



## **Acadia Realty Trust Announces Sale Of Senior Preferred Interest**

January 7, 2003

NEW YORK--(BUSINESS WIRE)--Jan. 7, 2003--Acadia Realty Trust (NYSE: AKR) announced today that it sold its retained \$6.3 million senior preferred interest which arose in connection with its disposition of certain non-core assets.

In April 2002, Acadia sold a 17 property portfolio of non-core shopping centers, including three Kmart and four Ames stores, to the Lightstone Group. As part of the sale, Acadia retained a \$6.3 million senior preferred interest in the purchaser's holding company. On December 31, 2002, Acadia's position was purchased by the Lightstone Group at par. Acadia was earning 15% per annum on its senior interest.

The sale of Acadia's senior position completes the disposition of its non-core portfolio. Commencing in 1998, Acadia began to sell assets acquired in the merger with Mark Centers Trust. With this payoff, Acadia has sold over \$170 million in non-core assets.

The proceeds from the sale of Acadia's position will be redeployed in future investments, including the recently announced pending acquisition of the Brandywine Town Center by Acadia's joint venture, Acadia Strategic Opportunity Fund. In November 2002, Acadia announced that its acquisition fund entered into a definitive agreement to purchase a one million square foot, value-based retail complex, located in Wilmington, Delaware, and anchored by national tenants including Lowe's Home Improvement, Bed, Bath & Beyond, Regal Cinema, Michael's, Petsmart, Old Navy, Annie Sez, Thomasville Furniture, KB Toys and Dick's Sporting Goods.

Acadia also announced that it is accelerating the payment date of its next dividend from February 3, 2003 to January 22, 2003 as a result of the payoff which occurred earlier than anticipated. The record date of December 31, 2002 for the dividend remains unchanged from that as originally announced.

Kenneth F. Bernstein, Acadia's President and CEO stated, "While we enjoyed the attractive yield on the Morgan Stanley preferred interest, we are pleased to have completed the final component of this non-core disposition and reduce further our exposure to Kmart and Ames. Now, as part of our capital recycling program, we anticipate profitably reinvesting the proceeds in transactions such as in our recently announced pending acquisition, Brandywine Town Center."

Acadia Realty Trust, headquartered on Long Island, NY, is a fully integrated and self-managed real estate investment trust which specializes in the acquisition, redevelopment and operation of shopping centers which are anchored by grocery and value-oriented retail. Acadia currently owns (or had interests in) and operates 36 properties totaling approximately 7 million square feet, located primarily in the Eastern United States.

Certain matters in this press release may constitute forward-looking statements within the meaning of the Private Litigation Reform Act of 1995 and as such may involve known and unknown risk, uncertainties and other factors which may cause the actual results, performances or achievements of Acadia to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements. Such forward-looking statements speak only as of the date of this document. Acadia expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in Acadia's expectations with regard thereto or change of events, conditions or circumstances on which any such statement is based.

For information visit Acadia Realty Trust's Web site at [www.acadiarealty.com](http://www.acadiarealty.com)

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