

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of Earliest Event Reported): October 28, 2014

**ACADIA REALTY TRUST**

(Exact name of registrant as specified in its charter)

Maryland  
(State or other jurisdiction of incorporation)

1-12002  
(Commission File Number)

23-2715194  
(I.R.S. Employer Identification No.)

1311 Mamaroneck Avenue

Suite 260

White Plains, New York 10605

(Address of principal executive offices) (Zip Code)

(914) 288-8100

(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425 )

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 2.02. Results of Operations and Financial Condition.**

On October 28, 2014, Acadia Realty Trust (the "Company") issued a press release announcing its consolidated financial results for the quarter ended September 30, 2014. A copy of this press release is attached to this report on Form 8-K as Exhibit 99.1 and incorporated herein by reference. In addition, on October 28, 2014, the Company made available supplemental information concerning the ownership, operations and portfolio of the Company as of and for the quarter ended September 30, 2014. A copy of this supplemental information is attached to this report on Form 8-K as Exhibit 99.2 and incorporated herein by reference. The information included in this Item 2.02, including the information included in Exhibits 99.1 and 99.2 attached hereto, is intended to be furnished solely pursuant to this Item 2.02, and is not deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or incorporated by reference into any filing under the Securities Act of 1933, as amended ("Securities Act") or the Exchange Act, or otherwise subject to the liabilities of Sections 11 and 12 (a) (2) of the Securities Act.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

Exhibit Number	Description
99.1	Press release of the Company dated October 28, 2014.
99.2	Financial and Operating Reporting Supplement of the Company for the quarter ended September 30, 2014.

## **SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**ACADIA REALTY TRUST**  
(Registrant)

Date: October 30, 2014

By: /s/ Jonathan Grisham

Name: Jonathan Grisham  
Title: Sr. Vice President  
and Chief Financial Officer

## ACADIA REALTY TRUST REPORTS THIRD QUARTER 2014 OPERATING RESULTS

**WHITE PLAINS, NY (October 28, 2014)** - Acadia Realty Trust (NYSE: AKR) today reported operating results for the quarter ended September 30, 2014. Acadia operates a dual platform strategy comprised of a high-quality portfolio with concentrations of assets in the nation's most dynamic street-retail corridors ("Core Portfolio") and opportunistic and value-add investments through a series of discretionary institutional funds ("Funds"). All per share amounts below are on a fully diluted basis.

### Third Quarter 2014 Highlights

#### Earnings

- Third quarter funds from operations ("FFO") of \$0.30 per share included \$0.03 of acquisition related costs
- Earnings per share ("EPS") of \$0.47 included \$0.36 of gain on the disposition of assets

#### **Core Portfolio - Guidance Increased for NOI in Existing Portfolio; Acquisitions Volume at Upper End of Annual Guidance**

- Same property net operating income ("NOI") for the third quarter up 7.7% compared to 2013; annual guidance increased to a range of 5.0% to 5.5%
- 97.0% leased occupancy at September 30, 2014
- Closed on \$295.9 million of acquisitions year-to-date
- Additional acquisition pipeline of \$144.3 million under contract

#### **Fund Platform - Active Capital Recycling Continues**

- Fund III and IV's Miami Beach properties ("Lincoln Road Portfolios") were sold for a total of \$342.0 million versus aggregate cost basis of \$195.5 million
- During and subsequent to the quarter, closed on or had under contract \$123.7 million

#### **Balance Sheet - Match Funding With Conservative Leverage**

- 2014 acquisitions capitalized on a leverage neutral basis consistent with historic low leverage levels
- Core and pro-rata share of Fund debt, net of cash on hand ("Net Debt"), to EBITDA ratio of 4.4x at September 30, 2014 compared to 4.6x at June 30, 2014
- Fixed-charge coverage ratio including pro-rata share of Funds of 3.2x for the quarter

### Third Quarter 2014 Operating Results

FFO for the three and nine months ended September 30, 2014 was \$18.7 million and \$58.7 million, respectively, up from \$17.9 million and \$52.1 million for the three and nine months ended September 30, 2013, respectively. On a per share basis, FFO for the third quarter 2014 was \$0.30 which compares to \$0.32 for third quarter 2013. Excluding acquisition costs, FFO for each of these periods was \$0.33. For the nine month period ended September 30, 2014, FFO per share was \$0.97, as compared to \$0.93 for the same period of 2013. FFO for these periods was \$1.03 and \$0.97, respectively, excluding acquisition costs. While generating significant profits, the successful monetization of the Lincoln Road Portfolios as discussed further

below, represented approximately \$0.01 of FFO dilution for the third quarter of 2014 prior to the future redeployment of capital.

Net income for the three and nine months ended September 30, 2014 was \$28.6 million and \$61.6 million, as compared to \$9.5 million and \$27.9 million for the three and nine months ended September 30, 2013, respectively. EPS for the three and nine months ended September 30, 2014 was \$0.47 and \$1.04, respectively, as compared to \$0.17 and \$0.50 for the same periods for 2013. Net income for the three and nine months ended September 30, 2014 includes \$21.4 million and \$34.0 million, respectively, or \$0.36 and \$0.59 per share, of gain realized on the disposition of properties, including the Lincoln Road Portfolios.

Refer to the Financial Highlights below for further detail on operating results and additional disclosures related to FFO.

### **Core Portfolio - Guidance Increased for NOI in Existing Portfolio; Acquisitions Volume at Upper End of Annual Guidance**

#### **Portfolio Performance**

Same-property NOI in the Core Portfolio increased 7.7% for the third quarter of 2014 as compared to the third quarter of 2013. Of this NOI increase, approximately 5.2% was driven by increased rents and approximately 2.0% was from comparatively lower operating costs, net of reimbursements during the quarter. For the nine months ended September 30, 2014, same-property NOI increased 5.6% over 2013. Following the third quarter result, Acadia has increased its expected same-property NOI growth to range between 5.0% and 5.5% for the full year.

At September 30, 2014, Acadia's Core Portfolio was 96.0% occupied, and was 97.0% leased, which includes space leased but not yet occupied. This compares to 96.6% occupied and 97.0% leased as of June 30, 2014.

During the quarter ended September 30, 2014, the Company generated an increase in average rents on a GAAP basis, which includes the effect of the straight-lining of rents, of 17.2% on 71,000 square feet of new and renewal leases executed during the quarter. On a contractual rent, or cash basis, which compares the initial rent of the new and renewal leases against the ending rent of the former leases, the Company experienced an increase of 8.7% in average rents for these same leases.

#### **Core Acquisitions - High-Quality New York Metro Street Retail, Urban and Dense Suburban Retail**

Acadia has now achieved the high end of its full-year Core Portfolio acquisitions goal of \$200 to \$300 million. Year-to-date, the Company has closed on \$295.9 million of acquisitions, including three properties during and subsequent to the third quarter for an aggregate purchase price of \$154.1 million as follows:

**131-135 Prince Street - Manhattan** - As previously announced, the Company acquired this 3,200 square foot street retail co-op unit for \$51.4 million during the third quarter. Home to a high concentration of national and luxury retailers, Prince Street has seen continued high demand for retail selling space, with rents for prime locations surpassing \$1,000 per square foot. This location, tenanted by Folli Follie and Uno de 50 expands Acadia's existing SoHo portfolio of properties on Spring and Mercer Streets. The Company acquired this asset in a private negotiation and funded its investment primarily with operating partnership units.

**Bedford Green - Bedford Hills, NY** - Also, as previously announced, during the third quarter, Acadia acquired this ShopRite anchored 90,000 square foot shopping center along Route 117 in the Bedford Hills neighborhood in Westchester for \$46.8 million. The property draws shoppers from a large, affluent suburban trade area with household incomes of \$100,000 and \$140,000 within three and five-mile rings, respectively. Other

tenants at this 92% occupied center include CVS, Panera Bread and Chase Bank. In connection with this acquisition, Acadia assumed \$29.8 million of debt collateralized by the property.

Shops at Grand Avenue - Queens - Subsequent to the third quarter, Acadia closed on the acquisition of this 99,975 square foot property anchored by Stop & Shop for \$56.0 million. Located less than five miles east of Manhattan on Grand Avenue in Queens, this 91% leased property offers rooftop parking and benefits from a population of 529,000 within a 2-mile radius. Stop & Shop is the dominant grocer in the area, with competing grocers being smaller in size and with limited or no parking.

Including the Company's additional acquisition pipeline of \$144.3 million of Chicago street retail currently under contract, Acadia now expects a total of \$400 to \$500 million of Core Portfolio acquisitions for the year. No assurance can be given that the Company will successfully close on this acquisition pipeline, which is subject to lender approval on the assumption of existing mortgage debt and other customary closing conditions.

### **Fund Platform - Profitable Sale of Lincoln Road Portfolios; \$123.7 Million of Fund IV Acquisitions Closed or Under Contract**

#### Funds III and IV Complete Sale of Lincoln Road Portfolio

During the third quarter, as previously announced, Funds III and IV, through their joint ventures with affiliates of Terranova Corporation ("Terranova"), completed the sale of a six-property portfolio located in Miami Beach, Florida for an aggregate \$342.0 million. The joint ventures had a total combined invested amount of \$195.5 million. During its 3.5-year hold period, Fund III's investment generated a 46% IRR and a 3.0x equity multiple. Fund IV held its investment for 1.7 years and its investment generated a 48% IRR and a 1.9x equity multiple.

#### Fund IV Acquisitions

During and subsequent to the third quarter, Fund IV closed on \$72.7 million of acquisitions and had an additional \$51.0 million under contract for a total of \$123.7 million. Fund IV has now allocated approximately 40% of its capital commitments to the acquisition and development of existing and pending investments. As amounts currently under contract are subject to customary closing conditions, no assurance can be given that the Company will successfully close on this pipeline. Details of the acquisitions closed on during and subsequent to the third quarter are as follows.

Eden Square - Bear, DE - As previously announced, during the third quarter, Fund IV, through its joint venture with MCB Real Estate LLC, acquired Eden Square, a 236,000 square foot shopping center located less than 15 miles south of Wilmington in Bear, Delaware, for a purchase price of \$25.4 million.

"Off Madison" Collection, Manhattan - Subsequent to the third quarter, Fund IV completed the acquisition of two properties, located on the Upper East Side of Manhattan, for \$47.3 million through separate transactions. The properties, both of which are six stories and approximately 10,000 sf, are located at 27 E. 61<sup>st</sup> Street and 17 E. 71<sup>st</sup> Street, just steps off of Madison Avenue. As such, these properties present a unique value proposition to luxury retailers by providing high visibility from Madison Avenue and solid co-tenancy at a discounted cost. Neighboring retailers include Barneys New York, Hermes, Ralph Lauren and Prada. The property located on 61<sup>st</sup> Street is currently under construction. The property located on 71<sup>st</sup> Street presents a near-term opportunity to re-tenant the street and second-level retail space as well as an opportunity to mark rents to market as the upper-level leases expire.

## **Balance Sheet - Match Funding With Conservative Leverage**

Through September 30, 2014, Acadia has capitalized its 2014 acquisitions on a leverage neutral basis consistent with the Company's historic low leverage levels as demonstrated by the following:

- Core Portfolio fixed-charge coverage ratio of 3.3x for the quarter ended September 30, 2014, compared to 3.9x for the quarter ended June 30, 2014
- Including the Company's pro-rata share of the Funds, fixed-charge coverage ratio was 3.2x compared to 3.9x for the same periods
- Core Portfolio ratio of Net Debt to EBITDA was 3.5x at September 30, 2014, compared to 3.6x as of June 30, 2014
- Including the Company's pro-rata share of the Funds, Net Debt to EBITDA improved to 4.5x from 4.6x for the same periods
- Core and pro-rata share of Fund Net Debt to Total Market Capitalization was 20% at September 30, 2014, compared to 21% at June 30, 2014

## **Outlook - Earnings Guidance for 2014**

Consistent with its previously increased earnings guidance, the Company forecasts a range of 2014 annual FFO of \$1.35 to \$1.40 per share and 2014 EPS of \$0.72 to \$0.77, on a fully diluted basis. Consistent with Acadia's guidance practices, these ranges exclude acquisition costs and gains from dispositions.

## **Management Comments**

"The across-the-board strength of our third-quarter operating metrics underscores the high quality of our differentiated core portfolio," stated Kenneth F. Bernstein, President and CEO of Acadia Realty Trust. "Looking ahead, by continuing to selectively add assets in our nation's top live-work-play street/urban and dense-suburban markets, we believe that we are positioning our portfolio to continue to deliver attractive, long-term organic growth. At the same time, through our complementary fund platform, we are able to opportunistically respond to trends in real estate, retailing and the capital markets. More recently, this response has included the acquisition of high-yielding suburban shopping centers, investment in the next generation of street retail and the profitably monetization of established high-street assets. And, through it all, we have remained well capitalized, providing us with sufficient dry powder - both in the core portfolio and our fund platform - to continue to execute on our various investment strategies."

## **Investor Conference Call**

Management will conduct a conference call on Wednesday, October 29, 2014 at 12:00 PM ET to review the Company's earnings and operating results. The live conference call can be accessed by dialing 888-771-4371. The pass code is "38036236" or "Acadia Realty". The call will also be webcast and can be accessed in a listen-only mode at Acadia's web site at [www.acadiarealty.com](http://www.acadiarealty.com). If you are unable to participate during the live webcast, the call will be archived and available on Acadia's website. Alternatively, to access the replay by phone, dial 888-843-7419, and the passcode will be "38036236#". The phone replay will be available through Wednesday, November 5, 2014.

## **About Acadia Realty Trust**

Acadia Realty Trust, a fully-integrated equity real estate investment trust, is focused on the acquisition, ownership, management and redevelopment of high-quality retail properties located in key street and urban retail corridors as well as suburban locations within high-barrier-to-entry, densely-populated metropolitan areas along the East Coast and in Chicago. Acadia owns, or has an ownership interest in, these properties through its core portfolio and through a series of opportunistic/value-add investment funds. Additional information may be found on the Company's website at [www.acadiarealty.com](http://www.acadiarealty.com).

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 risks, uncertainties and other factors that 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. These forward-looking statements include statements regarding Acadia's future financial results and its ability to capitalize on potential opportunities arising from continued economic uncertainty. Factors that could cause the Company's forward-looking statements to differ from its future results include, but are not limited to, those discussed under the headings "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's most recent annual report on Form 10-K filed with the SEC on February 26, 2014 ("Form 10-K") and other periodic reports filed with the SEC, including risks related to: (i) the current global financial environment and its effect on retail tenants; (ii) the Company's reliance on revenues derived from major tenants; (iii) the Company's limited control over joint venture investments; (iv) the Company's partnership structure; (v) real estate and the geographic concentration of the Company's properties; (vi) market interest rates; (vii) leverage; (viii) liability for environmental matters; (ix) the Company's growth strategy; (x) the Company's status as a REIT; (xi) uninsured losses and (xii) the loss of key executives. Copies of the Form 10-K and the other periodic reports Acadia files with the SEC are available on the Company's website at [www.acadiarealty.com](http://www.acadiarealty.com). Any forward-looking statements in this press release speak only as of the date hereof. 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.

**(Financial Highlights Follow)**



**ACADIA REALTY TRUST AND SUBSIDIARIES**  
**Financial Highlights**<sup>1</sup>  
**For the Quarters and Nine Months ended September 30, 2014 and 2013**  
*(dollars and Common Shares in thousands, except per share data)*

<i>Revenues</i>	<b>For the Quarters ended</b>		<b>For the Nine Months ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Rental income	\$ 36,587	\$ 30,604	\$ 106,517	\$ 90,097
Interest income	3,006	2,969	9,219	9,265
Expense reimbursements	7,386	7,333	24,008	20,979
Other property income	602	162	1,236	820
Other income	79	18	2,876	3,022
Total revenues	<u>47,660</u>	<u>41,086</u>	<u>143,856</u>	<u>124,183</u>
<i>Operating expenses</i>				
Property operating	6,758	6,310	21,214	17,256
Real estate taxes	5,666	5,866	16,905	15,949
General and administrative	7,123	5,335	20,898	17,263
Depreciation and amortization	12,884	10,450	36,055	29,278
Total operating expenses	<u>32,431</u>	<u>27,961</u>	<u>95,072</u>	<u>79,746</u>
Operating income	15,229	13,125	48,784	44,437
Equity in earnings of unconsolidated affiliates	105,778	4,209	110,237	7,274
Impairment of asset	—	—	—	(1,500)
Loss on extinguishment of debt	—	—	(269)	—
Gain on disposition of property	190	—	13,138	—
Interest expense and other finance costs	(10,142)	(10,595)	(30,327)	(29,806)
Income from continuing operations before income taxes	<u>111,055</u>	<u>6,739</u>	<u>141,563</u>	<u>20,405</u>
Income tax benefit (provision)	17	(186)	(68)	(57)
Income from continuing operations	<u>111,072</u>	<u>6,553</u>	<u>141,495</u>	<u>20,348</u>

**ACADIA REALTY TRUST AND SUBSIDIARIES**  
**Financial Highlights**<sup>1</sup>  
**For the Quarters and Nine Months ended September 30, 2014 and 2013**  
*(dollars and Common Shares in thousands, except per share data)*

	<b>For the Quarters ended</b>		<b>For the Nine Months ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Operating income from discontinued operations <sup>5</sup>	—	2,589	—	5,394
Gain on disposition of property	—	—	560	4,191
Income from discontinued operations		2,589	560	9,585
Net income	111,072	9,142	142,055	29,933
Loss (income) attributable to noncontrolling interests:				
Continuing operations	(82,508)	2,342	(79,971)	6,103
Discontinued operations	—	(1,999)	(461)	(8,171)
Net (income) loss attributable to noncontrolling interests	(82,508)	343	(80,432)	(2,068)
Net income attributable to Common Shareholders	<u>\$ 28,564</u>	<u>\$ 9,485</u>	<u>\$ 61,623</u>	<u>\$ 27,865</u>
Income from continuing operations attributable to				
Common Shareholders	\$ 28,564	\$ 8,895	\$ 61,524	\$ 26,451
Income from discontinued operations				
attributable to Common Shareholders	—	590	99	1,414
Net income attributable to Common Shareholders	<u>28,564</u>	<u>9,485</u>	<u>61,623</u>	<u>27,865</u>
Less: Net Income attributable to participating securities	(490)	(167)	(1,083)	(493)
Net Income attributable to Common Shareholders - basic	\$ 28,074	\$ 9,318	\$ 60,540	\$ 27,372
Weighted average shares for basic earnings per share	59,686	55,460	57,898	54,697
Net Earnings per share - basic and diluted	<u>\$ 0.47</u>	<u>\$ 0.17</u>	<u>\$ 1.04</u>	<u>\$ 0.50</u>
Basic and diluted earnings per share - Continuing Operations <sup>2</sup>	<u>\$ 0.47</u>	<u>\$ 0.16</u>	<u>\$ 1.04</u>	<u>\$ 0.47</u>
Basic and diluted earnings per share - Discontinued Operations <sup>2</sup>	<u>—</u>	<u>\$ 0.01</u>	<u>—</u>	<u>\$ 0.03</u>

**ACADIA REALTY TRUST AND SUBSIDIARIES**

Financial Highlights <sup>1</sup>

**For the Quarters and Nine Months ended September 30, 2014 and 2013**

*(dollars and Common Shares in thousands, except per share data)*

**RECONCILIATION OF NET INCOME TO FUNDS FROM OPERATIONS <sup>3</sup>**

	For the Quarters ended		For the Nine Months ended	
	September 30,		September 30,	
	2014	2013	2014	2013
Net income attributable to Common Shareholders	\$ 28,564	\$ 9,485	\$ 61,623	\$ 27,865
Depreciation of real estate and amortization of leasing costs (net of noncontrolling interests' share):	9,766	8,335	27,607	23,123
Impairment of asset	—	—	—	1,500
Gain on disposition (net of noncontrolling interests' share):	(20,953)	—	(33,180)	(776)
Income attributable to noncontrolling interests' in				
Operating Partnership	1,344	104	2,653	329
Distributions - Preferred OP Units	6	5	19	16
Funds from operations	<u>\$ 18,727</u>	<u>\$ 17,929</u>	<u>\$ 58,722</u>	<u>\$ 52,057</u>
<i>Funds from operations per share - Diluted</i>				
Weighted average Common Shares and OP Units <sup>4</sup>	<u>62,797</u>	<u>56,436</u>	<u>60,595</u>	<u>55,735</u>
Funds from operations, per share	<u>\$ 0.30</u>	<u>\$ 0.32</u>	<u>\$ 0.97</u>	<u>\$ 0.93</u>

**ACADIA REALTY TRUST AND SUBSIDIARIES**  
**Financial Highlights**<sup>1</sup>  
**For the Quarters and Nine Months ended September 30, 2014 and 2013**  
*(dollars in thousands)*

**RECONCILIATION OF OPERATING INCOME TO NET PROPERTY  
OPERATING INCOME (“NOI”)<sup>3</sup>**

	<b>For the Quarters ended</b>		<b>For the Nine Months ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Operating income	\$ 15,229	\$ 13,125	\$ 48,784	\$ 44,437
Add back:				
General and administrative	7,123	5,335	20,898	17,263
Depreciation and amortization	12,884	10,450	36,055	29,278
Less:				
Interest income	(3,006)	(2,969)	(9,219)	(9,265)
Straight line rent and other adjustments	(651)	(1,163)	(6,090)	(4,224)
Consolidated NOI	31,579	24,778	90,428	77,489
Noncontrolling interest in NOI	(10,080)	(7,393)	(28,837)	(25,623)
Pro-rata share of NOI	21,499	17,385	61,591	51,866
Operating Partnerships' interest in Opportunity Funds	(1,673)	(1,135)	(4,602)	(4,028)
Operating Partnerships' share of unconsolidated joint ventures <sup>1</sup>	907	661	2,686	2,079
NOI - Core Portfolio	<u>\$ 20,733</u>	<u>\$ 16,911</u>	<u>\$ 59,675</u>	<u>\$ 49,917</u>

Note:

<sup>1</sup> Does not include share of unconsolidated joint ventures within Opportunity Funds

**SELECTED BALANCE SHEET INFORMATION**

	<b>As of</b>	
	<b>September 30,</b>	<b>December 31,</b>
	<b>2014</b>	<b>2013</b>
	<i>(dollars in thousands)</i>	
Cash and cash equivalents	\$ 131,132	\$ 79,189
Rental property, at cost	1,716,997	1,481,700
Total assets	2,454,651	2,264,957
Notes payable	1,141,066	1,039,997
Total liabilities	1,252,317	1,143,369

**ACADIA REALTY TRUST AND SUBSIDIARIES**  
Financial Highlights  
**For the Quarters and Nine Months ended September 30, 2014 and 2013**  
*(dollars and Common Shares in thousands, except per share data)*

**Notes:**

<sup>1</sup> For additional information and analysis concerning the Company's results of operations, reference is made to the Company's Quarterly Supplemental Disclosure furnished on Form 8-K to the SEC and included on the Company's website at [www.acadiarealty.com](http://www.acadiarealty.com).

<sup>2</sup> Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue Common Shares were exercised or converted into Common Shares. The effect of the conversion of Common OP Units is not reflected in the above table as they are exchangeable for Common Shares on a one-for-one basis. The income allocable to such units is allocated on the same basis and reflected as noncontrolling interests in the consolidated financial statements. As such, the assumed conversion of these units would have no net impact on the determination of diluted earnings per share.

<sup>3</sup> The Company considers funds from operations ("FFO") as defined by the National Association of Real Estate Investment Trusts ("NAREIT") and net property operating income ("NOI") to be appropriate supplemental disclosures of operating performance for an equity REIT due to their widespread acceptance and use within the REIT and analyst communities. FFO and NOI are presented to assist investors in analyzing the performance of the Company. They are helpful as they exclude various items included in net income that are not indicative of the operating performance, such as gains (losses) from sales of depreciated property, depreciation and amortization, and impairment of depreciable real estate. In addition, NOI excludes interest expense. The Company's method of calculating FFO and NOI 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 (losses) from sales of depreciated property, plus depreciation and amortization, impairment of depreciable real estate, and after adjustments for unconsolidated partnerships and joint ventures.

<sup>4</sup> In addition to the weighted average Common Shares outstanding, basic and diluted FFO also assume full conversion of a weighted average 2,772 and 592 OP Units into Common Shares for the quarters ended September 30, 2014 and 2013, respectively and 2,385 and 618 OP Units into Common Shares for the nine months ended September 30, 2014 and 2013, respectively. Diluted FFO also includes the assumed conversion of Preferred OP Units into 25 Common Shares for each of the quarters and nine months ended September 30, 2014 and 2013. In addition, diluted FFO also includes the effect of 314 and 358 employee share options, restricted share units and LTIP units for the quarters ended September 30, 2014 and 2013, respectively and 287 and 406 employee share options, restricted share units and LTIP units for the nine months ended September 30, 2014 and 2013, respectively.

<sup>5</sup> During April, 2014, the Financial Accounting Standards Board ("FASB") issued a new accounting standard ("ASU 2014-08") regarding the criteria for reporting discontinued operations. ASU 2014-08 is effective prospectively beginning in the first quarter of 2015, although early adoption is permitted beginning in the first quarter of 2014. The Company has elected to early adopt ASU 2014-08 and, as such, beginning in the first quarter of 2014, prospective activity related to individual properties sold or held for sale will no longer be included as discontinued operations in the consolidated financial statements.

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Visit [www.acadiarealty.com](http://www.acadiarealty.com) for additional investor and portfolio information

## Company Information

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Acadia Realty Trust, a fully-integrated equity real estate investment trust, is focused on the acquisition, ownership, management and redevelopment of high-quality retail properties located in key street and urban retail corridors as well as suburban locations within high-barrier-to-entry, densely-populated metropolitan areas along the East Coast and in Chicago. Acadia owns, or has an ownership interest in, these properties through its core portfolio and through a series of opportunistic/value-add investment funds. Additional information may be found on the Company's website at [www.acadiarealty.com](http://www.acadiarealty.com).

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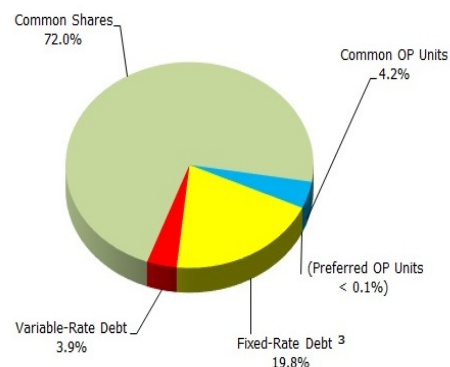
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## Market Capitalization

(including pro-rata share of Fund debt, in thousands)

	Total Market Capitalization		Capitalization based on	
	\$	%	Net Debt <sup>1</sup>	Total Market Capitalization
<b>Equity Capitalization</b>				
Common Shares	60,081			
Common Operating Partnership ("OP") Units	3,539			
Combined Common Shares and OP Units	63,620			
Share Price at September 30, 2014	\$ 27.58			
Equity Capitalization - Common Shares and OP Units	\$ 1,754,640			
Preferred OP Units	691 <sup>2</sup>			
<b>Total Equity Capitalization</b>	<b>1,755,331</b>	<b>76%</b>	<b>80%</b>	
<b>Debt Capitalization</b>				
Consolidated debt	1,139,724			
Adjustment to reflect pro-rata share of debt	(594,732)			
<b>Total Debt Capitalization</b>	<b>544,992</b>	<b>24%</b>	<b>20%</b>	
<b>Total Market Capitalization</b>	<b>\$ 2,300,323</b>	<b>100%</b>	<b>100%</b>	



## Weighted Average Outstanding Common Shares and OP Units

(in thousands)

	September 30, 2014		Changes in Total Common Shares Outstanding and OP Units	
	Year-to-date	Quarter		
Weighted average Common Shares - Basic EPS	57,898	59,686	Balance @ 12/31/2013	55,643
Dilutive potential Common Shares	287	313	Issuance	4,254
Weighted average Common Shares - Diluted EPS	58,185	59,999	Other	184
OP Units	2,385	2,772	Balance @ 9/30/2014	60,081
Dilutive potential OP Units	25	25		3,539
Weighted average Common Shares and OP Units - Diluted FFO	60,595	62,796		

### Notes:

<sup>1</sup> Reflects debt net of Core Portfolio cash balance of	\$ 89,553
pro-rata share of Funds cash balance of	7,797
and pro-rata share of restricted cash relating to City Point financing of	9,714
for total cash netted against debt of	<u>\$ 107,064</u>

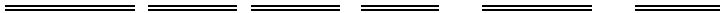
<sup>2</sup> Represents 188 Series A Preferred OP Units convertible into 25,067 Common OP units multiplied by the Common Share price at quarter end.

<sup>3</sup> Fixed-rate debt includes notional principal fixed through interest rate swap transactions.



**Income Statements - Pro-rata Consolidation 1**
*(in thousands)*

	Year-to-date ended September 30, 2014			Three months ended September 30, 2014		
	Core Portfolio	Funds	Total	Core	Funds	Total
<b>CORE PORTFOLIO AND FUND INCOME</b>						
<b>PROPERTY REVENUES</b>						
Minimum rents	\$ 63,966	\$ 8,781	\$ 72,747	\$ 22,282	\$ 2,883	\$ 25,165
Percentage rents	214	52	266	38	8	46
Expense reimbursements - CAM	6,396	1,141	7,537	1,788	294	2,082
Expense reimbursements - Taxes	8,825	1,201	10,026	3,192	343	3,535
Other property income	213	143	356	140	75	215
<b>Total Property Revenues</b>	<b>79,614</b>	<b>11,318</b>	<b>90,932</b>	<b>27,440</b>	<b>3,603</b>	<b>31,043</b>
<b>PROPERTY EXPENSES</b>						
Property operating - CAM	7,972	1,419	9,391	2,141	432	2,573
Other property operating (Non-CAM)	1,392	519	1,911	666	134	800
Real estate taxes	10,578	1,752	12,330	3,900	498	4,398
<b>Total Property Expenses</b>	<b>19,942</b>	<b>3,690</b>	<b>23,632</b>	<b>6,707</b>	<b>1,064</b>	<b>7,771</b>
<b>NET OPERATING INCOME - PROPERTIES</b>	<b>59,672</b>	<b>7,628</b>	<b>67,300</b>	<b>20,733</b>	<b>2,539</b>	<b>23,272</b>
<b>OTHER INCOME (EXPENSE)</b>						
Interest income	8,621	252	8,873	2,613	155	2,768
Straight-line rent income	2,070	576	2,646	714	195	909
Above/below market rent	1,873	627	2,500	573	91	664
Interest expense	(15,532)	(2,398)	(17,930)	(5,250)	(705)	(5,955)
Amortization of finance costs	(736)	(401)	(1,137)	(244)	(131)	(375)
Above/below market interest expense	525	73	598	175	25	200
Asset and property management expense	(106)	(202)	(308)	(37)	(82)	(119)
Other income/(expense)	2,024	(12)	2,012	93	(23)	70
Transaction costs	(3,054)	(465)	(3,519)	(1,554)	(167)	(1,721)
<b>CORE PORTFOLIO AND FUND INCOME</b>	<b>55,357</b>	<b>5,678</b>	<b>61,035</b>	<b>17,816</b>	<b>1,897</b>	<b>19,713</b>
<b>FEE INCOME</b>						
Asset and property management fees	11,486	—	11,486	3,632	—	3,632
Transactional fees 2	5,486	—	5,486	1,747	—	1,747
Income tax benefit (provision)	(85)	(12)	(97)	(71)	—	(71)
<b>Total Fee Income</b>	<b>16,887</b>	<b>(12)</b>	<b>16,875</b>	<b>5,308</b>	<b>—</b>	<b>5,308</b>
<b>PROMOTE, RCP AND OTHER INCOME</b>						
Equity in earnings (losses) from RCP investments	—	177	177	—	91	91
Promote income - Fund capital transactions	156	—	156	156	—	156
Other income	732	—	732	—	—	—
Gain (loss) on extinguishment of debt	(5)	(85)	(90)	(2)	—	(2)
<b>Provision for income taxes (RCP)</b>	<b>—</b>	<b>16</b>	<b>16</b>	<b>—</b>	<b>18</b>	<b>18</b>
Total Promote, RCP and Other Income	883	108	991	154	109	263
<b>General and Administrative</b>	<b>(20,373)</b>	<b>(281)</b>	<b>(20,654)</b>	<b>(6,697)</b>	<b>(172)</b>	<b>(6,869)</b>
Depreciation and amortization	(24,308)	(3,299)	(27,607)	(8,769)	(997)	(9,766)
Non-real estate depreciation and amortization	(387)	—	(387)	(130)	—	(130)
Gain on disposition of properties	12,393	20,787	33,180	—	20,953	20,953
Gain on disposition of land	190	672	862	190	252	442
Income before noncontrolling interests	40,642	23,653	64,295	7,872	22,042	29,914
Noncontrolling interest - OP	(1,613)	(1,059)	(2,672)	(353)	(997)	(1,350)
<b>NET INCOME</b>	<b>\$ 39,029</b>	<b>\$ 22,594</b>	<b>\$ 61,623</b>	<b>\$ 7,519</b>	<b>\$ 21,045</b>	<b>\$ 28,564</b>



Notes:

<sup>1</sup> Quarterly results are unaudited, although they reflect all adjustments, which in the opinion of management, are necessary for a fair presentation of operating results for the interim periods.

The Company's investments in consolidated and unconsolidated joint ventures are reflected separately for revenues and expenses by calculating its pro-rata share for each of the above line items.

In total, net income agrees with net income as reported in the Company's Form 10Q's and 10K for the corresponding periods.

<sup>2</sup> Consists of development, construction, leasing and legal fees.

**Income Statements - Funds 1**
*(in thousands)*

	Year-to-date ended September 30, 2014												Total AKR Pro- rata share
	AKR Pro- rata share		AKR Pro- rata share		AKR Pro- rata share		AKR Pro- rata share		AKR Pro- rata share		AKR Pro- rata share		
	Fund I	22.22%	Mervyns I	22.22%	Fund II	20.00%	Mervyns II	20.00%	Fund III	19.90%	Fund IV	23.12%	
<b>PROPERTY REVENUES</b>													
Minimum rents	\$ 91	\$ 20	\$ —	\$ —	\$ 9,378	\$ 1,876	\$ —	\$ —	\$ 22,659	\$ 4,509	\$ 10,276	\$ 2,376	\$ 8,781
Percentage rents	—	—	—	—	—	—	—	—	231	46	29	6	52
Expense reimbursements - CAM	—	—	—	—	921	184	—	—	3,594	716	1,044	241	1,141
Expense reimbursements - Taxes	—	—	—	—	337	67	—	—	4,187	833	1,306	301	1,201
Other property income	4	1	—	—	365	73	—	—	259	51	78	18	143
<b>Total Property Revenues</b>	<b>95</b>	<b>21</b>	<b>—</b>	<b>—</b>	<b>11,001</b>	<b>2,200</b>	<b>—</b>	<b>—</b>	<b>30,930</b>	<b>6,155</b>	<b>12,733</b>	<b>2,942</b>	<b>11,318</b>
<b>PROPERTY EXPENSES</b>													
Property operating - CAM	16	4	—	—	1,655	331	—	—	3,831	762	1,391	322	1,419
Other property operating (Non-CAM)	67	15	—	—	1,277	256	—	—	1,051	210	163	38	519
Real estate taxes	6	—	—	—	1,065	213	—	—	5,504	1,096	1,918	443	1,752
<b>Total Property Expenses</b>	<b>89</b>	<b>19</b>	<b>—</b>	<b>—</b>	<b>3,997</b>	<b>800</b>	<b>—</b>	<b>—</b>	<b>10,386</b>	<b>2,068</b>	<b>3,472</b>	<b>803</b>	<b>3,690</b>
<b>NET OPERATING INCOME - PROPERTIES</b>	<b>6</b>	<b>2</b>	<b>—</b>	<b>—</b>	<b>7,004</b>	<b>1,400</b>	<b>—</b>	<b>—</b>	<b>20,544</b>	<b>4,087</b>	<b>9,261</b>	<b>2,139</b>	<b>7,628</b>
<b>OTHER INCOME (EXPENSE)</b>													
Interest income	—	—	—	—	11	3	—	—	186	37	918	212	252
Straight-line rent income	—	—	—	—	765	153	—	—	1,194	238	802	185	576
Straight-line ground rent	—	—	—	—	6	—	—	—	—	—	—	—	—
Above/below market rent	—	—	—	—	—	—	—	—	1,352	269	1,552	358	627
Interest expense	(4)	—	—	—	(4,373)	(875)	—	—	(4,616)	(918)	(2,615)	(605)	(2,398)
Amortization of finance costs	—	—	—	—	(188)	(38)	—	—	(778)	(155)	(897)	(208)	(401)
Above/below market interest expense	—	—	—	—	—	—	—	—	368	73	—	—	73
Asset and property management expense 2	—	—	—	—	(156)	(31)	—	—	(444)	(89)	(355)	(82)	(202)
Other income/(expense)	(87)	(19)	—	—	250	50	—	—	(148)	(29)	(63)	(14)	(12)
Transaction costs	—	—	—	—	—	—	—	—	(99)	(19)	(1,927)	(446)	(465)
<b>Fund Income</b>	<b>(85)</b>	<b>(17)</b>	<b>—</b>	<b>—</b>	<b>3,319</b>	<b>662</b>	<b>—</b>	<b>—</b>	<b>17,559</b>	<b>3,494</b>	<b>6,676</b>	<b>1,539</b>	<b>5,678</b>
<b>FEE INCOME</b>													
Income tax benefit (provision)	(2)	—	—	—	(17)	(3)	—	—	(44)	(9)	—	—	(12)
<b>Total Fee Income</b>	<b>(2)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(17)</b>	<b>(3)</b>	<b>—</b>	<b>—</b>	<b>(44)</b>	<b>(9)</b>	<b>—</b>	<b>—</b>	<b>(12)</b>
<b>PROMOTE, RCP AND OTHER INCOME</b>													
Equity in earnings from RCP investments	—	—	410	91	—	—	429	86	—	—	—	—	177
Gain on extinguishment of debt	—	—	—	—	—	—	—	—	(423)	(85)	—	—	(85)
Provision for income taxes (RCP)	—	—	—	—	—	—	—	—	79	16	—	—	16
<b>Total Promote, RCP and Other Income</b>	<b>—</b>	<b>—</b>	<b>410</b>	<b>91</b>	<b>—</b>	<b>—</b>	<b>429</b>	<b>86</b>	<b>(344)</b>	<b>(69)</b>	<b>—</b>	<b>—</b>	<b>108</b>
<b>GENERAL AND ADMINISTRATIVE</b>													
Depreciation and amortization	1	—	—	—	(2,149)	(429)	—	—	(9,212)	(1,833)	(4,485)	(1,037)	(3,299)
Gain on disposition of properties	—	—	—	—	(865)	(173)	—	—	61,818	11,974	38,866	8,986	20,787
Gain on disposition of land	—	—	—	—	561	112	—	—	1,168	560	—	—	672
<b>Income before noncontrolling interest</b>	<b>(75)</b>	<b>(15)</b>	<b>405</b>	<b>90</b>	<b>454</b>	<b>90</b>	<b>417</b>	<b>84</b>	<b>70,337</b>	<b>13,997</b>	<b>40,703</b>	<b>9,407</b>	<b>23,653</b>
Noncontrolling interest - OP	—	—	(18)	(4)	(20)	(4)	(15)	(3)	(3,140)	(625)	(1,830)	(423)	(1,059)
<b>NET INCOME</b>	<b>\$ (75)</b>	<b>\$ (15)</b>	<b>\$ 387</b>	<b>\$ 86</b>	<b>\$ 434</b>	<b>\$ 86</b>	<b>\$ 402</b>	<b>\$ 81</b>	<b>\$ 67,197</b>	<b>\$ 13,372</b>	<b>\$ 38,873</b>	<b>\$ 8,984</b>	<b>\$ 22,594</b>

*Notes:*
*1 Quarterly results are unaudited, although they reflect all adjustments, which in the opinion of management, are necessary for a fair presentation of operating results for the interim periods. The Company's investments in consolidated and unconsolidated joint*

ventures are reflected separately for revenues

and expenses by calculating its pro-rata share for each of the above line items. In total, net income agrees with net income as reported in the Company's Form 10Q's and 10K for the corresponding periods. The Company currently invests in Funds I, II, III & IV and Mervyn's which are consolidated

with the Company's financial statements.

<sup>2</sup> Funds I, II, III & IV and the Mervyn's entities pay various fees and promotes to the Company. As it is the recipient of such fees, the Company does not recognize its pro-rata share of these expenses.

**Income Statements - Funds 1**
*(in thousands)*

	Three months ended September 30, 2014												Total AKR Pro- rata share
	AKR Pro- rata share		AKR Pro- rata share		AKR Pro- rata share		AKR Pro- rata share		AKR Pro- rata share		Fund IV	AKR Pro- rata share	
	Fund I	22.22%	Mervyns I	22.22%	Fund II	20.00%	Mervyns II	20.00%	Fund III	19.90%			
<b>PROPERTY REVENUES</b>													
Minimum rents	\$ 15	\$ 3	\$ —	\$ —	\$3,295	\$ 659	—	—	7,343	\$ 1,461	\$ 3,289	\$ 760	\$ 2,883
Percentage rents	—	—	—	—	—	—	—	—	40	8	2	—	8
Expense reimbursements - CAM	—	—	—	—	222	44	—	—	1,028	205	195	45	294
Expense reimbursements - Taxes	—	—	—	—	105	21	—	—	1,218	242	346	80	343
Other property income	—	—	—	—	248	50	—	—	85	17	35	8	75
<b>Total Property Revenues</b>	<b>15</b>	<b>3</b>	<b>—</b>	<b>—</b>	<b>3,870</b>	<b>774</b>	<b>—</b>	<b>—</b>	<b>9,714</b>	<b>1,933</b>	<b>3,867</b>	<b>893</b>	<b>3,603</b>
<b>PROPERTY EXPENSES</b>													
Property operating - CAM	—	—	—	—	453	91	—	—	1,183	235	457	106	432
Other property operating (Non-CAM)	14	3	—	—	346	69	—	—	266	53	38	9	134
Real estate taxes	2	—	—	—	354	71	—	—	1,480	295	573	132	498
<b>Total Property Expenses</b>	<b>16</b>	<b>3</b>	<b>—</b>	<b>—</b>	<b>1,153</b>	<b>231</b>	<b>—</b>	<b>—</b>	<b>2,929</b>	<b>583</b>	<b>1,068</b>	<b>247</b>	<b>1,064</b>
<b>NET OPERATING INCOME - PROPERTIES</b>	<b>(1)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>2,717</b>	<b>543</b>	<b>—</b>	<b>—</b>	<b>6,785</b>	<b>1,350</b>	<b>2,799</b>	<b>646</b>	<b>2,539</b>
<b>OTHER INCOME (EXPENSE)</b>													
Interest income	—	—	—	—	4	1	—	—	154	31	530	123	155
Straight-line rent income	—	—	—	—	216	43	—	—	256	51	438	101	195
Straight-line ground rent	—	—	—	—	2	—	—	—	—	—	—	—	—
Above/below market rent	—	—	—	—	—	—	—	—	381	76	67	15	91
Interest expense	(2)	—	—	—	(1,224)	(245)	—	—	(1,489)	(296)	(708)	(164)	(705)
Amortization of finance costs	—	—	—	—	(68)	(14)	—	—	(256)	(51)	(286)	(66)	(131)
Above/below market interest expense	—	—	—	—	—	—	—	—	124	25	—	—	25
Asset and property management expense 2	—	—	—	—	(90)	(18)	—	—	(129)	(26)	(163)	(38)	(82)
Other income/(expense)	—	—	—	—	—	—	—	—	(133)	(26)	13	3	(23)
Transaction costs	—	—	—	—	7	1	—	—	(82)	(16)	(656)	(152)	(167)
<b>Fund Income</b>	<b>(3)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>1,564</b>	<b>311</b>	<b>—</b>	<b>—</b>	<b>5,611</b>	<b>1,118</b>	<b>2,034</b>	<b>468</b>	<b>1,897</b>
<b>FEE INCOME</b>													
Income tax benefit (provision)	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Fee Income	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>PROMOTE, RCP AND OTHER INCOME</b>													
<i>Equity in earnings (losses) from RCP investments</i>	—	—	410	91	—	—	—	—	—	—	—	—	91
Gain on extinguishment of debt	—	—	—	—	—	—	—	—	—	—	—	—	—
Provision for income taxes (RCP)	—	—	—	—	—	—	—	—	88	18	—	—	18
Total Promote, RCP and Other Income	—	—	410	91	—	—	—	—	88	18	—	—	109
<b>GENERAL AND ADMINISTRATIVE</b>													
Depreciation and amortization	1	—	—	—	(879)	(176)	—	—	(2,889)	(575)	(1,062)	(246)	(997)

Gain on disposition of properties	—	—	—	—	—	—	—	—	60,389	11,967	38,866	8,986	20,953
Gain on disposition of land	—	—	—	—	—	—	—	—	1,013	252	—	—	252
<b>Income before noncontrolling interest</b>	<b>(39)</b>	<b>(8)</b>	<b>407</b>	<b>90</b>	<b>462</b>	<b>90</b>	<b>(7)</b>	<b>(1)</b>	<b>63,839</b>	<b>12,706</b>	<b>39,651</b>	<b>9,165</b>	<b>22,042</b>
Noncontrolling interest - OP	—	—	(18)	(4)	(20)	(4)	—	—	(2,889)	(575)	(1,791)	(414)	(997)
<b>NET INCOME</b>	<b>\$ (39)</b>	<b>\$ (8)</b>	<b>\$ 389</b>	<b>\$ 86</b>	<b>\$ 442</b>	<b>\$ 86</b>	<b>\$ (7)</b>	<b>\$ (1)</b>	<b>\$ 60,950</b>	<b>\$ 12,131</b>	<b>\$ 37,860</b>	<b>\$ 8,751</b>	<b>\$ 21,045</b>

Notes:

<sup>1</sup> Quarterly results are unaudited, although they reflect all adjustments, which in the opinion of management, are necessary for a fair presentation of operating results for the interim periods. The Company's investments in consolidated and unconsolidated joint ventures are reflected separately for revenues

and expenses by calculating its pro-rata share for each of the above line items. In total, net income agrees with net income as reported in the Company's Form 10Q's and 10K for the corresponding periods. The Company currently invests in Funds I, II, III & IV and Mervyn's which are consolidated with the Company's financial statements.

<sup>2</sup> Funds I, II, III & IV and the Mervyn's entities pay various fees and promotes to the Company. As it is the recipient of such fees, the Company does not recognize its pro-rata share of these expenses.

**Funds from Operations ("FFO")<sup>1</sup>***(in thousands)*

	2014				2013	
	Current	Current	Previous	Previous	Year-to-Date	Quarter
	Year-to-Date	Quarter	Quarter	Quarter		
	Period ended	3 months ended	3 months ended	3 months ended	Period ended	3 months ended
September 30, 2014	September 30, 2014	June 30, 2014	March 31, 2014	September 30, 2013	September 30, 2013	
<b>Funds from operations ("FFO"):</b>						
Net Income	\$ 61,623	\$ 28,564	\$ 11,464	\$ 21,595	\$ 27,865	\$ 9,485
Add back:						
Depreciation of real estate and amortization of leasing costs: (net of noncontrolling interest share)	27,607	9,766	8,987	8,853	23,123	8,335
Gain on disposition of properties (net of noncontrolling interest share)	(33,180)	(20,953)	166	(12,393)	(776)	—
Impairment of asset	—	—	—	—	1,500	—
Income attributable to noncontrolling interests' share in Operating Partnership	2,672	1,350	459	863	—	—
<b>FFO</b>	<b>\$ 58,722</b>	<b>\$ 18,727</b>	<b>\$ 21,076</b>	<b>\$ 18,918</b>	<b>\$ 52,057</b>	<b>\$ 17,929</b>
<b>Adjusted Funds from operations ("AFFO"):</b>						
Diluted FFO	\$ 58,722	\$ 18,727	\$ 21,076	\$ 18,918	\$ 52,057	\$ 17,929
Straight-line rent, net	(2,646)	(909)	(1,012)	(725)	(2,894)	(1,094)
Straight-line ground rent	—	—	—	—	62	20
Above/below market rent	(2,500)	(664)	(947)	(889)	(2,660)	(1,063)
Amortization of finance costs	1,137	375	388	374	1,151	489
Above/below market interest	(598)	(200)	(199)	(199)	(1,189)	(307)
Loss (gain) on extinguishment of debt	90	2	16	72	—	—
Non-real estate depreciation	387	130	130	127	330	119
Leasing commissions	(711)	(134)	(401)	(176)	(1,276)	(208)
Tenant improvements	(3,635)	(1,259)	(853)	(1,523)	(4,604)	(1,956)
Capital expenditures	(777)	(187)	(146)	(444)	(1,025)	(424)
<b>AFFO</b>	<b>\$ 49,469</b>	<b>\$ 15,881</b>	<b>\$ 18,052</b>	<b>\$ 15,535</b>	<b>\$ 39,952</b>	<b>\$ 13,505</b>
<b>Funds Available for Distribution ("FAD"):</b>						
AFFO	\$ 49,469	\$ 15,881	\$ 18,052	\$ 15,535	\$ 39,952	\$ 13,505
Scheduled principal repayments	(4,144)	(1,620)	(1,059)	(1,465)	(4,537)	(1,571)
<b>FAD</b>	<b>\$ 45,325</b>	<b>\$ 14,261</b>	<b>\$ 16,993</b>	<b>\$ 14,070</b>	<b>\$ 35,415</b>	<b>\$ 11,934</b>
<b>Total weighted average diluted shares and OP Units:</b>	<b>60,595</b>	<b>62,797</b>	<b>60,521</b>	<b>58,419</b>	<b>55,735</b>	<b>56,436</b>
<b>Diluted FFO per share:</b>						
FFO	\$ 0.97	\$ 0.30	\$ 0.35	\$ 0.32	\$ 0.93	\$ 0.32
AFFO	\$ 0.82	\$ 0.25	\$ 0.30	\$ 0.27	\$ 0.72	\$ 0.24
FAD	\$ 0.75	\$ 0.23	\$ 0.28	\$ 0.24	\$ 0.64	\$ 0.21

Notes:

<sup>1</sup> Quarterly results are unaudited, although they reflect all adjustments, which in the opinion of management are necessary for a fair presentation of operating results for the interim periods.<sup>2</sup> Quarterly Preferred OP Unit distributions are added back for the purposes of calculating diluted FFO. Refer to "Market Capitalization" for weighted-average basic and diluted shares.



**EBITDA***(in thousands)*

	<i>Year-to-Date</i>			<i>Current Quarter</i>		
	<u>Period ended September 30, 2014</u>			<u>Three months ended September 30, 2014</u>		
	<i>Core</i>			<i>Core</i>		
	<u>Portfolio</u>	<u>Funds</u>	<u>TOTAL</u>	<u>Portfolio</u>	<u>Funds</u>	<u>TOTAL</u>
<b>NET INCOME</b>	\$ 39,029	\$ 22,594	\$ 61,623	\$ 7,519	\$ 21,045	\$ 28,564
<b>Add back:</b>						
Depreciation and amortization	24,695	3,299	27,994	8,899	997	9,896
Interest expense	15,532	2,398	17,930	5,250	705	5,955
Amortization of finance costs	736	401	1,137	244	131	375
Above/below market interest	(525)	(73)	(598)	(175)	(25)	(200)
Gain on disposition of properties	(12,393)	(20,787)	(33,180)	—	(20,953)	(20,953)
Gain on disposition of land	(190)	(672)	(862)	(190)	(252)	(442)
Provision (benefit) for income taxes	85	(4)	81	71	(18)	53
Loss on extinguishment of debt	5	85	90	2	—	2
Noncontrolling interest - OP	1,613	1,059	2,672	353	997	1,350
<b>EBITDA</b>	<u>\$ 68,587</u>	<u>\$ 8,300</u>	<u>\$ 76,887</u>	<u>\$ 21,973</u>	<u>\$ 2,627</u>	<u>\$ 24,600</u>

## Core Portfolio

Same Property Performance <sup>1</sup>

(in thousands)

	Quarter			Year-to-Date		
	Three months ended		Percentage Growth in Same	Period ended		Percentage Growth in Same
	September 30, 2014	September 30, 2013	Property NOI - % of Line Item	September 30, 2014	September 30, 2013	Property NOI - % of Line Item
<b>Revenue</b>						
Minimum rents	\$ 16,740	\$ 15,992	4.7%	\$ 49,973	\$ 47,802	4.5%
Expense reimbursements	4,149	4,358	(4.8)%	13,371	12,754	4.8%
Other property income	113	131	(13.7)%	544	558	(2.5)%
<b>Total Revenue</b>	<b>21,002</b>	<b>20,481</b>	<b>2.5%</b>	<b>63,888</b>	<b>61,114</b>	<b>4.5%</b>
<b>Expenses</b>						
Property operating - CAM & Real estate taxes	4,845	5,341	9.3%	15,691	15,000	(4.6)%
Other property operating (Non-CAM)	534	636	16.0%	1,049	1,475	28.9%
<b>Total Expenses</b>	<b>5,379</b>	<b>5,977</b>	<b>10.0%</b>	<b>16,740</b>	<b>16,475</b>	<b>(1.6)%</b>
<b>Same Property NOI - Core properties</b>	<b>\$ 15,623</b>	<b>\$ 14,504</b>	<b>7.7%</b>	<b>\$ 47,148</b>	<b>\$ 44,639</b>	<b>5.6%</b>
<b>Other same property information</b>						
Physical Occupancy	95.9%	93.8%		95.9%	93.8%	
Leased Occupancy	97.0%	95.5%		97.0%	95.5%	

<sup>1</sup> The above amounts include the pro-rata activity related to the Company's Core consolidated and unconsolidated investments.

**Fee income by Fund***(in thousands)*

	<u>Fund I</u>	<u>Fund II</u>	<u>Fund III</u>	<u>Fund IV</u>	<u>Other</u>	<u>Total</u>
<b>Nine Months ended September 30, 2014</b>						
Asset and property management fees	\$ 33	\$ 1,924	\$ 4,058	\$ 5,041	\$ 430	\$ 11,486
Transactional fees	46	2,624	1,264	1,026	526	5,486
Total management fees and priority distributions	<u>\$ 79</u>	<u>\$ 4,548</u>	<u>\$ 5,322</u>	<u>\$ 6,067</u>	<u>\$ 956</u>	<u>\$ 16,972</u>

	<u>Fund I</u>	<u>Fund II</u>	<u>Fund III</u>	<u>Fund IV</u>	<u>Other</u>	<u>Total</u>
<b>Current Quarter ended September 30, 2014</b>						
Asset and property management fees	\$ 11	\$ 625	\$ 1,234	\$ 1,598	\$ 164	\$ 3,632
Transactional fees	31	772	331	591	22	1,747
Total management fees and priority distributions	<u>\$ 42</u>	<u>\$ 1,397</u>	<u>\$ 1,565</u>	<u>\$ 2,189</u>	<u>\$ 186</u>	<u>\$ 5,379</u>

	<u>Fund I</u>	<u>Fund II</u>	<u>Fund III</u>	<u>Fund IV</u>	<u>Other</u>	<u>Total</u>
<b>Previous Quarter ended June 30, 2014</b>						
Asset and property management fees	\$ 11	\$ 656	\$ 1,384	\$ 1,692	\$ 147	\$ 3,890
Transactional fees	4	841	431	250	32	1,558
Total management fees and priority distributions	<u>\$ 15</u>	<u>\$ 1,497</u>	<u>\$ 1,815</u>	<u>\$ 1,942</u>	<u>\$ 179</u>	<u>\$ 5,448</u>

	<u>Fund I</u>	<u>Fund II</u>	<u>Fund III</u>	<u>Fund IV</u>	<u>Other</u>	<u>Total</u>
<b>Previous Quarter ended March 31, 2014</b>						
Asset and property management fees	\$ 11	\$ 643	\$ 1,440	\$ 1,751	\$ 119	\$ 3,964
Transactional fees	11	1,011	502	185	472	2,181
Total management fees and priority distributions	<u>\$ 22</u>	<u>\$ 1,654</u>	<u>\$ 1,942</u>	<u>\$ 1,936</u>	<u>\$ 591</u>	<u>\$ 6,145</u>

**Pro-Rata Consolidated Balance Sheet**
*(in thousands)*

	<b>Consolidated Balance Sheet As Reported <sup>1</sup></b>	<b>Noncontrolling Interest in Consolidated Subsidiaries</b>	<b>Company's Interest in Unconsolidated Subsidiaries</b>	<b>Pro-Rata Consolidated Balance Sheet <sup>2</sup></b>	<b>Notes</b>
<b>ASSETS</b>					
<i>Real estate</i>					
Land	\$ 404,582	\$ (112,947)	\$ 12,392	\$ 304,027	<sup>1</sup> The interim consolidated balance sheet is unaudited, although it reflects all adjustments, which in the opinion of management, are necessary for the fair presentation of the consolidated balance sheet for the interim period.
Buildings and improvements	1,304,438	(342,398)	67,510	1,029,550	
Construction in progress	7,977	(4,800)	124	3,301	
	1,716,997	(460,145)	80,026	1,336,878	
Less: accumulated depreciation	(251,545)	64,748	(9,040)	(195,837)	<sup>2</sup> The Company currently invests in Funds I, II, III & IV and Mervyns I & II which are consolidated with the Company's financial statements. To provide investors with supplemental information, the Company's investments in these joint ventures are reflected above on a pro-rata basis by calculating its ownership percentage for each of the asset and liability line items. Similarly, the presentation also includes the Company's pro-rata share of assets and liabilities for unconsolidated investments which are accounted for under the equity method of accounting for the Company's financial statements.
Net real estate	1,465,452	(395,397)	70,986	1,141,041	
Net real estate under development	398,727 <sup>3</sup>	(322,627)	3,089	79,189	<sup>3</sup> The components of Net real estate under development are as follows:
Cash and cash equivalents	131,132	(35,370)	1,588	97,350	Fund II
Cash in escrow	26,820	(16,452)	942	11,310	Fund III
Restricted cash	49,281	(39,567)	—	9,714	Fund IV
Investments in and advances to unconsolidated affiliates	123,693	(92,695)	(30,529)	469	Other
Rents receivable, net	6,840	(2,535)	636	4,941	Total Funds
Straight-line rents receivable, net	26,507	(10,723)	1,299	17,083	
Notes receivable	94,409	(2,593)	—	91,816	
Deferred charges, net	29,745	(16,580)	1,528	14,693	
Prepaid expenses and other assets	58,533	(797)	958	58,694	
Acquired lease intangibles	43,512	(12,967)	2,025	32,570	
<b>Total Assets</b>	<b>\$ 2,454,651</b>	<b>\$ (948,303)</b>	<b>\$ 52,522</b>	<b>\$ 1,558,870</b>	<b>\$ 398,727</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
Mortgage and other notes payable	\$ 1,139,724	\$ (651,715)	\$ 56,983	\$ 544,992	<sup>4</sup> The components of Prepaid expenses and other assets are as follows:
Valuation of debt at acquisition, net of amortization	1,342	—	18	1,360	Due from Fund Investors
Acquired lease intangibles	24,441	(7,580)	1,713	18,574	Prepaid expenses
Accounts payable and accrued expenses	43,196	(18,122)	1,442	26,516	Contract deposits
Dividends and distributions payable	14,864	—	—	14,864	Accrued interest on Notes Receivable
Share of losses in excess of inv. in unconsolidated affiliates	8,416	—	(8,416)	—	Unsettled ATM Trades
Other liabilities	20,334	(6,191)	782	14,925	Other
<b>Total Liabilities</b>	<b>1,252,317</b>	<b>(683,608)</b>	<b>52,522</b>	<b>621,231</b>	Total
<b>Shareholders' equity:</b>					
Common shares	60	—	—	60	
Additional paid-in capital	783,791	—	—	783,791	
Accumulated other comprehensive loss	(1,554)	—	—	(1,554)	
Retained earnings	58,954	—	—	58,954	
Total controlling interest	841,251	—	—	841,251	
Noncontrolling interest in subsidiary	361,083	(264,695)	—	96,388	
<b>Total Shareholders' Equity</b>	<b>1,202,334</b>	<b>(264,695)</b>	<b>—</b>	<b>937,639</b>	
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 2,454,651</b>	<b>\$ (948,303)</b>	<b>\$ 52,522</b>	<b>\$ 1,558,870</b>	

## Structured Financing

(in thousands)

Investment	Balance at June 30, 2014 Principal	Advances	Repayments	Balance at September 30, 2014			Stated Interest Rate	Effective Interest Rate <sup>1</sup>	Maturity Dates
				Principal	Accrued Interest	Total			
First mortgage notes	\$ 16,269	\$ —	\$ —	\$ 16,269	\$ 180	\$ 16,449	6.69%	7.20%	2014 to 2015
Mezzanine, preferred equity and other notes	80,038	1,795	(6,850)	74,983	5,098	80,081	12.17%	12.51%	2015 to 2024
<b>Total notes receivable</b>	<b>\$ 96,307</b>	<b>\$ 1,795</b>	<b>\$ (6,850)</b>	<b>\$ 91,252</b>	<b>\$ 5,278</b>	<b>\$ 96,530</b>	<b>11.19%</b>	<b>11.56%</b>	

Note:

<sup>1</sup> Inclusive of points and exit fees.

Reconciliation of Notes Receivable to the Consolidated Balance Sheet	Balance at September 30, 2014
Total Notes Receivable per above	\$ 91,252
Fund III non-real estate loans	<u>3,157</u>
Total Notes Receivable per Consolidated Balance Sheet	<u>\$ 94,409</u>

**2014 Transactional Activity***(in thousands)***Acquisitions:**

Property Name	Purchase Price	Ownership %	Month of Transaction	Location	Key Tenants
<b><u>Core Portfolio:</u></b>					
<b><u>2014 Transactions</u></b>					
11 E. Walton	\$ 44,000	100%	January	Chicago, IL	Marc Jacobs, Saint Laurent
61 Main Street	7,300	100%	February	Westport, CT	Chico's
865 W. North Avenue	14,750	100%	March	Chicago, IL	Forever 21
252-256 Greenwich Avenue	24,450	100%	March	Greenwich, CT	Madwell, Calypso St. Barth, Jack Wills
152-154 Spring Street	38,000	90%	April	New York, NY	Kate Spade Saturday
2520 Flatbush Avenue	17,100	100%	May	New York, NY	Bob's Furniture, Capital One
Bedford Green	46,750	100%	July	Bedford Hills, NY	Shop Rite, CVS, Panera Bread
131-135 Prince Street	51,359	100%	August	New York, NY	Folli Follie, Uno De 50
Shops at Grand Avenue	56,000	100%	October	Queens, NY	Stop & Shop
Total	\$ 299,709				

**Funds:****Fund IV:**

Broughton Street Portfolio <sup>1</sup>	\$ 33,856	50%	February-September	Savannah, GA	—
Eden Square	25,369	98%	July	Bear, DE	Lowe's, Giant
27 E. 61st Street	19,250	100%	October	New York, NY	—
17 E. 71st Street	28,000	100%	October	New York, NY	—
Total	\$ 106,475				

**Dispositions:**

Property Name	Disposition Price	Ownership %	Month of Transaction	Location	Key Tenants
<b><u>Core Portfolio:</u></b>					
Walnut Hill	\$ 22,865	100%	March	Woonsocket, RI	Sears
<b><u>Funds:</u></b>					
<b><u>Fund III:</u></b>					
Sheepshead Bay	\$ 20,200	100%	April	Brooklyn, NY	—
Lincoln Road	141,800	95%	August	Miami Beach, FL	Starbucks, Sushi Samba
Total	\$ 162,000				

**Fund IV:**

Lincoln Road	\$ 200,200	95%	August	Miami Beach, FL	Aldo, Fossil, Spris
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Note:

<sup>1</sup> In addition, Fund IV has provided financing to the joint venture.

## 2014 Guidance

(in millions except per share amounts, all per share amounts are fully diluted)

	<u>2014 Guidance</u>	<u>2013 Actual</u>
<b><u>Overall:</u></b>		
Fully diluted Common Shares and OP Units - 2014 Weighted Average	62,000 - 62,500	55,954
Full year Funds from Operations ("FFO") per share	<sup>1</sup> <u>\$1.35 to \$1.40</u>	<u>\$1.20</u>
Earnings per Share ("EPS")	<sup>1</sup> <u>\$0.72 to \$0.77</u>	<u>\$0.72</u>
<b><u>FFO Components:</u></b>		
Core and pro-rata share of Fund ("Fund") portfolio income	<u>\$87.0 to \$88.5</u>	<u>\$70.3</u>
Asset and property management fee income, net of TRS taxes	<u>\$15.0 to \$15.5</u>	<u>\$17.6</u>
Transactional fee income, net of TRS taxes	<u>\$7.0 to \$8.0</u>	<u>\$6.3</u>
Promote, RCP and other income, net of TRS taxes	<u>\$1.0 to \$1.5</u>	<u>\$(0.6)</u>
General and administrative expense	<u>\$(27.0) to \$(26.5)</u>	<u>\$(26.4)</u>
<b>Total</b>	<b><u>\$83.0 to \$87.0</u></b>	<b><u>\$67.2</u></b>

### Note:

<sup>1</sup> FFO and EPS guidance is before acquisition costs which totaled \$0.06 through September 30, 2014.

EPS guidance is before gain/loss on disposition of property which totaled \$0.59 through September 30, 2014.

**Net Asset Valuation  
Information**

(in thousands)

	CORE		FUND I		FUND II				FUND III				FUND IV				
	Quarterly	Annualized (x4)	Fund Level	AKR pro-rata share		Fund Level		AKR Pro-rata Share		Fund Level		AKR pro-rata share		Fund Level		AKR pro-rata share	
				%	\$	Quarterly	Annualized (x4)	%	\$	Quarterly	Annualized (x4)	%	\$	Quarterly	Annualized (x4)	%	\$
<b>Current NOI</b>																	
Net Operating Income	\$ 20,733	<sup>1</sup> \$ 82,932	--		\$ 2,717	\$ 10,868	20.00%	\$ 2,174	\$ 6,785	\$ 27,140	19.90%	\$ 5,401	\$ 2,799	\$ 11,196	23.12%	\$ 2,589	
Less:																	
(Income)/ loss from sold properties									(220)	(880)		(175)	(454)	(1,816)		(420)	
(Income)/ loss from pre-stabilized assets <sup>3</sup>					—	—		—	(1,390)	(5,560)		(1,106)	(418)	(1,672)		(387)	
(Income)/ loss from development projects <sup>4</sup>					—	—		—	(33)	(132)		(26)	(43)	(172)		(40)	
Net Operating Income of stabilized assets					<u>2,717</u>	<u>10,868</u>		<u>2,174</u>	<u>5,142</u>	<u>20,568</u>		<u>4,093</u>	<u>1,884</u>	<u>7,536</u>		<u>1,742</u>	
Costs to Date																	
Pre-stabilized assets <sup>3</sup>					\$ —			\$ —	\$ 92,072		\$ 18,323		\$ 37,706		\$ 8,718		
Development projects <sup>4</sup>					<u>341,800</u>			<u>68,360</u>	<u>30,400</u>		<u>6,050</u>		<u>46,600</u>		<u>10,774</u>		
Total Costs to Date					<u>\$ 341,800</u>			<u>\$ 68,360</u>	<u>\$ 122,472</u>		<u>\$ 24,373</u>		<u>\$ 84,306</u>		<u>\$ 19,492</u>		
Debt	<u>\$ 400,171</u>	\$ —			<u>\$ 328,414</u>			<u>\$ 62,471</u>	<u>\$ 265,845</u>		<u>\$ 49,004</u>		<u>\$ 153,437</u>		<u>\$ 33,346</u>		
Gross asset value <sup>2</sup>		<u>2,400</u>															
Net Asset Value		<u>\$ 2,400</u>	37.78%		<u>\$ 907</u>												

Notes:

<sup>1</sup> Does not include a full quarter of NOI for those assets purchased during the third quarter 2014. See "Transactions Activity" page in this supplemental for descriptions of those acquisitions.

<sup>2</sup> AKR pro-rata share of Fund I is the promote of 20% plus its co-investment share of the remainder (22% x 80%) for a total of 37.78%.

<sup>3</sup> Consists of the following projects:

Fund III:

640 Broadway  
654 Broadway  
Nostrand  
Lincoln Park  
Centre

Fund IV:

2819 Kennedy  
Blvd  
Paramus Plaza  
1151 Third Avenue

<sup>4</sup> See "Redevelopment Activity" page in this supplemental



**Selected Financial Ratios**

(in thousands)

	Three months ended September 30,		Period ended September 30,			Three months ended September 30,	Three months ended June 30,
	2014	2013	2014	2013		2014	2014
<b><u>COVERAGE RATIOS</u><sup>1</sup></b>					<b>LEVERAGE RATIOS</b>		
<b><u>Fixed-Charge Coverage Ratios</u></b>					<b><u>Debt/Market Capitalization Ratios</u></b>		
EBITDA <sup>2</sup> divided by:	\$ 21,973	\$ 20,989	\$ 68,587	\$ 60,519	Debt + Preferred Equity (Preferred O.P. Units)	\$ 545,683	\$ 529,108
Interest expense	5,250	5,243	15,532	15,194	Total Market Capitalization	2,300,323	2,252,373
Principal Amortization	1,409	1,320	3,615	3,855	Debt+Preferred Equity/Total Market Capitalization	24%	23%
Preferred Dividends <sup>3</sup>	6	5	19	16			
<b>Fixed-Charge Coverage Ratio - Core Portfolio</b>	3.3x	3.2x	3.6x	3.2x	Debt <sup>6</sup>	\$ 437,928	\$ 460,587
					Total Market Capitalization	2,193,951	2,184,556
EBITDA divided by:	\$ 24,600	\$ 24,673	\$ 76,887	\$ 70,547	Net Debt+Preferred Equity/Total Market Capitalization	20%	21%
Interest expense	5,955	6,270	17,930	18,129			
Principal Amortization	1,620	1,571	4,144	4,537	<b><u>Debt/EBITDA Ratios</u></b>		
Preferred Dividends	6	5	19	16	Debt	\$ 400,171	\$ 371,785
<b>Fixed-Charge Coverage Ratio - Core Portfolio and Funds</b>	3.2x	3.1x	3.5x	3.1x	EBITDA (Annualized)	87,892	89,289
					Debt/EBITDA - Core Portfolio	4.6x	4.2x
<b><u>Payout Ratios</u></b>					Debt <sup>5</sup>	\$ 310,618	\$ 325,031
Dividends (Shares) & Distributions (OP Units) paid	\$ 14,859	\$ 11,982	\$ 42,965	\$ 35,726	EBITDA (Annualized)	87,892	89,289
FFO	18,727	17,929	58,722	52,057	Net Debt/EBITDA - Core Portfolio	3.5x	3.6x
<b>FFO Payout Ratio</b>	79%	67%	73%	69%	Debt <sup>4</sup>	\$ 545,683	\$ 528,404
<b>FFO Payout Ratio before acquisition costs</b>	73%	65%	69%	66%	EBITDA (Annualized)	98,400	100,913
Dividends (Shares) & Distributions (OP Units) paid	\$ 14,859	\$ 11,982	\$ 42,965	\$ 35,726	Debt/EBITDA - Core Portfolio and Funds	5.5x	5.2x
AFFO	15,881	13,505	49,469	39,952			
<b>AFFO Payout Ratio</b>	94%	89%	87%	89%	Debt <sup>6</sup>	\$ 437,928	\$ 460,587
<b>AFFO Payout Ratio before acquisition costs</b>	84%	85%	81%	85%	EBITDA (Annualized)	98,400	100,913
Dividends (Shares) & Distributions (OP Units) paid	\$ 14,859	\$ 11,982	\$ 42,965	\$ 35,726	Net Debt/EBITDA - Core Portfolio and Funds	4.5x	4.6x
FAD	14,261	11,934	45,325	35,415	<b><u>Debt Yield Ratios</u></b>		
<b>FAD Payout Ratio</b>	104%	100%	95%	101%	NOI (Annualized)	\$ 82,932	\$ 78,940
<b>FAD Payout Ratio before acquisition costs</b>	93%	96%	88%	95%	Debt	400,171	371,785
					Debt Yield - Core Portfolio	21%	21%
<b>Notes:</b>					NOI (Annualized)	\$ 82,932	\$ 78,940
<sup>1</sup> Quarterly results are unaudited, although they reflect all adjustments, which in the opinion of management, are necessary for a fair presentation of operating results for the interim periods. The coverage ratios include the Company's pro-rata share of FFO, AFFO, EBITDA, interest expense and principal amortization related to both the Company's consolidated and unconsolidated investments in joint ventures.					Debt <sup>5</sup>	310,618	325,031
<sup>2</sup> See page 9 for a calculation of EBITDA.					Net Debt Yield - Core Portfolio	27%	24%
<sup>3</sup> Represents preferred distributions on Preferred Operating partnership Units.					NOI (Annualized)	\$ 93,088	\$ 89,176
<sup>4</sup> Includes the Company's pro-rata share of consolidated and unconsolidated joint venture debt.					Debt <sup>4</sup>	545,683	528,404
<sup>5</sup> Reflects debt net of the current Core Portfolio cash balance at end of period.					Debt Yield - Core Portfolio and Funds	17%	17%
<sup>6</sup> Reflects debt net of the current Core Portfolio and pro-rata share of the Funds cash balance at end of period.					NOI (Annualized)	\$ 93,088	\$ 89,176
					Debt <sup>6</sup>	437,928	460,587
					Net Debt Yield - Core Portfolio and Funds	21%	19%

**Portfolio Debt - Summary**

Reconciliation from Pro-Rata Share of Debt to Consolidated Debt per Financial Statement

(in thousands)

	Acadia Pro-Rata Share of Debt <sup>2</sup>							Reconciliation to Consolidated Debt as Reported		
	Core Portfolio		Funds		Total			Add:	Less:	Acadia
	Principal	Interest	Principal	Interest	Principal	Interest	Fixed vs	Noncontrolling	Pro-rata Share of	Consolidated
Mortgage Notes Payable	Balance	Rate	Balance	Rate	Balance	Rate	Variable	Interest Share of Consolidated Debt <sup>3</sup>	Unconsolidated Debt <sup>4</sup>	Debt As Reported
Fixed-Rate Debt <sup>1</sup>	\$ 386,272	5.1%	\$ 70,047	4.6%	\$ 456,319	5.0%	84%	\$ 401,866	\$ (43,410)	\$ 814,775
Variable-Rate Debt	13,899	1.7%	74,774	2.2%	88,673	2.1%	16%	249,850	(13,574)	324,949
<b>Total</b>	<b>\$ 400,171</b>	<b>5.0%</b>	<b>\$ 144,821</b>	<b>3.3%</b>	<b>\$ 544,992</b>	<b>4.6%</b>	<b>100%</b>	<b>\$ 651,716</b>	<b>\$ (56,984)</b>	1,139,724
Unamortized premium										1,342
										<b>\$ 1,141,066</b>

Notes:

<sup>1</sup> Fixed-rate debt includes notional principal fixed through swap transactions.

<sup>2</sup> Represents the Company's pro-rata share of debt based on its percent ownership.

<sup>3</sup> Represents the noncontrolling interest pro-rata share of consolidated partnership debt based on its percent ownership.

<sup>4</sup> Represents the Company's pro-rata share of unconsolidated partnership debt based on its percent ownership.

**Portfolio Debt - Detail**
*(in thousands)*

Property	Principal Balance at	Acadia's Pro-rata Share		Interest	Maturity	Extension
	September 30, 2014	Percent	Amount	Rate	Date	Options
<b><u>CORE PORTFOLIO</u></b>						
<b><u>Fixed-Rate Debt</u></b>						
Crossroads Shopping Center	\$ 57,410	49.0%	\$ 28,131	5.37%	12/1/2014	None
Crescent Plaza	16,530	100.0%	16,530	4.98%	9/6/2015	None
Pacesetter Park Shopping Center	11,365	100.0%	11,365	5.12%	11/6/2015	None
Elmwood Park Shopping Center	32,340	100.0%	32,340	5.53%	1/1/2016	None
Chicago Portfolio	15,340	100.0%	15,340	5.61%	2/1/2016	None
The Gateway Shopping Center	19,519	100.0%	19,519	5.44%	3/1/2016	None
330-340 River Street	10,729	100.0%	10,729	5.30%	5/1/2016	1 x 60 mos.
Brandywine Town Center	166,200	22.2%	36,933	5.99%	7/1/2016	None
Rhode Island Place Shopping Center	16,035	100.0%	16,035	6.35%	12/1/2016	None
Convertible Notes	380	100.0%	380	3.75%	12/15/2016	None
239 Greenwich Avenue	26,000	75.0%	19,500	5.42%	2/11/2017	None
639 West Diversey	4,269	100.0%	4,269	6.65%	3/1/2017	None
Merrillville Plaza	25,589	100.0%	25,589	5.88%	8/1/2017	None
Bedford Green	29,693	100.0%	29,693	5.10%	9/5/2017	None
Georgetown Portfolio	17,963	50.0%	8,982	4.72%	12/10/2027	None
Interest rate swaps 1	111,103	99.9%	110,937	4.11%	Various	
<b>Sub-Total Fixed-Rate Debt</b>	<b>560,465</b>		<b>386,272</b>	<b>5.12%</b>		
<b><u>Variable-Rate Debt</u></b>						
Unsecured Line of Credit 2	—	100.0%	—	Libor + 140	1/31/2018	1 x 12 mos.
664 N. Michigan	44,685	100.0%	44,685	Libor + 165	6/28/2018	1 x 60 mos.
Unsecured Term Loan	50,000	100.0%	50,000	Libor + 130	11/25/2019	None
4401 N White Plains Road	6,172	100.0%	6,172	Libor + 190	9/1/2022	None
28 Jericho Turnpike	15,853	100.0%	15,853	Libor + 190	1/23/2023	None
60 Orange Street	8,292	98.0%	8,126	Libor + 175	4/3/2023	None
Interest rate swaps 1	(111,103)	99.9%	(110,937)	Libor + 156		
<b>Sub-Total Variable-Rate Debt</b>	<b>13,899</b>		<b>13,899</b>	<b>Libor + 156</b>		
<b>Total Core Portfolio Debt</b>	<b>574,364</b>		<b>400,171</b>	<b>5.00%</b>		



**Portfolio Debt - Detail (continued)**

(in thousands)

Property	Entity	Principal Balance at		Acadia's Pro-rata Share		Interest	Maturity	Extension
		September 30, 2014		Percent	Amount	Rate	Date	Options
<b>Funds</b>								
<b>Fixed-Rate Debt</b>								
CityPoint 3	Fund II	\$ 20,000	18.8%	\$ 3,766	7.25%	11/1/2014	None	
Arundel Plaza 3	Fund III	8,808	17.9%	1,578	5.60%	4/1/2015	None	
216th Street 3	Fund II	25,500	19.8%	5,054	5.80%	10/1/2017	None	
CityPoint 3	Fund II	198,500	18.8%	37,375	4.75%	2019 6	None	
CityPoint 3.5	Fund II	5,262	18.8%	991	1.00%	8/23/2019	None	
Interest rate swaps 1	Funds II, III & IV	108,641	19.6%	21,283	3.59%	Various		
<b>Sub-Total Fixed-Rate Debt</b>		<b>366,711</b>		<b>70,047</b>	<b>4.57%</b>			
<b>Variable-Rate Debt</b>								
Parkway Crossing 3	Fund III	13,030	17.9%	2,334	Libor + 220	1/1/2015	2 x 12 mos.	
Liberty Avenue 3	Fund II	9,002	19.8%	1,784	Libor + 275	4/30/2015	None	
210 Bowery	Fund IV	4,600	23.1%	1,064	Libor + 195	6/1/2015	None	
640 Broadway 3	Fund III	22,678	12.6%	2,849	Libor + 295	7/1/2015	1 x 12 mos.	
CityPoint 3	Fund II	20,650	18.8%	3,888	Libor + 400	8/12/2015	None	
CityPoint 3	Fund II	20,000	18.8%	3,766	Libor + 500	8/23/2015	1 x 12 mos.	
Cortlandt Towne Center	Fund III	84,148	19.9%	16,745	Libor + 165	10/26/2015	None	
Acadia Strategic Opportunity IV LLC 4	Fund IV	67,400	23.1%	15,583	Libor + 165	11/20/2015	1 x 12 mos.	
Nostrand Avenue	Fund III	12,177	19.9%	2,423	Libor + 265	2/1/2016	2 x 12 mos.	
Heritage Shops	Fund III	24,500	19.9%	4,876	Libor + 155	2/28/2016	2 x 12 mos.	
Promenade at Manassas 3	Fund IV	25,000	22.8%	5,696	Libor + 140	11/19/2016	2 x 12 mos.	
Lincoln Park Centre	Fund III	23,000	19.9%	4,578	Libor + 145	12/3/2016	2 x 12 mos.	
1701 Belmont Avenue 3, 7	Fund IV	3,461	22.8%	789	Prime + 145	1/31/2017	None	
654 Broadway	Fund III	9,000	19.9%	1,791	Libor + 188	3/1/2017	2 x 12 mos.	
New Hyde Park Shopping Center	Fund III	11,840	19.9%	2,356	Libor + 185	5/1/2017	2 x 12 mos.	
938 W. North Avenue 3	Fund IV	12,500	18.5%	2,312	Libor + 235	5/1/2017	1 x 12 mos.	
1151 Third Avenue	Fund IV	12,500	23.1%	2,890	Libor + 175	6/3/2017	1 x 12 mos.	
161st Street 3	Fund II	29,500	19.8%	5,847	Libor + 250	4/1/2018	None	
Paramus Plaza 3	Fund IV	12,600	11.6%	1,457	Libor + 170	2/20/2019	None	
Lake Montclair	Fund IV	15,376	23.1%	3,555	Libor + 215	5/1/2019	None	
White City Shopping Center 3	Fund III	56,664	16.7%	9,474	Libor + 215	2/19/2021	None	
Interest rate swaps 1	Funds II, III & IV	(108,641)	19.6%	(21,283)	Libor + 232			
<b>Sub-Total Variable-Rate Debt</b>		<b>380,985</b>		<b>74,774</b>	<b>Libor + 203</b>			
<b>Total Funds Portfolio Debt</b>		<b>\$ 747,696</b>		<b>\$ 144,821</b>	<b>3.34%</b>			
<b>Total Debt</b>		<b>\$ 1,322,060</b>		<b>\$ 544,992</b>	<b>4.56%</b>			

Portfolio Debt - Notes

(in thousands)

<sup>1</sup> The Company has hedged a portion of its variable-rate debt with variable to fixed-rate swap agreements

<sup>2</sup> This is an unsecured revolving facility which has a current capacity up to \$150,000 and can be increased to \$300,000.

The interest rate will vary based on levels of leverage. As of September 30, 2014, the interest rate is LIBOR + 140 basis points.

<sup>3</sup> Acadia's interest in this Fund debt is also reflected net of other JV interests at the investment level.

<sup>4</sup> Total current availability under this facility is \$150,000. Fund IV also has the ability to increase the size of this facility to a total of \$239,881.

<sup>5</sup> This loan was made in connection with the New Markets Tax Credit and contains a borrower option to purchase the loan for \$1 at the end of the term.

<sup>6</sup> The maturity date of this loan is five years after the final advancing of funds which is currently anticipated to occur by the end of 2014.

<sup>7</sup> Bears interest at the greater of 4% or the Prime Rate plus 50 basis points.

**Future Debt Maturities <sup>1</sup>***(in thousands)***Core Portfolio**

Year	<b>Total Debt Maturities</b>			<b>Acadia's Pro-rata Share</b>			<b>Weighted Average Interest Rate of Maturing Debt</b>		
	Scheduled			Scheduled			Total Debt	Fixed-Rate Debt	Variable-Rate Debt
	Amortization	Maturities	Total	Amortization	Maturities	Total			
2014	\$ 1,643	\$ 57,109	\$ 58,752	\$ 1,453	\$ 27,983	\$ 29,436	5.37%	5.37%	n/a
2015	5,378	27,344	32,722	5,214	27,344	32,558	5.04%	5.04%	n/a
2016	3,820	257,953	261,773	3,650	128,686	132,336	5.87%	5.87%	n/a
2017	3,042	82,926	85,968	2,863	76,426	79,289	5.50%	5.50%	n/a
2018	1,773	40,058	41,831	1,585	40,058	41,643	1.81%	n/a	1.81%
Thereafter	7,944	85,374	93,318	5,947	78,962	84,909	2.09%	4.72%	1.63%
<b>Total</b>	<b>\$ 23,600</b>	<b>\$ 550,764</b>	<b>\$ 574,364</b>	<b>\$ 20,712</b>	<b>\$ 379,459</b>	<b>\$ 400,171</b>			

**Funds**

Year	<b>Total Debt Maturities</b>			<b>Acadia's Pro-rata Share</b>			<b>Weighted Average Interest Rate of Maturing Debt</b>		
	Scheduled			Scheduled			Total Debt	Fixed-Rate Debt	Variable-Rate Debt
	Amortization	Maturities	Total	Amortization	Maturities	Total			
2014	\$ 992	\$ 20,000	\$ 20,992	\$ 182	\$ 3,766	\$ 3,948	7.25%	7.25%	n/a
2015	3,487	248,737	252,224	679	49,304	49,983	2.57%	5.60%	2.46%
2016	2,035	83,897	85,932	406	17,422	17,828	1.78%	n/a	1.78%
2017	1,367	72,595	73,962	255	14,738	14,993	3.49%	5.80%	2.24%
2018	1,166	29,500	30,666	214	5,847	6,061	2.66%	n/a	2.66%
Thereafter	1,229	282,691	283,920	205	51,803	52,008	3.98%	4.65%	2.24%
<b>Total</b>	<b>\$ 10,276</b>	<b>\$ 737,420</b>	<b>\$ 747,696</b>	<b>\$ 1,941</b>	<b>\$ 142,880</b>	<b>\$ 144,821</b>			

**Note:**<sup>1</sup> Does not include any applicable extension options

Core Portfolio Retail Properties - Detail 1

Property	Key Tenants	Year Acquired	Acadia's interest	Gross Leaseable Area			In Place Occupancy			Leased Occupancy			Annualized Base Rent PSF			Annualized Base Rent
				Anchors	Shops	Total	Anchors	Shops	Total	Total	Anchors	Shops	Total	Total		
<b>STREET RETAIL</b>																
<b>Chicago Metro</b>																
664 N. Michigan Avenue	Tommy Bahama, Ann Taylor Loft	2013	100.0%	—	18,141	18,141	—	100.0%	100.0%	100.0%	\$ —	\$ 237.23	\$ 237.23	\$ 4,303,538		
Rush and Walton Streets Collection - 6 properties	Lululemon, Brioni, BHLDN, Marc Jacobs	2011/12	100.0%	—	41,432	41,432	—	100.0%	100.0%	100.0%	—	150.06	150.06	6,217,236		
651-671 West Diversey	Trader Joe's, Urban Outfitters	2011	100.0%	16,500	29,759	46,259	100.0%	100.0%	100.0%	100.0%	54.55	33.92	41.27	1,909,285		
Clark Street and W. Diversey Collection - 3 properties	Ann Taylor, Akira	2011/12	100.0%	—	23,531	23,531	—	66.0%	66.0%	86.7%	—	53.69	53.69	834,277		
Halsted and Armitage Collection - 9 properties	Intermix, BCBG, Club Monaco	2011/12	100.0%	20,580	24,078	44,658	100.0%	90.9%	95.1%	95.1%	20.70	64.46	43.25	1,836,435		
North Lincoln Park Chicago Collection - 6 properties	Forever 21, Aldo, Carhartt, Chase Bank	2011/14	100.0%	—	51,255	51,255	—	86.5%	86.5%	86.5%	—	38.29	38.29	1,698,169		
				37,080	188,196	225,276	100.0%	90.9%	92.4%	94.6%	35.76	90.43	80.69	16,798,940		
<b>New York Metro</b>																
83 Spring Street	Paper Source	2012	100.0%	—	3,000	3,000	—	100.0%	100.0%	100.0%	—	207.96	207.96	623,884		
152-154 Spring Street	Kate Spade Saturday	2014	100.0%	—	2,936	2,936	—	100.0%	100.0%	100.0%	—	728.66	728.66	2,139,360		
Mercer Street	3 X 1 Denim	2011	100.0%	—	3,375	3,375	—	100.0%	100.0%	100.0%	—	120.44	120.44	406,494		
East 17th Street	-	2008	100.0%	—	11,467	11,467	—	—	—	100.0%	—	—	—	—		
West 54th Street	Stage Coach Tavern	2007	100.0%	—	5,773	5,773	—	92.3%	92.3%	100.0%	—	408.99	408.99	2,179,522		
61 Main Street	Chicos	2014	100.0%	—	3,400	3,400	—	100.0%	100.0%	100.0%	—	103.40	103.40	351,560		
181 Main Street	TD Bank	2012	100.0%	—	11,350	11,350	—	100.0%	100.0%	100.0%	—	74.77	74.77	848,683		
4401 White Plains Road	Walgreens	2011	100.0%	12,964	—	12,964	100.0%	—	100.0%	100.0%	48.21	—	48.21	625,000		
Bartow Avenue	Sleepy's	2005	100.0%	—	14,676	14,676	—	100.0%	100.0%	100.0%	—	31.89	31.89	467,987		
239 Greenwich Avenue	Restoration Hardware	1998	75.0%	—	16,834	16,834	—	100.0%	100.0%	100.0%	—	92.35	92.35	1,554,663		
252-256 Greenwich Avenue	Madewell, Calypso, Jack Wills	2014	100.0%	—	9,172	9,172	—	100.0%	100.0%	100.0%	—	131.14	131.14	1,202,772		
Third Avenue	Planet Fitness	2006	100.0%	21,650	18,670	40,320	100.0%	100.0%	100.0%	100.0%	22.19	21.79	22.00	887,172		
868 Broadway	Dr Martens	2013	100.0%	—	2,031	2,031	—	100.0%	100.0%	100.0%	—	335.83	335.83	682,069		
313-315 Bowery 2	John Varvatos, Patagonia	2013	100.0%	—	6,600	6,600	—	100.0%	100.0%	100.0%	—	66.00	66.00	435,600		
120 West Broadway	HSBC Bank, Citibank	2013	100.0%	—	13,638	13,638	—	81.7%	81.7%	81.7%	—	144.86	144.86	1,613,503		
131-135 Prince Street	Folli Follie, Uno De 50	2013	100.0%	—	3,200	3,200	—	100.0%	100.0%	100.0%	—	385.11	385.11	1,232,352		
2520 Flatbush Avenue	Bob's Discount Furniture, Capital One	2014	100.0%	—	29,114	29,114	—	100.0%	100.0%	100.0%	—	36.05	36.05	1,049,538		
				34,614	155,236	189,850	100.0%	90.7%	92.4%	98.7%	31.93	107.90	92.91	16,300,159		
<b>District of Columbia Metro</b>																
1739-53 & 1801-03 Connecticut Avenue	Ruth Chris Steakhouse, TD Bank	2012	100.0%	—	22,907	22,907	—	100.0%	100.0%	100.0%	—	58.00	58.00	1,328,703		
Rhode Island Place Shopping Center	TJ Maxx	2012	100.0%	24,996	32,533	57,529	100.0%	92.3%	95.7%	95.7%	12.50	40.80	27.95	1,537,929		
M Street and Wisconsin Corridor - 7 Properties	Lacoste, Juicy Couture, Coach	2011	63.5%	—	31,629	31,629	—	93.4	93.4%	93.4%	—	81.89	81.89	2,420,201		
				24,996	87,069	112,065	100.0%	94.8%	96.0%	97.8%	12.50	60.26	49.16	5,286,833		
<b>Boston Metro</b>																
330-340 River Street	Whole Foods	2012	100.0%	40,800	13,426	54,226	100.0%	100.0%	100.0%	100.0%	17.05	32.38	20.85	1,130,470		
				40,800	13,426	54,226	100.0%	100.0%	100.0%	100.0%	17.05	32.38	20.85	1,130,470		
<b>Total Street Retail</b>				137,490	443,927	581,417	100.0%	91.9%	93.8%	97.0%	\$ 25.02	\$ 88.44	\$ 72.46	\$ 39,516,402		
<b>Acadia Share Total Street Retail</b>				137,490	427,404	564,894	100.0%	91.8%	93.8%	97.0%	\$ 25.02	\$ 88.70	\$ 72.18	\$ 38,244,596		



Notes:

<sup>1</sup> The above occupancy and rent amounts do not include space which is currently leased, other than "leased occupancy", but for which rent payment has not yet commenced. Residential and office GLA is excluded.

613-623 West Diversey Parkway is under redevelopment

<sup>2</sup> Represents the annual base rent paid to Acadia pursuant to a master lessee and does not reflect the rent paid by the retail tenants at the property.

Core Portfolio Retail Properties - Detail (continued)

Property	Key Tenants	Year Acquired	Acadia's interest	Gross Leaseable Area			Occupancy			Leased Occupancy			Annualized Base Rent PSF			Annualized Base Rent
				Anchors	Shops	Total	Anchors	Shops	Total	Total	Anchors	Shops	Total	Total		
<b>SUBURBAN PROPERTIES</b>																
<b><u>New Jersey</u></b>																
Elmwood Park Shopping Center	Walgreens, Pathmark (A&P)	1998	100.0%	62,610	86,460	149,070	100.0%	95.3%	97.3%	97.3%	\$ 25.26	\$ 25.50	\$ 25.40	\$ 3,683,627		
Marketplace of Absecon	Rite Aid, Dollar Tree	1998	100.0%	46,724	57,832	104,556	100.0%	90.5%	94.8%	94.8%	13.32	15.33	14.38	1,424,852		
60 Orange Street	Home Depot	2012	98.0%	101,715	—	101,715	100.0%	—	100.0%	100.0%	6.83	—	6.83	695,000		
<b><u>New York</u></b>																
Village Commons Shopping Center	-	1998	100.0%	—	87,330	87,330	—	98.1%	98.1%	98.1%	—	31.28	31.28	2,679,129		
Branch Plaza	LA Fitness, CVS	1998	100.0%	76,189	50,084	126,273	73.6%	77.8%	75.2%	92.5%	21.35	31.05	25.33	2,406,276		
Amboy Center	Stop & Shop (Ahold)	2005	100.0%	37,266	26,024	63,290	100.0%	100.0%	100.0%	100.0%	20.00	46.27	30.80	1,949,492		
Pacesetter Park Shopping Center	Stop & Shop (Ahold)	1999	100.0%	52,052	45,552	97,604	100.0%	76.2%	88.9%	88.9%	8.72	18.69	12.71	1,102,547		
LA Fitness	LA Fitness	2007	100.0%	55,000	—	55,000	100.0%	—	100.0%	100.0%	25.30	—	25.30	1,391,500		
Crossroads Shopping Center	Home Goods, PetSmart, Kmart	1998	49.0%	202,727	107,940	310,667	100.0%	86.8%	95.4%	95.4%	14.06	43.13	23.25	6,891,706		
New Loudon Center	Price Chopper, Marshalls	1993	100.0%	251,058	4,615	255,673	100.0%	100.0%	100.0%	100.0%	7.35	31.03	7.78	1,989,333		
28 Jericho Turnpike	Kohl's	2012	100.0%	96,363	—	96,363	100.0%	—	100.0%	100.0%	17.12	—	17.12	1,650,000		
Bedford Green	Shop Rite	2014	100.0%	37,981	49,006	86,987	100.0%	85.8%	92.0%	92.0%	22.53	34.58	28.86	2,309,909		
<b><u>Connecticut</u></b>																
Town Line Plaza <sup>2</sup>	Wal-Mart, Stop & Shop (Ahold)	1998	100.0%	163,159	43,187	206,346	100.0%	93.6%	98.7%	98.7%	14.72	17.61	15.82	1,681,409		
<b><u>Massachusetts</u></b>																
Methuen Shopping Center	Wal-Mart, Market Basket	1998	100.0%	120,004	10,017	130,021	100.0%	100.0%	100.0%	100.0%	6.66	22.84	7.91	1,027,936		
Crescent Plaza	Home Depot, Shaw's (Supervalu)	1993	100.0%	156,985	61,163	218,148	100.0%	78.9%	94.1%	96.0%	7.51	12.16	8.60	1,765,676		
<b><u>Vermont</u></b>																
The Gateway Shopping Center	Shaw's (Supervalu)	1999	100.0%	73,184	28,471	101,655	100.0%	100.0%	100.0%	100.0%	19.00	23.99	20.40	2,073,560		
<b><u>Illinois</u></b>																
Hobson West Plaza	Garden Fresh Markets	1998	100.0%	51,692	47,445	99,137	100.0%	90.5%	95.5%	95.5%	4.64	21.13	12.13	1,147,554		
<b><u>Indiana</u></b>																
Merrillville Plaza	Jo-Ann Fabrics, TJ Maxx	1998	100.0%	123,220	112,867	236,087	100.0%	97.2%	98.7%	98.7%	10.72	17.95	14.12	3,290,015		
<b><u>Michigan</u></b>																
Bloomfield Town Square	Best Buy, Home Goods, TJ Maxx, Dick's Sporting Goods	1998	100.0%	153,839	81,947	235,786	100.0%	100.0%	100.0%	100.0%	11.12	22.51	15.07	3,554,290		
<b><u>Ohio</u></b>																
Mad River Station	Babies 'R' Us, Office Depot	1999	100%	58,185	65,150	123,335	100.0%	67.4%	82.8%	82.8%	9.49	17.65	13.00	1,326,780		

**Delaware**

Brandywine Town Center	Lowes, Bed Bath & Beyond, Target, Dick's Sporting Goods	2003	22.2%	852,261	48,608	900,869	94.5%	91.4%	94.3%	94.3%	16.10	20.44	16.32	13,872,559
Market Square Shopping Center	Trader Joe's, TJ Maxx	2003	22.2%	42,850	59,197	102,047	100.0%	100.0%	100.0%	100.0%	17.05	32.49	26.01	2,654,140
Naamans Road	—	2006	22.2%	—	19,984	19,984	—	100.0%	100.0%	100.0%	—	43.41	43.41	867,517

**Pennsylvania**

Mark Plaza	Kmart	1993	100.0%	104,956	1,900	106,856	100.0%	100.0%	100.0%	100.0%	1.95	18.95	2.25	240,664
Plaza 422	Home Depot	1993	100.0%	139,968	16,311	156,279	100.0%	100.0%	100.0%	100.0%	4.83	9.80	5.35	835,956
Route 6 Plaza	Kmart	1994	100.0%	146,568	29,021	175,589	100.0%	94.8%	99.1%	99.1%	6.04	13.88	7.28	1,267,407
Chestnut Hill	—	2006	100.0%	—	37,646	37,646	—	100.0%	100.0%	100.0%	—	24.04	24.04	904,845
Abington Towne Center <sup>3</sup>	Target, TJ Maxx	1998	100.0%	184,616	31,662	216,278	100.0%	70.4%	95.7%	95.7%	10.5	32.70	20.54	1,012,801

Total Suburban Properties				3,391,172	1,209,419	4,600,591	98.0%	90.6%	96.1%	96.6%	\$12.31	\$25.47	\$15.77	\$ 65,696,480
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Acadia Share Total Suburban Properties				2,589,530	1,054,975	3,644,505	98.8%	90.2%	96.3%	97%	\$11.14	\$24.13	\$14.94	\$ 48,638,589
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TOTAL CORE PROPERTIES				3,528,662	1,653,346	5,182,008	98.1%	90.9%	95.8%	96.7%	\$12.86	\$42.56	\$22.34	\$105,212,882
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Acadia Share Total Core Properties				2,727,020	1,482,379	4,209,399	98.9%	90.7%	96.0%	97.0%	\$11.92	\$42.99	\$22.95	\$ 86,883,185
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**Notes:**

<sup>1</sup> The above occupancy and rent amounts do not include space which is currently leased, other than "leased occupancy", but for which rent payment has not yet commenced. Residential and office GLA is excluded.

<sup>2</sup> Anchor GLA includes a 97,300 square foot Wal-Mart store which is not owned by the Company. This square footage has been excluded for calculating annualized base rent per square foot

<sup>3</sup> Anchor GLA includes a 157,616 square foot Target store which is not owned by the Company. This square footage has been excluded for calculating annualized base rent per square foot.

Core Portfolio Top Tenants - Ranked by Annual Base Rent (ABR) <sup>1</sup>

Tenant	Number of stores in Core portfolio	Pro-Rata			
		Combined		Percentage of Total	
		GLA	Base Rent	Portfolio GLA	Base Rent
LA Fitness	2	100,000	\$ 2,336,500	2.4%	2.7%
Ann Taylor Loft	2	14,174	2,150,210	0.3%	2.5%
Stop and Shop (Ahold)	3	155,177	1,961,300	3.7%	2.3%
Supervalu (Shaw's)	2	123,409	1,907,456	2.9%	2.2%
TJX Companies	9	218,734	1,892,650	5.2%	2.2%
-- TJ Maxx	5	120,123	854,724	2.8%	1.0%
-- Marshalls	2	46,748	434,462	1.1%	0.5%
-- Home Goods	2	51,863	603,464	1.2%	0.7%
Home Depot	3	312,718	1,827,600	7.4%	2.1%
Walgreens	3	37,499	1,412,716	0.9%	1.6%
Kate Spade	2	4,250	1,333,050	0.1%	1.5%
Citibank	5	17,283	1,239,117	0.4%	1.4%
Kmart	3	273,969	1,170,078	6.5%	1.3%
Bob's Discount Furniture	2	34,723	1,062,507	0.8%	1.2%
TD Bank	2	15,560	1,060,904	0.4%	1.2%
Trader Joe's	2	19,094	967,216	0.5%	1.1%
Urban Outfitters	2	19,902	879,450	0.5%	1.0%
Gap (Banana Republic and Old Navy)	3	13,835	875,513	0.3%	1.0%
Dicks Sporting Goods	2	59,805	860,471	1.4%	1.0%
Sleepy's	5	31,843	852,469	0.8%	1.0%
HSBC Bank	2	5,686	845,879	0.1%	1.0%
Capital One	3	12,778	795,368	0.3%	0.9%
CVS	2	25,393	767,736	0.6%	0.9%
<b>TOTAL</b>	<b>59</b>	<b>1,495,832</b>	<b>\$ 26,198,190</b>	<b>35.5%</b>	<b>30.1%</b>

Note:

<sup>1</sup> Does not include tenants that operate at only one of Acadia's properties.

Core Portfolio Lease Expirations

Year	Anchor Tenants					Shop Tenants					Total Tenants				
	Gross Leased Area		Base Rent			Gross Leased Area		Base Rent			Gross Leased Area		Base Rent		
	No. of Leases	Expiring	Percent	Percent	Percent	No. of Leases	Expiring	Percent	Percent	Percent	No. of Leases	Expiring	Percent	Percent	Percent
Expiring	SF	of Total	PSF	of Total	Expiring	SF	of Total	PSF	of Total	Expiring	SF	of Total	PSF	of Total	
M to M1	—	—	—	\$ —	—	7	18,220	1.2%	\$ 28.30	0.8%	7	18,220	0.4%	\$ 28.30	0.5%
2014	3	174,074	5.4%	6.75	2.8%	14	47,067	3.1%	48.40	3.6%	17	221,141	4.7%	15.61	3.3%
2015	5	252,812	7.9%	13.58	8.3%	36	131,297	8.7%	32.73	6.7%	41	384,109	8.2%	20.13	7.3%
2016	10	353,043	11.0%	12.50	10.7%	56	231,571	15.4%	26.22	9.5%	66	584,614	12.4%	17.94	10.0%
2017	6	311,806	9.7%	11.80	8.9%	52	211,504	14.1%	40.40	13.4%	58	523,310	11.1%	23.36	11.6%
2018	7	416,882	13.0%	12.97	13.1%	56	172,813	11.5%	33.09	8.9%	63	589,695	12.5%	18.87	10.6%
2019	7	210,728	6.6%	10.54	5.4%	32	102,173	6.8%	53.76	8.6%	39	312,901	6.6%	24.65	7.3%
2020	6	329,713	10.3%	12.16	9.7%	22	90,474	6.0%	51.77	7.3%	28	420,187	8.9%	20.69	8.3%
2021	7	283,831	8.9%	13.13	9.0%	19	91,138	6.1%	36.45	5.2%	26	374,969	8.0%	18.80	6.7%
2022	2	69,837	2.2%	26.15	4.4%	25	100,420	6.7%	50.60	7.9%	27	170,257	3.6%	40.57	6.6%
2023	3	132,322	4.1%	11.63	3.7%	15	76,688	5.1%	45.23	5.4%	18	209,010	4.4%	23.96	4.8%
Thereafter	16	671,707	20.9%	14.59	23.8%	37	229,959	15.3%	63.07	22.7%	53	901,666	19.1%	26.96	23.1%
<b>Total</b>	<b>72</b>	<b>3,206,755</b>	<b>100.0%</b>	<b>\$ 12.86</b>	<b>100.0%</b>	<b>371</b>	<b>1,503,324</b>	<b>100.0%</b>	<b>\$ 42.56</b>	<b>100.0%</b>	<b>443</b>	<b>4,710,079</b>	<b>100.0%</b>	<b>\$ 22.34</b>	<b>100.0%</b>

254,916 Anchor GLA Owned by Tenants

66,991 Total Vacant

**3,528,662 Total Square Feet**

150,022 Total Vacant

**1,653,346 Total Square Feet**

254,916 Anchor GLA Owned by Tenants

217,013 Total Vacant

**5,182,008 Total Square Feet**

Note:

<sup>1</sup> Leases currently under month to month or in process of renewal

**Core Portfolio - New and Renewal Rent Spreads <sup>1</sup>**

	Period ended		3 months ended		3 months ended		3 months ended	
	September 30, 2014		September 30, 2014		June 30, 2014		March 31, 2014	
	GAAP <sup>3</sup>	Cash <sup>2</sup>	GAAP <sup>3</sup>	Cash <sup>2</sup>	GAAP <sup>3</sup>	Cash <sup>2</sup>	GAAP <sup>3</sup>	Cash <sup>2</sup>
<b>New leases</b>								
Number of new leases executed	10	10	5	5	2	2	3	3
GLA	51,041	51,041	28,917	28,917	5,635	5,635	16,489	16,489
New base rent	\$ 54.64	\$ 48.71	\$ 31.10	\$ 29.01	\$ 41.67	\$ 38.72	\$ 100.35	\$ 86.66
Previous base rent	\$ 31.76	\$ 32.80	\$ 25.21	\$ 26.38	\$ 23.34	\$ 25.38	\$ 46.12	\$ 46.61
Average cost per square foot	\$ 141.27	\$ 141.27	\$ 141.5	\$ 141.5	\$ 1.62	\$ 1.62	\$ 188.58	\$ 188.58
Weighted Average Lease Term (years)	11.6	11.6	9.9	9.9	6.5	6.5	16.3	16.3
Percentage growth in base rent	72.0%	48.5%	23.4%	10.0%	78.5%	52.6%	117.6%	85.9%
<b>Renewal leases</b>								
Number of renewal leases executed	21	21	5	5	13	13	3	3
GLA	235,341	235,341	42,419	42,419	185,472	185,472	7,450	7,450
New base rent	\$ 18.91	\$ 17.91	\$ 11.92	\$ 11.90	\$ 20.18	\$ 18.96	\$ 27.05	\$ 25.99
Expiring base rent	\$ 16.53	\$ 16.88	\$ 11.07	\$ 11.15	\$ 17.55	\$ 17.97	\$ 22.23	\$ 22.23
Average cost per square foot	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Weighted Average Lease Term (years)	4.8	4.8	4.9	4.9	4.8	4.8	5.3	5.3
Percentage growth in base rent	14.4%	6.1%	7.7%	6.7%	15.0%	5.5%	21.7%	16.9%
<b>Total new and renewal Leases</b>								
Number of new and renewal leases executed	31	31	10	10	15	15	6	6
GLA commencing	286,382	286,382	71,336	71,336	191,107	191,107	23,939	23,939
New base rent	\$ 25.28	\$ 23.40	\$ 19.69	\$ 18.84	\$ 20.81	\$ 19.54	\$ 77.54	\$ 67.78
Expiring base rent	\$ 19.24	\$ 19.72	\$ 16.80	\$ 17.32	\$ 17.72	\$ 18.19	\$ 38.69	\$ 39.02
Average cost per square foot	\$ 25.18	\$ 25.18	\$ 57.36	\$ 57.36	\$ 0.05	\$ 0.05	\$ 129.89	\$ 129.89
Weighted Average Lease Term (years)	6	6	6.9	6.9	4.8	4.8	12.9	12.9
Percentage growth in base rent	31.4%	18.7%	17.2%	8.7%	17.5%	7.4%	100.4%	73.7%

**Notes:**

<sup>1</sup>Based on lease execution dates. Does not include leased square footage and costs related to first generation space and the Company's major redevelopment projects; renewal leases include exercised options.

<sup>2</sup>Rents have not been calculated on a straight-line basis. Previous/expiring rent is that as of time of expiration and includes any percentage rent paid as well. New rent is that which is paid at commencement.

<sup>3</sup>Rents are calculated on a straight-line ("GAAP") basis.

**Core Portfolio Capital Expenditures**

Current Quarter

	<b>Year-to-Date Period ended September 30, 2014</b>	<b>Current Quarter 3 months ended September 30, 2014</b>	<b>Previous Quarter 3 months ended June 30, 2014</b>	<b>Previous Quarter 3 months ended March 31, 2014</b>	<b>Prior Year ended December 31, 2013</b>
Leasing Commissions	\$ 711	\$ 134	\$ 401	\$ 176	\$ 1,676
Tenant Improvements	3,635	1,259	853	1,523	4,057
Capital Expenditures	777	187	146	444	2,592
<b>Total Capital Expenditures</b>	<b>\$ 5,123</b>	<b>\$ 1,580</b>	<b>\$ 1,400</b>	<b>\$ 2,143</b>	<b>\$ 8,325</b>
Other redevelopment and re-anchoring related activities	<b>\$ 1,800</b>	<b>\$ 1,800</b> <sup>1</sup>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 5,953</b> <sup>2</sup>

*Note:*<sup>1</sup> Consists of \$1,800 of costs associated with the re-tenanting at the Branch Plaza.<sup>2</sup> Consists of \$2,278 of costs associated with the re-anchoring of Crossroads, \$1,948 of costs associated with the re-tenanting of Merrillville Plaza,

\$890 of costs associated with the re-anchoring of Branch Plaza and \$836k of costs associated with the installation of a new tenant at a Chicago Street Retail asset.

Property Demographics - Core

Property	City	State	Base Rent	Total GLA	3-Mile Radius			
					Total Pop.	# HH	Median HH Income	Avg. HH Income
<b>Core - Street Retail</b>								
664 N. Michigan Avenue	Chicago	IL	\$ 4,303,538	18,141	295,897	163,646	\$ 74,143	\$ 115,275
Rush and Walton Streets Collection - 6 properties	Chicago	IL	6,217,236	41,432	319,505	178,056	75,196	116,122
613-623 West Diversey Parkway	Chicago	IL	—	781,876	404,680	217,820	70,480	105,904
651-671 West Diversey	Chicago	IL	1,909,285	46,259	413,506	220,785	70,198	105,234
Clark Street and W. Diversey Collection - 3 properties	Chicago	IL	834,277	23,531	406,523	217,890	70,388	105,694
Halsted and Armitage Collection - 9 properties	Chicago	IL	1,836,435	44,658	443,549	238,098	72,697	108,583
North Lincoln Park Chicago Collection - 6 properties	Chicago	IL	1,698,169	51,255	496,377	247,811	68,233	99,096
83 Spring Street	Manhattan	NY	623,884	3,000	981,658	479,147	85,920	121,994
152-154 Spring Street	Manhattan	NY	2,139,360	2,936	918,561	473,494	87,476	126,722
Mercer Street	Manhattan	NY	406,494	3,375	942,758	457,309	85,389	121,063
East 17th Street	Manhattan	NY	—	11,467	1,079,577	547,698	91,428	133,947
West 54th Street	Manhattan	NY	2,179,522	5,773	1,249,501	636,418	91,179	137,662
61 Main Street	Westport	CT	351,560	3,400	46,740	17,572	126,406	193,141
181 Main Street	Westport	CT	848,683	11,350	46,401	17,290	132,350	187,954
4401 White Plains Road	Bronx	NY	625,000	12,964	571,325	214,126	52,977	65,542
Bartow Avenue	Bronx	NY	467,987	14,676	578,872	215,091	47,890	58,583
239 Greenwich Avenue	Greenwich	CT	1,554,663	16,834	67,092	24,790	112,373	169,820
252-256 Greenwich Avenue	Greenwich	CT	1,202,772	9,172	67,228	25,117	110,894	176,008
Third Avenue	Bronx	NY	887,172	40,320	1,239,993	443,231	35,628	49,095
868 Broadway	Manhattan	NY	682,069	2,031	1,077,976	547,276	91,410	134,095
313-315 Bowery	Manhattan	NY	435,600	6,600	1,032,158	506,284	85,730	122,785
120 West Broadway	Manhattan	NY	1,613,503	13,638	878,321	422,645	85,293	121,409
131-135 Prince Street	Manhattan	NY	1,232,352	3,200	990,615	484,990	88,621	132,090
2520 Flatbush Avenue	Brooklyn	NY	1,049,538	29,114	553,769	211,713	56,343	68,554
1739-53 & 1801-03 Connecticut Avenue	Washington	DC	1,328,703	22,907	338,815	164,797	81,801	108,533
Rhode Island Place Shopping Center	Washington	DC	1,537,929	57,529	348,349	157,678	66,984	86,314
M Street and Wisconsin Corridor - 7 properties	Georgetown	DC	2,420,201	31,629	321,861	160,430	87,539	114,211
330-340 River Street	Cambridge	MA	1,130,470	54,226	492,750	214,634	65,037	91,540
<b>Total Core Street Retail</b>								
Weighted Average - Based on annual base rent					516,441	254,552	\$ 79,962	\$ 116,968





Property	City	State	Base Rent	Total GLA	3-Mile Radius				
					Total Pop.	# HH	Median HH Income	Avg. HH Income	
Core - Suburban Properties									
Elmwood Park Shopping Center	Elmwood Park	NJ	\$ 3,683,627	149,070	252,982	84,585	\$ 60,290	\$ 69,299	
Marketplace of Absecon	Absecon	NJ	1,424,852	104,556	32,668	11,471	61,717	73,395	
60 Orange Street	Bloomfield	NJ	695,000	101,715	338,909	125,166	56,211	67,492	
Village Commons Shopping Center	Smithtown	NY	2,679,129	87,330	67,473	22,922	109,170	123,046	
Branch Plaza	Smithtown	NY	2,406,276	126,273	67,554	22,991	108,660	122,359	
Amboy Center	Staten Island	NY	1,949,492	63,290	151,900	55,451	87,868	98,504	
Pacesetter Park Shopping Center	Pomona	NY	1,102,547	97,604	36,144	11,216	112,281	126,247	
LA Fitness	Staten Island	NY	1,391,500	55,000	128,131	45,167	79,348	89,832	
Crossroads Shopping Center	White Plains	NY	6,891,706	310,667	109,134	42,516	96,092	118,263	
New Loudon Center	Latham	NY	1,989,333	255,673	42,827	17,479	67,391	81,548	
28 Jericho Turnpike	Westbury	NY	1,650,000	96,363	95,953	29,144	108,872	129,163	
Bedford Green	Bedford Hills	NY	2,309,909	86,987	25,440	8,955	99,204	140,115	
Town Line Plaza	Rocky Hill	CT	1,681,409	206,346	46,399	19,437	72,685	86,521	
Methuen Shopping Center	Methuen	MA	1,027,936	130,021	99,701	34,864	50,705	60,706	
Crescent Plaza	Brockton	MA	1,765,676	218,148	98,838	34,781	57,332	64,961	
The Gateway Shopping Center	So. Burlington	VT	2,073,560	101,655	48,384	19,261	51,446	63,537	
Hobson West Plaza	Naperville	IL	1,147,554	99,137	94,989	34,059	103,910	126,405	
Merrillville Plaza	Hobart	IN	3,290,015	236,087	26,123	10,805	47,909	58,578	
Bloomfield Town Square	Bloomfield Hills	MI	3,554,290	235,786	56,773	22,617	62,547	94,909	
Mad River Station	Dayton	OH	1,326,780	123,335	65,307	28,938	56,592	69,153	
Mark Plaza	Edwardsville	PA	240,664	106,856	86,196	36,839	37,495	45,983	
Plaza 422	Lebanon	PA	835,956	156,279	45,792	18,157	44,301	52,611	
Route 6 Plaza	Honesdale	PA	1,267,407	175,589	6,832	2,962	37,786	44,999	
Chestnut Hill	Philadelphia	PA	904,845	37,646	147,436	62,292	58,777	77,506	
Abington Towne Center	Abington	PA	1,012,801	216,278	89,439	35,119	78,159	95,124	
<b>Total Core Suburban Properties</b>									
Weighted Average - Based on annual base rent									
					90,190	33,012	\$ 76,527	\$ 93,181	
<b>Total Core Properties</b>									
Weighted Average - Based on annual base rent									
					281,993	132,700	\$ 78,073	\$ 103,884	
Brandywine/Market Square/Naamans Rd <sup>1</sup>	Wilmington	DE	\$ 17,394,216	1,022,900	507,575	193,705	\$ 72,923	\$ 88,573	

Note:

<sup>1</sup> Based on 10 mile radius demographics given the unique trade market for this asset. This has been excluded from the average calculations of 3-mile radius due to its unique trade market.



Property Demographics - Funds

Property	City	State	Base Rent	Total GLA	3-Mile Radius			
					Total	#	Median HH	Avg. HH
					Pop.	HH	Income	Income
<b>Fund II</b>								
216th Street	Manhattan	NY	\$ 2,574,000	60,000	963,175	337,894	\$ 37,629	\$ 48,228
161st Street	Bronx	NY	6,002,214	232,252	1,274,128	450,383	33,329	45,066
Liberty Avenue	Queens	NY	937,724	26,125	639,405	213,464	55,561	67,368
<b>Fund II</b>								
Weighted Average - Based on annual base rent					1,180,801	416,621	\$ 34,620	\$ 46,015
<b>Fund III</b>								
Cortlandt Towne Center	Mohegan Lake	NY	\$ 9,864,112	639,353	49,966	17,759	\$ 84,926	\$ 97,340
640 Broadway	Manhattan	NY	874,566	4,145	1,006,693	496,773	86,613	124,108
654 Broadway	Manhattan	NY	550,000	2,896	1,007,518	497,906	86,836	124,507
New Hyde Park Shopping Center	New Hyde Park	NY	1,234,288	32,602	199,698	70,745	102,010	122,658
White City	Shrewsbury	MA	4,020,519	180,379	99,189	39,649	51,215	62,391
Parkway Crossing	Parkville	MD	1,720,536	260,241	185,935	74,271	59,022	68,972
Heritage Shops	Chicago	IL	3,140,961	81,730	288,116	154,272	71,414	110,831
Lincoln Park Centre	Chicago	IL	2,917,267	61,761	431,527	230,716	73,011	109,736
Nostrand Avenue	Brooklyn	NY	1,405,601	40,315	544,351	203,713	51,528	65,388
Arundel Plaza	Glen Burnie	MD	1,318,478	265,116	77,759	29,166	59,786	64,793
<b>Fund III</b>								
Weighted Average - Based on annual base rent					201,611	92,253	\$ 77,181	\$ 96,986
<b>Fund IV</b>								
1701 Belmont Avenue	Catonsville	MD	\$ 936,166	58,674	110,450	43,613	\$ 60,575	\$ 68,732
2819 Kennedy Boulevard	North Bergen	NJ	100,000	41,477	526,721	241,698	78,834	110,806
Promenade at Manassas	Manassas	VA	3,353,508	265,442	57,996	18,940	74,390	84,467
Paramus Plaza	Paramus	NJ	1,863,180	154,332	106,906	37,209	119,131	132,518
1151 Third Avenue	Manhattan	NY	318,000	12,911	1,270,132	636,996	87,522	131,326
Lake Montclair	Prince William County	VA	1,888,521	105,850	55,900	18,373	93,338	103,028
Eden Square	Bear	DE	2,524,598	235,508	69,756	26,155	69,989	75,629
938 W. North Avenue	Chicago	IL	928,510	33,228	453,690	239,813	72,447	108,382
<b>Fund IV</b>								
Weighted Average - Based on annual base rent					136,944	60,008	\$ 79,824	\$ 91,931
<b>Total - Funds</b>								
Weighted Average - Based on annual base rent					377,678	149,309	\$ 68,415	\$ 84,480

Overview of Acadia Funds

As of September 30, 2014	FUND I	FUND II	FUND III	FUND IV
<b>Date formed</b>	September 2001	June 2004	May 2007	May 2012
<b>Capital committed</b>	\$86.6 million	\$300.0 million	\$475.0 million	\$540.6 million
<b>Capital funded</b>	Fully funded	Fully funded <sup>2</sup>	\$372.0 million	\$121.0 million
<b>As a percentage of commitments</b>	100.0%	100.0%	78.3%	22.4%
<b>Capital funded and allocated <sup>3</sup></b>	100.0%	100.0%	100.0%	40.0%
<b>Distributions</b>	\$192.3 million	\$131.6 million	\$361.2 million	\$95.9 million
<b>As a percentage of funded capital</b>	222.0%	43.9%	97.1%	79.3%
	All original capital and accumulated preferred return has been paid. Acadia is entitled to a Promote on all future distributions.			
<b>Fund structure</b>				
Equity contribution and	22.2% - Acadia	20.0% - Acadia	19.9% - Acadia	23.1% - Acadia
Cash flow distribution:	77.8% - Four institutional investors	80.0% - Six institutional investors	80.1% - 14 institutional investors	76.9% - 17 institutional investors
Distributions:	20% to Acadia once all partners (including Acadia) have received cumulative preferred return and return of equity			
	Remaining 80% is distributed pro-rata to all the partners (including Acadia)			
Preferred return rate:	9%	8%	6%	6%
<b>Fees/Priority Distributions to Acadia</b>				
	Asset management fee/Priority distribution equal to 1.5% of implied capital <sup>1</sup>			
	Property management fee/Priority distribution equal to 4% of gross property revenues			
	Market rate leasing fees			
	Market rate construction/project management fees			
	Development fee equal to 3% of total project cost			

Notes:

<sup>1</sup> Committed capital as reduced by capital attributed to sold investments.

<sup>2</sup> During the fourth quarter of 2013, a distribution of \$47.1 million was made to the Fund II investors. Until December 2016, this amount is subject to recontribution to Fund II by the investors, if needed to fund the on-going redevelopment of existing projects.

<sup>3</sup> Includes all funded capital as well as unfunded capital commitments which have been allocated to (i) complete existing projects and (ii) acquire and complete leasing/development of acquisitions under contract

## Fund Retail Properties - Detail 1

	Anchors	Year Acquired	Ownership %	Gross Leasable Area			In Place Occupancy			Leased Occupancy		Annualized Base Rent PSF		
				Anchors	Shops	Total	Anchors	Shops	Total	Total	Anchors	Shops	Total	
<b>Fund I Portfolio Detail</b>														
VARIOUS														
Total - Fund I	Kroger/Safeway Portfolio (3 Properties)	2003	60.0%	97,500	—	97,500	34.9%	—	34.9%	34.9%	\$ 3.03	—	\$ 3.03	
<b>Fund II Portfolio Detail</b>														
NEW YORK														
<u>New York</u>														
Liberty Avenue	CVS	2005	99.1%	10,880	15,245	26,125	100.0%	100.0%	100.0%	100.0%	\$ 39.75	\$ 33.14	\$ 35.89	
216th Street	NYC Human Resources Administration	2005	99.1%	60,000	—	60,000	100.0%	—	100.0%	100.0%	42.90	—	42.90	
161st Street 2	Various New York City & State agencies	2005	99.1%	107,026	125,226	232,252	100.0%	87.6%	93.3%	93.3%	26.50	28.85	27.69	
Total - Fund II				177,906	140,471	318,377	100.0%	89.0%	95.1%	95.1%	\$ 32.84	\$ 29.38	\$ 31.41	
<b>Fund III Portfolio Detail</b>														
NEW YORK														
<u>New York</u>														
Cortlandt Towne Center	Wal-Mart, Best Buy, A&P	2009	100.0%	472,420	166,933	639,353	95.7%	81.3%	92.0%	96.7%	\$ 14.05	\$ 25.84	\$ 16.78	
654 Broadway	Penguin (Perry Ellis)	2011	100.0%	—	2,896	2,896	—	100.0%	100.0%	100.0%	—	189.92	189.92	
640 Broadway	Swatch	2012	63.1%	—	4,145	4,145	—	91.8%	91.8%	100.0%	—	229.91	229.91	
New Hyde Park Shopping Center	PetSmart	2011	100.0%	13,507	19,095	32,602	100.0%	80.4%	88.5%	88.5%	35.00	49.61	42.77	
Nostrand Avenue	—	2013	100.0%	—	40,315	40,315	—	75.9%	75.9%	75.9%	—	45.93	45.93	
NEW ENGLAND														
<u>Massachusetts</u>														
White City Shopping Center	Shaw's (Supervalu)	2010	84.0%	131,839	125,517	257,356	85.6%	98.7%	92%	92.0%	15.6	35.38	25.95	
MID-ATLANTIC														
<u>Maryland</u>														
Parkway Crossing	Home Depot, Shop Rite	2011	94.3%	192,836	67,405	260,241	100.0%	82.1%	95.4%	95.4%	3.65	18.37	6.93	
Arundel Plaza	Giant Food, Lowe's	2012	94.3%	231,920	33,196	265,116	100.0%	58.8%	94.8%	94.8%	3.90	21.18	5.24	
MIDWEST														
<u>Illinois</u>														
Heritage Shops	LA Fitness, Ann Taylor Loft	2011	100.0%	49,878	31,852	81,730	100%	89.7%	96%	96.0%	21.61	72.19	40.03	
Lincoln Park Centre	Design Within Reach	2012	100.0%	—	61,761	61,761	—	100%	100%	100.0%	—	47.23	47.23	
Total - Fund III				1,092,400	553,115	1,645,515	96.4%	86.3%	93.0%	94.9%	\$ 10.71	\$ 37.47	\$ 19.06	
<b>Fund IV Portfolio Detail</b>														
NEW YORK														
<u>New York</u>														
1151 Third Avenue		2013	100.0%	—	12,911	12,911	—	42.4%	42.4%	100.0%	—	\$ 58.09	\$ 58.09	
<u>New Jersey</u>														
Paramus Plaza	Babies R Us, Ashley Furniture	2013	50.0%	76,222	78,110	154,332	100%	29.5%	64.3%	64.3%	21.88	8.50	18.78	



2819 Kennedy Boulevard	Aldi	2013	98.6%	36,941	4,536	41,477	—	33.9%	3.7%	47.9%	—	65.10	65.10
<b>MID-ATLANTIC</b>													
<b>Virginia</b>													
Promenade at Manassas	Home Depot, HH Gregg	2013	98.6%	194,038	71,404	265,442	100.0%	92.5%	98.0%	98.4%	9.73	22.19	12.89
Lake Montclair	Food Lion	2013	100.0%	33,000	72,850	105,850	100.0%	93.4%	95.5%	95.5%	9.50	23.15	18.69
<b>Maryland</b>													
1701 Belmont Avenue	Best Buy	2012	98.6%	58,674	—	58,674	100.0%	—	100.0%	100.0%	15.96	—	15.96
<b>Delaware</b>													
Eden Square	Giant Food, Lowe's	2014	98.6%	167,333	68,175	235,508	100.0%	79.0%	93.9%	93.9%	10.03	15.70	11.41
<b>MIDWEST</b>													
<b>Illinois</b>													
938 W. North Avenue	Restoration Hardware, Sephora	2013	80.0%	—	33,228	33,228	—	62.6%	62.6%	62.6%	—	44.66	44.66
<b>Total - Fund IV</b>				<b>566,208</b>	<b>341,214</b>	<b>907,422</b>	<b>93.5%</b>	<b>70.0%</b>	<b>84.6%</b>	<b>87.6%</b>	<b>\$ 12.25</b>	<b>\$ 22.74</b>	<b>\$ 15.51</b>

**Notes:**

<sup>1</sup> The above occupancy and rent amounts do not include space which is currently leased, other than "leased occupancy", but for which rent payment has not yet commenced. Residential and office GLA is excluded.

The following Fund II, Fund III and Fund IV properties are currently under redevelopment as further detailed under "Redevelopment Activity."

Property	Fund Ownership %
Sherman Avenue	99.1%
City Point	94.2%
Cortlandt Crossing	100.0%
Broad Hollow Commons	100.0%
3104 M Street	80.0%
210 Bowery	100.0%
Broughton Street Portfolio	50.0%

<sup>2</sup>Currently operating, but redevelopment activities have commenced.

Funds Lease Expirations

Fund I:

Year	Anchor Tenants				
	No. of Leases	Gross Leased Area		Base Rent	
		Expiring	Percent	PSF	Percent
	Expiring	SF	of Total	PSF	of Total
2019	1	34,000	100.0%	\$ 3.03	100.0%
<b>Total</b>	<b>1</b>	<b>34,000</b>	<b>100.0%</b>	<b>\$ 3.03</b>	<b>100.0%</b>
		63,500	Total Vacant		
		<b>97,500</b>	<b>Total Square Feet</b>		

Fund II:

Year	Anchor Tenants					Shop Tenants					Total Tenants				
	No. of Leases	Gross Leased Area		Base Rent		No. of Leases	Gross Leased Area		Base Rent		No. of Leases	Gross Leased Area		Base Rent	
		Expiring	Percent	PSF	Percent		Expiring	Percent	PSF	Percent		Expiring	Percent	PSF	Percent
	Expiring	SF	of Total	PSF	of Total	Expiring	SF	of Total	PSF	of Total	Expiring	SF	of Total	PSF	of Total
M to M1	—	—	—	\$ —	—	1	9,967	8.0%	\$ 10.00	2.7%	1	9,967	3.3%	\$ 10.00	1.0%
2014	1	107,026	60.2%	26.50	48.5%	—	—	—	—	—	1	107,026	35.3%	26.50	29.8%
2015	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
2016	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
2017	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
2018	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
2019	—	—	—	—	—	1	4,575	3.7%	27.81	3.5%	1	4,575	1.5%	27.81	1.3%
2020	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
2021	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
2022	—	—	—	—	—	1	4,462	3.6%	31.00	3.8%	1	4,462	1.5%	31.00	1.5%
2023	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Thereafter	2	70,880	39.8%	42.42	51.5%	6	105,967	84.7%	31.20	90.1%	8	176,847	58.4%	35.69	66.4%
<b>Total</b>	<b>3</b>	<b>177,906</b>	<b>100.0%</b>	<b>\$ 32.84</b>	<b>100.0%</b>	<b>9</b>	<b>124,971</b>	<b>100.0%</b>	<b>\$ 29.38</b>	<b>100.0%</b>	<b>12</b>	<b>302,877</b>	<b>100.0%</b>	<b>\$ 31.41</b>	<b>100.0%</b>
		—	Total Vacant				15,500	Total Vacant				15,500	Total Vacant		
		<b>177,906</b>	<b>Total Square Feet</b>				<b>140,471</b>	<b>Total Square Feet</b>				<b>318,377</b>	<b>Total Square Feet</b>		

Fund III:

Year	Anchor Tenants					Shop Tenants					Total Tenants				
	No. of Leases	Gross Leased Area		Base Rent		No. of Leases	Gross Leased Area		Base Rent		No. of Leases	Gross Leased Area		Base Rent	
		Expiring	Percent	PSF	Percent		Expiring	Percent	PSF	Percent		Expiring	Percent	PSF	Percent
	Expiring	SF	of Total	PSF	of Total	Expiring	SF	of Total	PSF	of Total	Expiring	SF	of Total	PSF	of Total
M to M1	—	—	—	\$ —	—	2	4,000	0.8%	\$ 18.73	0.4%	2	4,000	0.3%	\$ 18.73	0.3%
2014	—	—	—	—	—	7	21,056	4.4%	25.87	3.0%	7	21,056	1.4%	25.87	1.9%
2015	3	81,465	7.7%	7.11	5.1%	12	22,269	4.7%	43.00	5.4%	15	103,734	6.8%	14.82	5.3%
2016	1	26,561	2.5%	8.00	1.9%	22	53,800	11.3%	38.25	11.5%	23	80,361	5.3%	28.25	7.8%
2017	2	52,131	4.9%	18.36	8.5%	13	54,065	11.3%	28.15	8.5%	15	106,196	6.9%	23.35	8.5%
2018	5	287,562	27.3%	12.54	32.0%	23	78,628	16.5%	31.82	14%	28	366,190	23.9%	16.68	20.9%
2019	3	236,323	22.4%	7.57	15.9%	11	30,622	6.4%	30.78	5.3%	14	266,945	17.4%	10.23	9.4%
2020	—	—	—	—	—	6	16,677	3.5%	22.91	2.1%	6	16,677	1.1%	22.91	1.3%
2021	1	35,601	3.4%	10.76	3.4%	7	28,392	5.9%	36.22	5.7%	8	63,993	4.2%	22.05	4.8%
2022	1	65,028	6.2%	17.00	9.8%	9	26,428	5.5%	38.38	5.7%	10	91,456	6.0%	23.18	7.3%
2023	2	38,836	3.7%	15.49	5.3%	12	43,421	9.1%	56.77	13.8%	14	82,257	5.4%	37.28	10.5%
Thereafter	3	229,660	21.8%	8.89	18.1%	17	98,109	20.5%	44.85	24.6%	20	327,769	21.4%	19.66	22.1%
<b>Total</b>	<b>21</b>	<b>1,053,167</b>	<b>100.0%</b>	<b>\$ 10.71</b>	<b>100.0%</b>	<b>141</b>	<b>477,467</b>	<b>100.0%</b>	<b>\$ 37.47</b>	<b>100.0%</b>	<b>162</b>	<b>1,530,634</b>	<b>100.0%</b>	<b>\$ 19.06</b>	<b>100.0%</b>
		39,233	Total Vacant				75,648	Total Vacant				114,881	Total Vacant		
		<b>1,092,400</b>	<b>Total Square Feet</b>				<b>553,115</b>	<b>Total Square Feet</b>				<b>1,645,515</b>	<b>Total Square Feet</b>		





## Fund IV:

Year	Anchor Tenants					Shop Tenants					Total Tenants				
	No. of Leases	Gross Leased Area		Base Rent		No. of Leases	Gross Leased Area		Base Rent		No. of Leases	Gross Leased Area		Base Rent	
		Expiring	Percent	Percent	Expiring		Percent	Percent	Expiring	Percent		Percent	Expiring	Percent	Percent
Expiring	SF	of Total	PSF	of Total	Expiring	SF	of Total	PSF	of Total	Expiring	SF	of Total	PSF	of Total	
M to M <sup>1</sup>	—	—	—	\$ —	—	2	4,590	1.9%	\$ 37.34	3.2%	2	4,590	0.6%	\$ 37.34	1.4%
2014	—	—	—	—	—	2	17,040	7.1%	37.31	11.7%	2	17,040	2.2%	37.31	5.3%
2015	—	—	—	—	—	3	8,200	3.4%	15.42	2.3%	3	8,200	1.1%	15.42	1.1%
2016	—	—	—	—	—	10	30,575	12.8%	18.63	10.5%	10	30,575	4.0%	18.63	4.8%
2017	2	161,152	30.4%	9.69	24.1%	10	27,035	11.3%	23.52	11.7%	12	188,187	24.5%	11.67	18.4%
2018	—	—	—	—	—	13	39,212	16.4%	22.02	15.9%	13	39,212	5.1%	22.02	7.2%
2019	1	39,220	7.4%	19.52	11.8%	8	56,674	23.7%	15.77	16.5%	9	95,894	12.5%	17.30	13.9%
2020	1	27,926	5.3%	12.00	5.2%	4	19,900	8.3%	21.22	7.8%	5	47,826	6.2%	15.84	6.4%
2021	1	32,144	6.1%	11.50	5.7%	1	2,400	1.0%	22.28	1.0%	2	34,544	4.5%	12.25	3.6%
2022	1	26,568	5.0%	10.14	4.2%	1	9,600	4.0%	13.00	2.3%	2	36,168	4.7%	10.90	3.3%
2023	1	33,000	6.2%	9.50	4.8%	3	14,063	5.9%	27.50	7.1%	4	47,063	6.1%	14.88	5.9%
Thereafter	3	209,257	39.5%	13.71	44.2%	3	9,500	4.0%	57.44	10.1%	6	218,757	28.5%	15.61	28.7%
<b>Total</b>	<b>10</b>	<b>529,267</b>	<b>100.0%</b>	<b>\$ 12.25</b>	<b>100.0%</b>	<b>60</b>	<b>238,789</b>	<b>100.0%</b>	<b>\$ 22.74</b>	<b>100.0%</b>	<b>70</b>	<b>768,056</b>	<b>100.0%</b>	<b>\$ 15.51</b>	<b>100.0%</b>
		<u>36,941</u>	Total Vacant				<u>102,425</u>	Total Vacant				<u>139,366</u>	Total Vacant		
		<u>566,208</u>	Total Square Feet				<u>341,214</u>	Total Square Feet				<u>907,422</u>	Total Square Feet		

Note:

<sup>1</sup> Leases currently under month to month or in process of renewal

**Development Activity**

(\$ in millions)

Property	Ownership	Location	Estimated		Leased Rate <sup>4</sup>	Key Tenants	Acquisition & Development Costs			Outstanding Debt
			Construction Completion	Estimated Sq.Ft. Upon Completion			Incurred	Estimated Future Range	Estimated Total Range	
<b>FUND II</b>										
City Point <sup>1</sup>	94.2%	Brooklyn, NY	2015	675,000	65% <sup>2</sup>	Century 21, CityTarget, Alamo Drafthouse, Armani Exchange	\$ 306.7 <sup>3</sup>	\$ (26.7) to \$ 3.3 <sup>3</sup>	\$ 280.0 to \$ 310.0 <sup>3</sup>	\$ 264.4
Sherman Plaza	99.1%	New York, NY	TBD	TBD	—	TBD	35.1	TBD	TBD	—
							<u>\$ 341.8</u>	<u>TBD</u>	<u>TBD</u>	<u>\$ 264.4</u>

**FUND III**

Cortlandt Crossing	100.0%	Mohegan Lake, NY	2016	150,000 - 170,000	—	TBD	\$ 12.8	\$ 34.2 to \$ 43.2	\$ 47.0 to \$ 56.0	\$ — <sup>5</sup>
3104 M Street NW	80.0%	Washington, D.C.	TBD	10,000	—	TBD	3.7	3.3 to 4.8	7.0 to 8.5	—
Broad Hollow Commons	100.0%	Farmingdale, NY	2016	180,000 - 200,000	—	TBD	13.9	36.1 to 46.1	50.0 to 60.0	—
							<u>\$ 30.4</u>	<u>TBD</u>	<u>TBD</u>	<u>\$ —</u>

**FUND IV**

210 Bowery	100.0%	New York, NY	2016	10,000	—	TBD	\$ 8.0	\$ 3.5 to \$ 4.0	\$ 11.5 to \$ 12.0	\$ 4.6
Broughton Street Portfolio <sup>5</sup>	50.0%	Savannah, GA	2016	200,000	—	TBD	38.6	23.4 to 29.4	62.0 to 68.0	—
							<u>\$ 46.6</u>	<u>\$ 26.9</u>	<u>\$ 33.4</u>	<u>\$ 4.6</u>

Notes:

<sup>1</sup> Acquired a leasehold interest in this property.

<sup>2</sup> Leased rate calculated on approximately 475,000 rentable square feet.

<sup>3</sup> Net of actual and anticipated reimbursements from retail tenants and proceeds from residential tower sales.

<sup>4</sup> The leased rate excludes pre-redevelopment tenants.

<sup>5</sup> The portfolio will be acquired through a series of transactions. Costs incurred and estimated total costs are for those acquisitions completed as of September 30, 2014 (24 buildings).

Reconciles to Consolidated Balance Sheet as follows:

Development costs above	\$ 418.8
City Point adjustment to FMV	33.8
City Point gain on sale of Tower 1	1.3
Less development held as operating real estate	(8.0)
Less development costs of unconsolidated properties	(38.6)
Less deferred costs and other amounts	(8.6)
Total per consolidated balance sheet	<u>\$ 398.7</u>

## Retailer Controlled Property ("RCP") Venture - Overview <sup>1</sup>

Item	Description
Date formed	August 2004
<b>Partnership structure</b>	
Equity Contribution:	\$300 million of total equity - Fully invested
	20% (\$63 million) - AKR Fund I (\$15 million) and Fund II (\$48 million)
	80% - Klaff Realty LP and Lubert-Adler
Cash flow distribution:	20% - AKR Funds
	80% - Four institutional investors
Promote:	20% to Klaff once all partners (including Klaff) have received 10% preferred return and return of equity (50% of first \$40 million of AKR Fund equity is not subject to this promote)
	Remaining 80% is distributed to all the partners (including Klaff)

### RCP Venture - Investments

The following table summarizes the RCP Venture investments from inception through September 30, 2014

Investor	Investment	Years acquired	Invested capital	Distributions		Equity Multiple
				Current year-to-date	From inception	
Mervyns I and Mervyns II	Mervyns	2004 through 2007	\$ 33,605	\$ 2,087	\$ 54,337	1.6x
Mervyns II	Albertson's	2006 through 2007	23,133	—	86,458	3.7x
Fund II and Mervyns II	Other investments <sup>2</sup>	2006 through 2008	6,478	429	7,484	1.2x
<b>Total</b>			<b>\$ 63,216</b>	<b>\$ 2,516</b>	<b>\$ 148,279</b>	<b>2.3x</b>

#### Notes:

<sup>1</sup> The RCP Venture is not a separate AKR Fund, rather it is a venture in which AKR, Funds I and II have invested approximately \$63 million in equity.

<sup>2</sup> Represents investments in Shopko, Marsh and Rex Stores.

## **Important Notes**

### ***SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS***

Certain statements contained in this supplemental disclosure may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities and Exchange Act of 1934 and as such may involve known and unknown risks, uncertainties and other factors which may cause the Company's actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements, which are based on certain assumptions and describe the Company's future plans, strategies and expectations are generally identifiable by use of the words "may," "will," "should," "expect," "anticipate," "estimate," "believe," "intend" or "project" or the negative thereof or other variations thereon or comparable terminology. Factors which could have a material adverse effect on the operations and future prospects of the Company include, but are not limited to those set forth under the heading "Risk Factors" in the Company's Annual Report on Form 10-K. These risks and uncertainties should be considered in evaluating any forward-looking statements contained or incorporated by reference herein.

### ***USE OF FUNDS FROM OPERATIONS AS NON-GAAP FINANCIAL MEASURE***

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. In addition, the Company also discloses FFO as adjusted to include the extraordinary gain from its RCP investment in Albertson's. The Company believes that income or gains derived from its RCP investments, including its investment in Albertson's, are private-equity investments and, as such, should be treated as operating income and therefore FFO. The Company believes that this supplement adjustment more appropriately reflects the results of its operations. The Company also provides two other supplemental disclosures of operating performance, adjusted funds from operations ("AFFO") and funds available for distribution ("FAD"). The Company defines AFFO as FFO adjusted for straight line rent, non-real estate depreciation, amortization of finance costs and costs of management contracts, tenant improvements, leasing commissions and capital expenditures. The Company defines FAD as AFFO adjusted for scheduled debt principal payments.

### ***USE OF EBITDA AND NOI AS NON-GAAP FINANCIAL MEASURES***

EBITDA and NOI are widely used financial measures in many industries, including the REIT industry, and are presented to assist investors and analysts in analyzing the performance of the Company. They are helpful as they exclude various items included in net income that are not indicative of operating performance, such as gains (or losses) from sales of property and depreciation and amortization and is used in computing various financial ratios as a measure of operational performance. The Company computes EBITDA as the sum of net income before extraordinary items plus interest expense, depreciation, income taxes and amortization, less any gains (losses including impairment charges) on the sale of income producing properties. The Company computes NOI by taking the difference between Property Revenues and Property Expenses as detailed in this reporting supplement. The Company's method of calculating EBITDA and NOI may be different from methods used by other REITs and, accordingly, may not be comparable to such other REITs. EBITDA and NOI do not represent cash generated from operations as defined by GAAP and are not indicative of cash available to fund all cash needs, including distributions. They 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.