2015. The Company's same-property portfolio was 92.6% leased at December 31, 2016, compared to 92.3% at September 30, 2016 and 93.1% at December 31, 2015.

Acquisitions and Dispositions

During the fourth quarter, the Company sold the Upland Square Shopping Center, located in Pottstown, Pennsylvania for approximately \$83.3 million. During the full year, the Company acquired Shoppes at Arts District for \$20.5 million and Glenwood Village for \$19.5 million and the Company sold Liberty Marketplace for \$15.0 million.

Subsequent to year end, on February 22, 2017, the Company acquired Christina Crossing, located in Wilmington, Delaware. The purchase price for the property, which was unencumbered, was \$29.3 million. The approximate 119,000 square foot property is anchored by a Shop Rite, and sits within a solid trade area with a median three-mile household income of \$50,000 and a three-mile population of 112,000.

Balance Sheet

As of December 31, 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 7.3 times. 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.

2017 Guidance

The Company's initial 2017 guidance is as follows:

Net income attributable to common shareholders per diluted share	\$0.13 to \$0.16
NAREIT-defined FFO per diluted share	\$0.52 to \$0.54
Operating FFO per diluted share	\$0.53 to \$0.55

The guidance is based, in part, on the following assumptions:

- Same-property NOI –NOI growth of negative (1.0)% to (2.0)%, attributable principally to downtime associated with the vacant anchors previously disclosed, proactively pursuing the re-tenanting and re-merchandising at certain properties, and related temporary co-tenancy rent reductions
- Acquisitions – includes acquisition of Christina Crossing in Wilmington, Delaware for \$29.3 million (closed February 22, 2017)
- Dispositions – includes sale of Camp Hill outparcel building for \$10.7 million (closed on February 1, 2017) and sale of Upland Square for \$83.3 million closed in late 2016 (closed on November 2, 2016)
- Guidance range will be updated quarterly for the closing of any additional acquisitions and dispositions

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 months and full years ended December 31, 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 costs. 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 December 31, 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, February 23, 2017, 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 February 23, 2017, until midnight (ET) on March 9, 2017. The replay dial-in numbers are (844) 512-2921 or (1) (412) 317-6671 for international callers. Please use passcode 13652858 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 9.2 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, 2016, 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)

	December 31,	
	2016	2015
ASSETS		
Real estate, at cost	\$ 1,496,429,000	\$ 1,550,027,000
Less accumulated depreciation	(313,070,000)	(300,832,000)
Real estate, net	1,183,359,000	1,249,195,000
Real estate held for sale	-	14,402,000
Cash and cash equivalents	2,882,000	2,083,000
Restricted cash	2,880,000	5,592,000
Receivables	14,894,000	17,912,000
Other assets and deferred charges, net	29,506,000	29,196,000
TOTAL ASSETS	\$ 1,233,521,000	\$ 1,318,380,000

LIABILITIES AND EQUITY

Liabilities:

Mortgage loans payable	\$ 138,243,000	\$ 298,089,000
Unsecured revolving credit facility	72,000,000	78,000,000
Unsecured term loans	397,502,000	297,731,000
Accounts payable and accrued liabilities	23,463,000	23,831,000
Unamortized intangible lease liabilities	20,316,000	23,187,000
Total liabilities	<u>651,524,000</u>	<u>720,838,000</u>

Equity:

Preferred stock	190,661,000	190,661,000
Common stock and other shareholders' equity	390,079,000	405,389,000
Noncontrolling interests	1,257,000	1,492,000
Total equity	<u>581,997,000</u>	<u>597,542,000</u>

TOTAL LIABILITIES AND EQUITY

\$ 1,233,521,000	\$ 1,318,380,000
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CEDAR REALTY TRUST, INC.
Condensed Consolidated Statements of Operations
(unaudited)

	Three months ended December 31,		Years ended Dece	
	2016	2015	2016	
PROPERTY REVENUES				
Rents	\$ 28,912,000	\$ 29,372,000	\$ 118,098,000	\$
Expense recoveries	8,084,000	7,947,000	32,036,000	
Other	174,000	411,000	952,000	
Total property revenues	<u>37,170,000</u>	<u>37,730,000</u>	<u>151,086,000</u>	
PROPERTY OPERATING EXPENSES				
Operating, maintenance and management	6,552,000	6,329,000	24,898,000	
Real estate and other property-related taxes	4,777,000	4,820,000	19,617,000	
Total property operating expenses	<u>11,329,000</u>	<u>11,149,000</u>	<u>44,515,000</u>	
PROPERTY OPERATING INCOME	<u>25,841,000</u>	<u>26,581,000</u>	<u>106,571,000</u>	
OTHER EXPENSES AND INCOME				
General and administrative	4,514,000	3,737,000	18,154,000	
Acquisition pursuit costs	9,000	739,000	3,426,000	
Depreciation and amortization	9,741,000	9,723,000	40,787,000	
Gain on sale	-	-	(59,000)	
Impairment charges / (reversals)	77,000	(1,318,000)	6,347,000	
Total other expenses and income	<u>14,341,000</u>	<u>12,881,000</u>	<u>68,655,000</u>	

OPERATING INCOME	11,500,000	13,700,000	37,916,000	
NON-OPERATING INCOME AND EXPENSES				
Interest expense	(5,760,000)	(6,860,000)	(26,529,000)	
Early extinguishment of debt costs	(2,586,000)	-	(2,623,000)	
Total non-operating income and expense	(8,346,000)	(6,860,000)	(29,152,000)	
INCOME FROM CONTINUING OPERATIONS	3,154,000	6,840,000	8,764,000	
Discontinued operations	-	-	-	
NET INCOME	3,154,000	6,840,000	8,764,000	
Attributable to noncontrolling interests	(75,000)	118,000	179,000	
NET INCOME ATTRIBUTABLE TO CEDAR REALTY TRUST, INC.	3,079,000	6,958,000	8,943,000	
Preferred stock dividends	(3,602,000)	(3,602,000)	(14,408,000)	
NET (LOSS) INCOME ATTRIBUTABLE TO COMMON SHAREHOLDERS	<u>\$ (523,000)</u>	<u>\$ 3,356,000</u>	<u>\$ (5,465,000)</u>	<u>\$</u>
NET (LOSS) INCOME PER COMMON SHARE ATTRIBUTABLE TO COMMON SHAREHOLDERS (BASIC AND DILUTED)				
Continuing operations	\$ (0.01)	\$ 0.04	\$ (0.08)	\$
Discontinued operations	0.00	0.00	0.00	
	<u>\$ (0.01)</u>	<u>\$ 0.04</u>	<u>\$ (0.08)</u>	<u>\$</u>
Weighted average number of common shares - basic and diluted	81,676,000	81,620,000	81,672,000	

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

	Three months ended December 31,		Years ended Decen	
	2016	2015	2016	
Net (loss) income attributable to common shareholders	\$ (523,000)	\$ 3,356,000	\$ (5,465,000)	\$
Real estate depreciation and amortization	9,698,000	9,678,000	40,616,000	
Limited partners' interest	(2,000)	9,000	(17,000)	

Impairment charges / (reversals)	77,000	(1,318,000)	6,347,000	
Gain on sales	-	-	(59,000)	
Consolidated minority interests:				
Share of income / (loss)	77,000	(127,000)	(162,000)	
Share of FFO	(43,000)	(20,000)	(193,000)	
Funds From Operations ("FFO")				
applicable to diluted common shares	9,284,000	11,578,000	41,067,000	
Adjustments for items affecting comparability:				
Acquisition pursuit costs (a)	9,000	739,000	3,426,000	
Financing costs (b)	2,586,000	-	2,623,000	
Redevelopment costs (c)	187,000	-	698,000	
Management transition costs (d)	-	-	1,427,000	
Operating Funds From Operations				
("Operating FFO") applicable to diluted common shares	\$ 12,066,000	\$ 12,317,000	\$ 49,241,000	\$
FFO per diluted common share:	\$ 0.11	\$ 0.14	\$ 0.48	\$
Operating FFO per diluted common share:	\$ 0.14	\$ 0.14	\$ 0.57	\$
Weighted average number of diluted common shares:				
Common shares	85,318,000	85,049,000	85,303,000	
OP Units	352,000	352,000	352,000	
	85,670,000	85,401,000	85,655,000	

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