



## Acadia Realty Trust Upwardly Adjusts Previously Announced 2003 Operating Results

March 15, 2004

NEW YORK--(BUSINESS WIRE)--March 15, 2004--Acadia Realty Trust (NYSE:AKR - "Acadia" or the "Company"), a real estate investment trust ("REIT") and owner and operator of shopping centers anchored by grocery and value-oriented retail, today announced an upward revision of its previously released operating results for the quarter and year ended December 31, 2003. All per share amounts in the following discussion are on a diluted basis.

The Company adopted the fair value method of accounting for stock options on a prospective basis in accordance with Statement of Financial Accounting Standards No. 123 ("SFAS 123") effective January 1, 2002. During 2003, in connection with the settlement of certain vested stock options, the Company made cash payments in an amount equal to the difference between the option price and the market price of the Company's shares at the time of settlement. In consultation with its auditors, the Company recorded such payments as a charge against earnings of \$1.05 million, or \$0.03 per share, as reported in the Company's press release dated February 17, 2004. This charge resulted in announced (loss) earnings per share of \$(0.04) and \$0.27 for the quarter and year ended December 31, 2003, respectively, and funds from operations ("FFO") per share of \$0.19 and \$0.92 for the quarter and year ended December 31, 2003, respectively.

Upon further review of the accounting guidance contained in SFAS 123 as it applies to the settlement of options that had originally been issued under Accounting Principles Board Opinion No. 25, the Company and its auditors concluded that the earnings charge should have been limited to the cash paid in excess of the fair value of the options at the settlement date. Such excess amounted to \$300,000. The amount representing the fair value of the options settled should be charged directly against shareholders' equity. Accordingly the original charge recorded by the Company against earnings has been reduced by \$750,000, before minority interest, to reflect the portion of the settlement charge made directly against shareholders' equity. As such, the Company is currently announcing revised (loss) earnings per share of \$(0.02) and \$0.29 for the quarter and year ended December 31, 2003, respectively, and FFO per share of \$0.22 and \$0.95 for the quarter and year ended December 31, 2003, respectively.

This revision has no effect on the Company's assets, liabilities or aggregate shareholders' equity and minority interest.

The following tables have been revised to reflect the effect of the above revision and supercede the tables contained in Acadia's February 17, 2004 press release:

### ACADIA REALTY TRUST AND SUBSIDIARIES Financial Highlights

For the Quarters and Years ended December 31, 2003 and 2002  
(dollars in thousands, except per share data)

#### STATEMENTS OF INCOME

Revenues	For the quarters ended		For the years ended	
	December 31, 2003	2002	December 31, 2003	2002
Minimum rents	\$12,818	\$12,592	\$50,168	\$48,488
Percentage rents	467	477	1,012	1,079
Expense reimbursements	3,914	3,358	13,539	11,419
Lease termination income	--	--	--	3,945
Other property income	268	83	749	536
Other	684	1,080	3,977	3,880
<b>Total revenues</b>	<b>18,151</b>	<b>17,590</b>	<b>69,445</b>	<b>69,347</b>
<b>Operating expenses</b>				
Property operating	4,470	4,061	15,170	12,274
Real estate taxes	2,502	2,166	8,799	8,447
General and administrative	2,803	2,886	10,734	10,173
Depreciation and amortization	6,632	3,845	17,909	14,804
Abandoned project costs	--	--	--	274
<b>Total operating</b>				

expenses	16,407	12,958	52,612	45,972
Operating income	1,744	4,632	16,833	23,375
Equity in earnings of unconsolidated partnerships	634	303	2,411	628
Interest expense	(2,818)	(2,810)	(11,231)	(11,017)
Gain on sale	--	--	1,187	1,530
Minority interest	(37)	(653)	(1,347)	(2,999)
Income (loss) from continuing operations	(477)	1,472	7,853	11,517

ACADIA REALTY TRUST AND SUBSIDIARIES  
Financial Highlights

For the Quarters and Years ended December 31, 2003 and 2002  
(dollars in thousands, except per share data)

STATEMENTS OF INCOME (continued)

	For the quarters ended December 31,		For the years ended December 31,	
	2003	2002	2003	2002
Discontinued operations:				
Operating income from discontinued operations	\$--	\$151	\$--	\$1,165
Impairment of real estate	--	--	--	(197)
Gain on sale of properties	--	6,349	--	8,132
Minority interest	--	(742)	--	(1,218)
Income from discontinued operations	--	5,758	--	7,882
Net income (loss)	\$(477)	\$7,230	\$7,853	\$19,399
Net income (loss) per Common Share - Basic				
Net income (loss) per Common Share - Continuing operations	\$(.02)	\$.06	\$.30	\$.46
Net income (loss) per Common Share - Discontinued operations	--	.23	--	.31
Net income (loss) per Common Share	\$(.02)	\$.29	\$.30	\$.77
Weighted average Common Shares	27,335	25,174	26,589	25,321

Net income (loss) per Common Share - Diluted (a)				
Net income (loss) per Common Share - Continuing operations	n/a	\$.06	\$.29	\$.45
Net income (loss) per Common Share -				

Discontinued operations	n/a	.22	--	.31
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Net income (loss) per Common Share	n/a	\$.28	\$.29	\$.76
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Weighted average Common Shares	n/a	25,684	27,496	25,806
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ACADIA REALTY TRUST AND SUBSIDIARIES

Financial Highlights

For the Quarters and Years ended December 31, 2003 and 2002

(dollars in thousands, except per share data)

RECONCILIATION OF NET INCOME TO FUNDS FROM OPERATIONS (b)

	For the quarters ended		For the years ended	
	December 31,		December 31,	
	2003	2002	2003	2002
	-----			
Net income (loss)	\$(477)	\$7,230	\$7,853	\$19,399
Depreciation of real estate and amortization of leasing costs:				
Wholly owned and consolidated partnerships	6,416	3,625	16,957	15,305
Unconsolidated partnerships	550	183	2,107	662
Income attributable to minority interest in Operating Partnership	(11)	948	747	2,928
Gain on sale of properties (b)	--	(6,349)	--	(8,132)
Funds from operations	6,478	5,637	27,664	30,162
Funds from operations - Discontinued operations	--	(168)	--	(2,743)
Funds from operations - Continuing operations	\$6,478	\$5,469	\$27,664	\$27,419
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Funds from operations per share - Basic				
Weighted average Common Shares and OP Units (c)	28,475	28,420	28,457	28,998
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Funds from operations per share - Continuing operations	\$.23	\$.19	\$.97	\$.95
Funds from operations per share - Discontinued operations	--	.01	--	.09
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Funds from operations per share	\$ .23	\$ .20	\$ .97	\$ 1.04
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Funds from operations per share - Diluted				
Weighted average Common Shares and OP Units (c)	29,692	28,931	29,364	29,483
=====				
Funds from operations per share - Continuing operations	\$ .22	\$ .19	\$ .95	\$ .94
Funds from operations per share - Discontinued operations	--	.01	--	.09
=====				
Funds from operations per share	\$ .22	\$ .20	\$ .95	\$ 1.03
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ACADIA REALTY TRUST AND SUBSIDIARIES  
Financial Highlights  
As of December 31, 2003 and 2002  
(dollars in thousands, except per share data)

SELECTED BALANCE SHEET INFORMATION

	December 31, 2003	December 31, 2002
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Cash and cash equivalents	\$14,663	\$45,168
Rental property, at cost	427,628	413,878
Total assets	388,184	410,935
Mortgage notes payable	190,444	202,361
Total liabilities	208,765	224,487
Fixed rate debt: (d)	156,433	145,236
% of outstanding debt	82%	72%
Weighted average interest rate	6.6%	6.8%
Variable rate debt	\$34,011	\$57,125
% of outstanding debt	18%	28%
Weighted average interest rate	2.9%	3.3%
Total weighted average interest rate	5.9%	5.8%

Notes:

- (a) Reflects the potential impact if certain Preferred OP Units and Common Share options were converted to Common Shares at the beginning of the period. Assuming such conversion, net income would be increased by \$36 and \$50 for the quarters ended December 31, 2003 and 2002, respectively, and \$185 and \$199 for the years then ended.
- (b) The Company considers funds from operations ("FFO") as defined by the National Association of Real Estate Investment Trusts ("NAREIT") to be an appropriate supplemental disclosure of operating performance for an equity REIT due to its widespread acceptance and use within the REIT and analyst communities. FFO is presented to assist investors in analyzing the performance of the Company. It is helpful as it excludes various items included in net income that are not indicative of the operating performance, such as gains (or losses) from sales of property and depreciation

and amortization. However, the Company's method of calculating FFO may be different from methods used by other REITs and, accordingly, may not be comparable to such other REITs. FFO does not represent cash generated from operations as defined by generally accepted accounting principles ("GAAP") and is not indicative of cash available to fund all cash needs, including distributions. It should not be considered as an alternative to net income for the purpose of evaluating the Company's performance or to cash flows as a measure of liquidity. Consistent with the NAREIT definition, the Company defines FFO as net income (computed in accordance with GAAP), excluding gains (or losses) from sales of depreciated property, plus depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. The Company historically has added back impairments in real estate in calculating FFO, in accordance with prior NAREIT guidance. However, NAREIT, based on discussions with the SEC, has provided revised guidance that provides that impairments should not be added back to net income in calculating FFO. As such, historical FFO has been restated consistent with this revised guidance.

Included in FFO for the years ended December 31, 2003 and 2002 are gains from the sale of land of \$659 and \$957, respectively (amounts are net of minority interests).

- (c) In addition to the weighted average Common Shares outstanding for the period, diluted FFO also assumes full conversion of a weighted average 1,140 and 3,246 OP Units into Common Shares for the quarters ended December 31, 2003 and 2002, and 1,868 and 3,677 OP Units into Common Shares for the years then ended.
- (d) Fixed-rate debt includes \$86,669 of notional principal fixed through swap transactions. Conversely, variable-rate debt excludes this amount.

Acadia Realty Trust, headquartered in White Plains, 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 has interests in) and operates 62 properties totaling approximately nine 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 federal securities law 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 in events, conditions or circumstances on which any such statement is based. The Company also refers you to the documents filed by the Company, from time to time, with the Securities and Exchange Commission, including without limitation the Company's Annual Report on Form 10-K and the "Management's Discussion and Analysis of Financial Condition and Results of Operations" incorporated by reference therein, for a discussion of such risks and uncertainties.

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

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