

November 1, 2018



Cedar Realty Trust Reports Third Quarter 2018 Results

PORT WASHINGTON, N.Y., Nov. 1, 2018 /PRNewswire/ -- Cedar Realty Trust, Inc. (NYSE: CDR – the "Company") today reported results for the third quarter ended September 30, 2018. Net income attributable to common shareholders was \$0.04 per diluted share compared with net loss (\$0.06) per diluted share for the comparable 2017 period. Other highlights include:

Highlights

- NAREIT-defined funds from operations (FFO) of \$0.08 per diluted share
- Operating funds from operations (Operating FFO) of \$0.13 per diluted share
- Signed 42 new and renewal leases for 193,200 square feet in the quarter
- Comparable cash-basis lease spreads of 3.4%
- Total portfolio 91.6% leased and same-property portfolio 92.3% leased at quarter-end
- Acquired Senator Square shopping center in Washington, D.C. through a deed of lease
- Sold two properties totaling \$19.6 million
- Refinanced four mortgages with a new unsecured \$75 million seven year term loan
- Reaffirmed full-year 2018 Operating FFO range of \$0.58 to \$0.59 per diluted share

"We continue progressing our portfolio repositioning strategy as our major urban mixed-use redevelopments gain momentum. Notably, our project in Washington, D.C. was significantly advanced with the acquisition of Senator Square which sits directly across Minnesota Avenue from our East River Park shopping center. More generally, we are pleased with our leasing efforts in the face of the secular retail headwinds and our balance sheet management with the unencumbering of four properties via a \$75 million term loan financing," commented Bruce Schanzer, President and Chief Executive Officer.

Financial Results

Net income attributable to common shareholders for the third quarter of 2018 was \$3.5 million or \$0.04 per diluted share, compared to net loss of (\$5.1) million or (\$0.06) per diluted share for the same period in 2017. The principal differences in the comparative three-month results are gain on sale, reversal of impairment and early extinguishment of debt charges in 2018 and preferred stock redemption costs in 2017. Net loss attributable to common shareholders for the nine months ended September 30, 2018 was (\$12.4) million or (\$0.15) per diluted share, compared to net loss of (\$5.0) million or (\$0.07) per diluted share for the same period in 2017. The principal differences in the comparative nine-month results are lease termination income, impairment charges, gain on sale and preferred stock redemption costs in 2018, and a gain on sale of an outparcel building, preferred stock redemption costs and impairment charges in 2017.

NAREIT-defined FFO for the third quarter of 2018 was \$7.5 million or \$0.08 per diluted share, compared to \$4.6 million or \$0.05 per diluted share for the same period in 2017. NAREIT-defined FFO for the nine months ended September 30, 2018 was \$33.5 million or \$0.36 per diluted share, compared to \$27.8 million or \$0.32 per diluted share for the same period in 2017. Operating FFO for the third quarter of 2018 was \$12.4 million or \$0.13 per diluted share, compared to \$12.5 million or \$0.14 per diluted share for the same period in 2017. Operating FFO for the nine-month period ended September 30, 2018 was \$41.9 million or \$0.45 per diluted share, compared to \$35.9 million or \$0.41 per diluted share for the same period in 2017. The principal difference in the comparative nine-month results is lease termination income in 2018. The principal differences between Operating FFO and NAREIT-defined FFO are preferred stock redemption costs and early extinguishment of debt charges.

Portfolio Update

During the third quarter of 2018, the Company signed 42 leases for 193,200 square feet. On a comparable space basis, the Company leased 191,200 square feet at a positive lease spread of 3.4% on a cash basis (renewals increased 9.4% and new leases decreased 5.3%). During the nine months ended September 30, 2018, the Company signed 125 leases for 1,039,100 square feet. On a comparable space basis, the Company leased 1,014,000 square feet at a negative lease spread of 3.4% on a cash basis (renewals decreased 2.4% and new leases decreased 8.8%).

Excluding six strategic leases signed in early 2018, comparable lease spread for the nine months ended September 30, 2018 would have been 4.4% (renewals increased 6.1% and new leases decreased 2.2%). 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 third quarter of 2018 decreased 0.2% excluding redevelopments and decreased 1.4% including redevelopments, compared to the same period of 2017. Same property NOI for the nine-month period increased 0.5% excluding redevelopments and decreased 0.3% including redevelopments, compared to the same period of 2017.

The Company's total portfolio, excluding properties held for sale, was 91.6% leased at September 30, 2018, compared to 91.7% at June 30, 2018 and 92.7% at September 30, 2017. The Company's same-property portfolio was 92.3% leased at September 30, 2018, compared to 92.3% at June 30, 2018 and 93.7% at September 30, 2017. The Company's total portfolio and same-property portfolio leased percentages at September 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.

Acquisitions

On August 8, 2018, the Company purchased a land parcel adjacent to its Riverview Plaza property, located in Philadelphia, Pennsylvania. The purchase price for the land parcel was

\$1.0 million, which was comprised of \$25,000 in cash and approximately 208,000 OP Units.

On August 21, 2018, the Company entered into a deed of lease for Senator Square, a shopping center located in Washington, D.C. The deed of lease conveys fee title to the buildings to the Company and contains future options to acquire fee title to the land at its then fair-value, with the first such option becoming available between the 25th and the 33rd anniversaries of the lease, depending on certain property benchmarks, with additional purchase options every 10 years thereafter during the lease term. This lease, which expires in August 2117, is presented in the Company's financial statements as two separate components as follows: (1) a \$5.7 million capital lease obligation for the fee interest in the buildings, and (2) an operating lease for the land.

Dispositions

On August 28, 2018, the Company sold Mechanicsburg Center, located in Mechanicsburg, Pennsylvania. The sales price for the property was \$16.1 million, which resulted in a gain on sale of \$4.9 million.

On September 28, 2018, the Company sold West Bridgewater Plaza, located in West Bridgewater, Massachusetts. The sales price for the property was \$3.5 million. An impairment charge of \$9.4 million has been recorded in connection with this property during 2018.

Balance Sheet

As of September 30, 2018, the Company had \$135.1 million available under its revolving credit facility and reported net debt to earnings before interest, taxes, depreciation, and amortization for real estate (EBITDAre) of 7.6 times.

On July 24, 2018, the Company closed a new \$75.0 million unsecured term loan maturing on July 24, 2025 which was used to repay four mortgages that matured 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 convert the LIBOR rates to a fixed rates through its maturity. As a result, the effective interest rate is 4.6% at September 30, 2018, based on the Company's leverage ratio.

2018 Guidance

The Company's full-year 2018 guidance is as follows:

	<u>Revised Guidance</u>
Net (loss) attributable to common shareholders per diluted share	(\$0.13) - (\$0.12)
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 \$0.05 per share and preferred stock redemption costs of \$0.04 per share
- Dispositions of approximately \$20 million
- Guidance range only reflects closed acquisitions

The principal differences between NAREIT-defined FFO and Operating FFO are 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 nine months ended September 30, 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 September 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, November 1, 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 November 1, 2018, until midnight (ET) on November 15, 2018. The replay dial-in numbers are (844) 512-2921 or (1) (412) 317-6671 for international callers. Please use passcode 13683229 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)

	September 30, 2018	December 31, 2017
ASSETS		
Real estate, at cost	\$ 1,502,342,000	\$ 1,534,599,000
Less accumulated depreciation	(353,085,000)	(341,943,000)
Real estate, net	1,149,257,000	1,192,656,000
Real estate held for sale	11,348,000	-
Cash and cash equivalents	4,398,000	3,702,000
Restricted cash	-	3,517,000
Receivables	21,905,000	17,193,000
Other assets and deferred charges, net	50,645,000	35,350,000
TOTAL ASSETS	\$ 1,237,553,000	\$ 1,252,418,000
LIABILITIES AND EQUITY		
Liabilities:		
Mortgage loans payable	\$ 47,545,000	\$ 127,969,000
Capital lease obligation	5,398,000	-
Unsecured revolving credit facility	102,000,000	55,000,000

Unsecured term loans	471,954,000	397,156,000
Accounts payable and accrued liabilities	25,688,000	24,519,000
Unamortized intangible lease liabilities	14,014,000	17,663,000
Total liabilities	<u>666,599,000</u>	<u>622,307,000</u>
Equity:		
Preferred stock	159,541,000	207,508,000
Common stock and other shareholders' equity	408,182,000	420,828,000
Noncontrolling interests	3,231,000	1,775,000
Total equity	<u>570,954,000</u>	<u>630,111,000</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 1,237,553,000</u>	<u>\$ 1,252,418,000</u>

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

	Three months ended September 30,	
	2018	2017
PROPERTY REVENUES		
Rents	\$ 28,120,000	\$ 28,362,000
Expense recoveries	7,747,000	7,436,000
Other	303,000	600,000
Total property revenues	<u>36,170,000</u>	<u>36,398,000</u>
PROPERTY OPERATING EXPENSES		
Operating, maintenance and management	6,394,000	5,578,000
Real estate and other property-related taxes	5,037,000	4,931,000
Total property operating expenses	<u>11,431,000</u>	<u>10,509,000</u>
PROPERTY OPERATING INCOME	<u>24,739,000</u>	<u>25,889,000</u>
OTHER EXPENSES AND INCOME		
General and administrative	3,975,000	4,121,000
Acquisition pursuit costs	-	-
Depreciation and amortization	9,650,000	9,807,000
Gain on sale	(4,864,000)	-
Impairment (reversals)/charges	(707,000)	-
Total other expenses and income	<u>8,054,000</u>	<u>13,928,000</u>
OPERATING INCOME	<u>16,685,000</u>	<u>11,961,000</u>
NON-OPERATING INCOME AND EXPENSES		
Interest expense	(5,551,000)	(5,544,000)

Early extinguishment of debt costs	(4,829,000)	-
Total non-operating income and expense	(10,380,000)	(5,544,000)
NET INCOME (LOSS)	6,305,000	6,417,000
Attributable to noncontrolling interests	(145,000)	(117,000)
NET INCOME (LOSS) ATTRIBUTABLE TO CEDAR REALTY TRUST, INC.	6,160,000	6,300,000
Preferred stock dividends	(2,688,000)	(3,535,000)
Preferred stock redemption costs	-	(7,890,000)
NET INCOME (LOSS) ATTRIBUTABLE TO COMMON SHAREHOLDERS	\$ 3,472,000	\$ (5,125,000)
NET INCOME (LOSS) PER COMMON SHARE ATTRIBUTABLE TO COMMON SHAREHOLDERS:		
Basic	\$ 0.04	\$ (0.06)
Diluted	\$ 0.04	\$ (0.06)
Weighted average number of common shares:		
Basic	89,049,000	85,642,000
Diluted	89,875,000	85,642,000

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

	Three months ended September 30,	
	2018	2017
Net income (loss) attributable to common shareholders	\$ 3,472,000	\$ (5,125,000)
Real estate depreciation and amortization	9,601,000	9,756,000
Limited partners' interest	19,000	(21,000)
Gain on sales	(4,864,000)	-
Impairment (reversals)/charges	(707,000)	-
Consolidated minority interests:		
Share of income	126,000	138,000
Share of FFO	(99,000)	(125,000)
Funds From Operations ("FFO") applicable to diluted common shares	7,548,000	4,623,000
Adjustments for items affecting comparability:		
Preferred stock redemption costs	-	7,890,000
Financing costs (a)	4,829,000	-
Acquisition pursuit costs	-	-

Redevelopment costs (b)	-	-
Operating Funds From Operations ("Operating FFO") applicable to diluted common shares	\$ 12,377,000	\$ 12,513,000
FFO per diluted common share:	\$ 0.08	\$ 0.05
Operating FFO per diluted common share:	\$ 0.13	\$ 0.14
Weighted average number of diluted common shares:		
Common shares and equivalents	92,961,000	89,434,000
OP Units	469,000	349,000
	93,430,000	89,783,000

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