

August 2, 2018



Cedar Realty Trust Reports Second Quarter 2018 Results

PORT WASHINGTON, N.Y., Aug. 2, 2018 /PRNewswire/ -- Cedar Realty Trust, Inc. (NYSE:CDR – the "Company") today reported results for the second quarter ended June 30, 2018. Net income attributable to common shareholders was \$0.08 per diluted share compared with net loss (\$0.10) per diluted share for the comparable 2017 period. Other highlights include:

Highlights

- NAREIT-defined funds from operations (FFO) and Operating funds from operations (Operating FFO) of \$0.19 per diluted share (includes \$5.2 million of lease termination related income)
- Same-property net operating income (NOI) increased 0.7% compared to the same period in 2017
- Signed 35 new and renewal leases for 267,200 square feet in the quarter
- Total portfolio 91.7% leased and same-property portfolio 92.0% leased at quarter-end
- On July 24, 2018, closed on a new \$75.0 million seven-year unsecured term loan with proceeds to be drawn by October 24, 2018.

"Our successful financing transaction and focus on everyday operating excellence, along with our advancing urban mixed-use redevelopment projects continue to serve as sources of value creation and protection for our shareholders. These efforts and results are a credit to all of Team Cedar," commented Bruce Schanzer, CEO.

Financial Results

Net income attributable to common shareholders for the second quarter of 2018 was \$7.1 million or \$0.08 per diluted share, compared to net loss of (\$8.1) million or (\$0.10) per diluted share for the same period in 2017. The principal differences in the comparative three-month results are lease termination income in 2018 and impairment charges related to properties held for sale 2017. Net loss attributable to common shareholders for the six months ended June 30, 2018 was (\$15.9) million or (\$0.19) per diluted share, compared to net income of \$0.1 million or \$0.00 per diluted share for the same period in 2017. The principal differences in the comparative six-month results are lease termination income, impairment charges related to properties held for sale and preferred stock redemption costs in 2018, and gain on sale of an outparcel building and impairment charges in 2017.

NAREIT-defined FFO for the second quarter of 2018 was \$17.6 million or \$0.19 per diluted share, compared to \$11.7 million or \$0.14 per diluted share for the same period in 2017. NAREIT-defined FFO for the six months ended June 30, 2018 was \$26.0 million or \$0.28 per diluted share, compared to \$23.2 million or \$0.27 per diluted share for the same period in

2017. Operating FFO for the second quarter of 2018 was \$17.6 million or \$0.19 per diluted share, compared to \$11.7 million or \$0.14 per diluted share for the same period in 2017. Operating FFO for the six-month period ended June 30, 2018 was \$29.5 million or \$0.32 per diluted share, compared to \$23.4 million or \$0.27 per diluted share for the same period in 2017. The principal difference in the comparative three and six-month results is lease termination income. The principal difference between Operating FFO and NAREIT-defined FFO is preferred stock redemption costs.

Portfolio Update

During the second quarter of 2018, the Company signed 35 leases for 267,200 square feet. On a comparable space basis, the Company leased 244,100 square feet at a positive lease spread of 1.8% on a cash basis (new leases decreased 23.8% and renewals increased 8.1%). During the six months ended June 30, 2018, the Company signed 83 leases for 845,900 square feet. On a comparable space basis, the Company leased 822,800 square feet at a negative lease spread of 4.8% on a cash basis (new leases decreased 11.3% and renewals decreased 4.0%).

Excluding six strategic leases, comparable lease spread for the six months ended June 30, 2018 would have been 4.7% (new leases increased 0.7% and renewals increased 5.4%). These six strategic leases consisted of (a) five anchor renewals in the first quarter of 2018 totaling 303,000 square feet at reduced or flat base rental rates that the Company proactively renewed with extended rental terms, and (b) a new lease in the second quarter of 2018 for 29,000 square feet of unconventional retail space in the rear of a shopping center at a significantly reduced rental rate. These anchor tenants have good credit and generate high foot traffic at their respective properties.

Same-property NOI for the second quarter of 2018 increased 0.7% excluding redevelopments and increased 0.6% including redevelopments, compared to the same period of 2017. Same property NOI for six-month period increased 0.4% excluding redevelopments and 0.5% including redevelopments, compared to the same period of 2017.

The Company's total portfolio, excluding properties held for sale, was 91.7% leased at June 30, 2018, compared to 92.6% at March 31, 2018 and 92.4% at June 30, 2017. The Company's same-property portfolio was 92.0% leased at June 30, 2018, compared to 93.1% at March 31, 2018 and 93.6% at June 30, 2017. The Company's total portfolio and same-property portfolio leased percentages at June 30, 2018 were negatively impacted 134 basis points and 155 basis points, respectively, as a result of the recent Bon-Ton bankruptcy which resulted in two anchor vacancies in April 2018 within the Company's portfolio.

In April 2018, the Company accepted a cash payment of \$4.3 million in consideration for permitting a dark anchor tenant to terminate its lease prior to the contractual expiration. This anchor tenant was located at a property held for sale, and while paying its contractual rent prior to lease termination, it had closed and ceased retail operations at the property. This termination increased NAREIT-defined FFO and Operating FFO by approximately \$5.2 million, after GAAP adjustments for amortization of intangible lease liabilities and straight-line rents, offset by foregone rental payments.

As of June 30, 2018, Carll's Corner, located in Bridgeton, New Jersey, Maxatawny Marketplace, located in Maxatawny, Pennsylvania, and West Bridgewater Plaza, located in

West Bridgewater, Massachusetts, have been classified as "real estate held for sale". The Company recorded impairment charges of \$21.4 million in connection with these properties during the quarter ended March 31, 2018.

Balance Sheet

As of June 30, 2018, the Company had \$109.2 million available under its revolving credit facility and reported net debt to earnings before interest, taxes, depreciations, and amortization for real estate (EBITDAre) of 7.7 times.

On July 24, 2018, the Company closed a new \$75.0 million unsecured term loan maturing on July 24, 2025 (none of which was borrowed at closing). Proceeds from the term loan can be drawn at any time from closing until October 24, 2018, and are expected to be used primarily to repay mortgages maturing through November 2022. Interest on borrowings under the term loan can range from LIBOR plus 170 to 225 basis points based on the Company's leverage ratio. Additionally, the Company entered into forward interest rate swap agreements which will convert the LIBOR rate to a fixed rate through its maturity. As a result, the effective interest rate once the full \$75.0 million unsecured term loan is borrowed will be 4.6%, based on the Company's current leverage ratio.

2018 Guidance

The Company updates its previously-announced 2018 guidance as follows:

	<u>Revised Guidance</u>
Net (loss) attributable to common shareholders per diluted share	(\$0.24) - (\$0.23)
NAREIT-defined FFO per diluted share	\$0.48 - \$0.49
Operating FFO per diluted share	\$0.58 - \$0.59

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

- Same-property NOI excluding redevelopment properties will be relatively flat from 2017 to 2018
- Bon-Ton bankruptcy impact of approximately \$0.01 per share
- Incremental third-party fees related to shareholder activism and ongoing litigation in connection with the termination of the Former Chief Operating Officer aggregating approximately \$0.01 per share
- Lease termination income impact for permitting a dark anchor tenant to terminate its lease, net of foregone rental payments, of approximately \$0.05 per share
- Early extinguishment of debt costs of \$0.06 per share and preferred stock redemption costs of \$0.04 per share
- Disposition range of \$15 million to \$30 million in the second half of 2018
- No acquisitions included in guidance; guidance range will be updated quarterly for any closed acquisitions

The principal difference between NAREIT-defined FFO and Operating FFO is early extinguishment of debt and preferred stock redemption costs.

Non-GAAP Financial Measures

NAREIT-defined FFO is a widely recognized supplemental non-GAAP measure utilized to

evaluate the financial performance of a REIT. The Company considers NAREIT-defined 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. NAREIT-defined 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 NAREIT-defined FFO and Operating FFO for the three and six months ended June, 2018 and 2017 is detailed in the attached schedule.

EBITDAre is a recognized supplemental non-GAAP financial measure. The Company presents EBITDAre in accordance with the definition adopted by NAREIT, which generally defines EBITDAre as net income plus interest expense, income tax expense, depreciation, amortization, and impairment write-downs of depreciated property, plus or minus losses and gains on the disposition of depreciated property, and adjustments to reflect the Company's share of EBITDAre of unconsolidated affiliates. The Company believes EBITDAre provides additional information with respect to the Company's performance and ability to meet its future debt service requirements. The Company also considers Adjusted EBITDAre 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 and redevelopment costs. The Company believes Adjusted EBITDAre further assists in comparing the Company's performance across reporting periods on a consistent basis by excluding such items. EBITDAre and Adjusted EBITDAre should be reviewed with GAAP net income, the most directly comparable GAAP financial measure, when trying to understand the Company's operating performance. EBITDAre and Adjusted EBITDAre do not represent cash generated from operating activities and should not be considered as an alternative to income from continuing operations or to cash flow from operating activities. The Company's computation of Adjusted EBITDAre may differ from the computations utilized by other companies and, accordingly, may not be comparable to such companies.

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, 2018. 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, August 2, 2018, 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 August 2, 2018, until midnight (ET) on August 16, 2018. The replay dial-in numbers are (844) 512-2921 or (1) (412) 317-6671 for international callers. Please use passcode 13680312 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, operation and redevelopment of grocery-anchored shopping centers in high-density urban markets from Washington, D.C. to Boston. The Company's portfolio (excluding properties treated as "held for sale") comprises 58 properties, with approximately 8.7 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, 2017, 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)

	June 30, 2018	December 31, 2017
ASSETS		
Real estate, at cost	\$ 1,501,996,000	\$ 1,534,599,000
Less accumulated depreciation	(348,587,000)	(341,943,000)
Real estate, net	1,153,409,000	1,192,656,000
Real estate held for sale	13,833,000	-
Cash and cash equivalents	1,625,000	3,702,000
Restricted cash	5,030,000	3,517,000
Receivables	17,503,000	17,193,000
Other assets and deferred charges, net	41,258,000	35,350,000
TOTAL ASSETS	\$ 1,232,658,000	\$ 1,252,418,000
LIABILITIES AND EQUITY		
Liabilities:		
Mortgage loans payable	\$ 126,453,000	\$ 127,969,000
Unsecured revolving credit facility	104,500,000	55,000,000
Unsecured term loans	397,462,000	397,156,000
Accounts payable and accrued liabilities	21,791,000	24,519,000
Unamortized intangible lease liabilities	14,696,000	17,663,000
Total liabilities	664,902,000	622,307,000
Equity:		
Preferred stock	159,541,000	207,508,000
Common stock and other shareholders' equity	406,406,000	420,828,000
Noncontrolling interests	1,809,000	1,775,000
Total equity	567,756,000	630,111,000
TOTAL LIABILITIES AND EQUITY	\$ 1,232,658,000	\$ 1,252,418,000

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

	Three months ended June 30,	
	2018	2017
PROPERTY REVENUES		
Rents	\$ 29,451,000	\$ 28,
Expense recoveries	7,767,000	7,
Other	4,132,000	
Total property revenues	41,350,000	35,
PROPERTY OPERATING EXPENSES		
Operating, maintenance and management	5,994,000	5,
Real estate and other property-related taxes	5,056,000	4,
Total property operating expenses	11,050,000	10,
PROPERTY OPERATING INCOME	30,300,000	25,
OTHER EXPENSES AND INCOME		
General and administrative	4,276,000	4,
Acquisition pursuit costs	-	
Depreciation and amortization	10,541,000	9,
Gain on sale	-	
Impairment charges	-	9,
Total other expenses and income	14,817,000	24,
OPERATING INCOME	15,483,000	1,
NON-OPERATING INCOME AND EXPENSES		
Interest expense	(5,546,000)	(5,
Total non-operating income and expense	(5,546,000)	(5,
NET INCOME (LOSS)	9,937,000	(4,
Attributable to noncontrolling interests	(160,000)	
NET INCOME (LOSS) ATTRIBUTABLE TO CEDAR REALTY TRUST, INC.	9,777,000	(4,
Preferred stock dividends	(2,688,000)	(3,
Preferred stock redemption costs	-	
NET INCOME (LOSS) ATTRIBUTABLE TO COMMON SHAREHOLDERS	\$ 7,089,000	\$ (8,
NET INCOME (LOSS) PER COMMON SHARE ATTRIBUTABLE TO COMMON SHAREHOLDERS:		
Basic	\$ 0.08	\$
Diluted	\$ 0.08	\$
Weighted average number of common shares:		
Basic	88,011,000	81,
Diluted	88,166,000	81,

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

	Three months ended June 30,	
	2018	2017
Net income (loss) attributable to common shareholders	\$ 7,089,000	\$ (8
Real estate depreciation and amortization	10,490,000	9
Limited partners' interest	27,000	
Gain on sales	-	
Impairment charges	-	9
Consolidated minority interests:		
Share of income	133,000	
Share of FFO	(120,000)	
Funds From Operations ("FFO") applicable to diluted common shares	17,619,000	11
Adjustments for items affecting comparability:		
Preferred stock redemption costs	-	
Acquisition pursuit costs	-	
Redevelopment costs	-	
Operating Funds From Operations ("Operating FFO") applicable to diluted common shares	\$ 17,619,000	\$ 11
FFO per diluted common share:	\$ 0.19	\$
Operating FFO per diluted common share:	\$ 0.19	\$
Weighted average number of diluted common shares:		
Common shares and equivalents	91,929,000	85
OP Units	347,000	
	92,276,000	85

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