

KIMCO REALTY CORP
Form 10-K
February 27, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934**

For the fiscal year ended December 31, 2014

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934**

For the transition period from _____ to _____

Commission file number 1-10899

Kimco Realty Corporation

(Exact name of registrant as specified in its charter)

Maryland

13-2744380

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(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

3333 New Hyde Park Road, New Hyde Park, NY 11042-0020

(Address of principal executive offices) (Zip Code)

(516) 869-9000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Name of each exchange on which registered</u>
Common Stock, par value \$.01 per share.	New York Stock Exchange
Depository Shares, each representing one-hundredth of a share of 6.90% Class H Cumulative Redeemable	New York Stock Exchange
Preferred Stock, par value \$1.00 per share.	
Depository Shares, each representing one-thousandth of a share of 6.00% Class I Cumulative Redeemable	New York Stock Exchange
Preferred Stock, par value \$1.00 per share.	
Depository Shares, each representing one-thousandth of a share of 5.50% Class J Cumulative Redeemable	New York Stock Exchange
Preferred Stock, par value \$1.00 per share.	
Depository Shares, each representing one-thousandth of a share of 5.625% Class K Cumulative Redeemable	New York Stock Exchange
Preferred Stock, par value \$1.00 per share.	

Securities registered pursuant to section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company.)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant was approximately \$9.1 billion based upon the closing price on the New York Stock Exchange for such equity on June 30, 2014.

(APPLICABLE ONLY TO CORPORATE REGISTRANTS)

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

412,577,958 shares as of February 25, 2015.

DOCUMENTS INCORPORATED BY REFERENCE

Part III incorporates certain information by reference to the Registrant's definitive proxy statement to be filed with respect to the Annual Meeting of Stockholders expected to be held on May 5, 2015.

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FORWARD-LOOKING STATEMENTS

This annual report on Form 10-K (“Form 10-K”), together with other statements and information publicly disseminated by Kimco Realty Corporation (the “Company”) contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The Company intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and includes this statement for purposes of complying with the safe harbor provisions. 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 “believe,” “expect,” “intend,” “anticipate,” “estimate,” “project,” “will,” “target,” “forecast” or similar expressions. You should not rely on forward-looking statements since they involve known and unknown risks, uncertainties and other factors which are, in some cases, beyond the Company’s control and could materially affect actual results, performances or achievements. Factors which may cause actual results to differ materially from current expectations include, but are not limited to (i) general adverse economic and local real estate conditions, (ii) the inability of major tenants to continue paying their rent obligations due to bankruptcy, insolvency or a general downturn in their business, (iii) financing risks, such as the inability to obtain equity, debt or other sources of financing or refinancing on favorable terms to the Company, (iv) the Company’s ability to raise capital by selling its assets, (v) changes in governmental laws and regulations, (vi) the level and volatility of interest rates and foreign currency exchange rates and managements’ ability to estimate the impact thereof, (vii) risks related to the Company’s international operations, (viii) the availability of suitable acquisition, disposition, development and redevelopment opportunities, and risks related to acquisitions not performing in accordance with our expectations, (ix) valuation and risks related to the Company’s joint venture and preferred equity investments, (x) valuation of marketable securities and other investments, (xi) increases in operating costs, (xii) changes in the dividend policy for the Company’s common stock, (xiii) the reduction in the Company’s income in the event of multiple lease terminations by tenants or a failure by multiple tenants to occupy their premises in a shopping center, (xiv) impairment charges, (xv) unanticipated changes in the Company’s intention or ability to prepay certain debt prior to maturity and/or hold certain securities until maturity and (xvi) the risks and uncertainties identified under Item 1A, “Risk Factors” and elsewhere in this Form 10-K and in the Company’s other filings with the SEC. Accordingly, there is no assurance that the Company’s expectations will be realized. The Company disclaims any intention or obligation to update the forward-looking statements, whether as a result of new information, future events or otherwise. You are advised to refer to any further disclosures the Company makes or related subjects in the Company’s reports on Form 10-Q and Form 8-K that the Company files with the Securities and Exchange Commission (“SEC”).

PART I

Item 1. Business

Background

Kimco Realty Corporation, a Maryland corporation, is one of the nation's largest owners and operators of neighborhood and community shopping centers. The terms "Kimco," the "Company," "we," "our" and "us" each refer to Kimco Realty Corporation and our subsidiaries, unless the context indicates otherwise. The Company is a self-administered real estate investment trust ("REIT") and has owned and operated neighborhood and community shopping centers for more than 50 years. The Company has not engaged, nor does it expect to retain, any REIT advisors in connection with the operation of its properties. As of December 31, 2014, the Company had interests in 754 shopping center properties (the "Combined Shopping Center Portfolio"), aggregating 109.5 million square feet of gross leasable area ("GLA"), and 533 other property interests, primarily through the Company's preferred equity investments and other real estate investments, totaling 11.7 million square feet of GLA, for a grand total of 1,287 properties aggregating 121.2 million square feet of GLA, located in 41 states, Puerto Rico, Canada, Mexico and Chile. The Company's ownership interests in real estate consist of its consolidated portfolio and portfolios where the Company owns an economic interest, such as properties in the Company's investment real estate management programs, where the Company partners with institutional investors and also retains management. The Company believes its portfolio of neighborhood and community shopping center properties is the largest (measured by GLA) currently held by any publicly traded REIT.

The Company's executive offices are located at 3333 New Hyde Park Road, New Hyde Park, New York 11042-0020 and its telephone number is (516) 869-9000. Nearly all operating functions, including leasing, legal, construction, data processing, maintenance, finance and accounting are administered by the Company from its executive offices in New Hyde Park, New York and supported by the Company's regional offices. As of December 31, 2014, a total of 580 persons were employed by the Company.

The Company's Web site is located at <http://www.kimcorealty.com>. The information contained on our Web site does not constitute part of this Form 10-K. On the Company's Web site you can obtain, free of charge, a copy of our Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act of 1934, as amended, as soon as reasonably practicable, after we file such material electronically with, or furnish it to, the SEC. The public may read and copy any materials we file with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at <http://www.sec.gov>.

The Company began operations through its predecessor, The Kimco Corporation, which was organized in 1966 upon the contribution of several shopping center properties owned by its principal stockholders. In 1973, these principals formed the Company as a Delaware corporation, and, in 1985, the operations of The Kimco Corporation were merged into the Company. The Company completed its initial public stock offering (the "IPO") in November 1991, and, commencing with its taxable year which began January 1, 1992, elected to qualify as a REIT in accordance with Sections 856 through 860 of the Internal Revenue Code of 1986, as amended (the "Code"). If, as the Company believes, it is organized and operates in such a manner so as to qualify and remain qualified as a REIT under the Code, the Company generally will not be subject to federal income tax, provided that distributions to its stockholders equal at least the amount of its REIT taxable income, as defined under the Code. In 1994, the Company reorganized as a Maryland corporation. In March 2006, the Company was added to the S & P 500 Index, an index containing the stock of 500 Large Cap companies, most of which are U.S. corporations. The Company's common stock, Class H Depository Shares, Class I Depository Shares, Class J Depository Shares and Class K Depository Shares are traded on the New York Stock Exchange ("NYSE") under the trading symbols "KIM", "KIMprH", "KIMprI", "KIMprJ" and "KIMprK" respectively.

The Company's initial growth resulted primarily from ground-up development and the construction of shopping centers. Subsequently, the Company revised its growth strategy to focus on the acquisition of existing shopping centers and continued its expansion across the nation. The Company implemented its investment real estate management format through the establishment of various institutional joint venture programs, in which the Company has noncontrolling interests. The Company earns management fees, acquisition fees, disposition fees as well as promoted interests based on achieving certain performance metrics. The Company continued its geographic expansion with investments in Canada, Mexico, Chile, Brazil and Peru; however during 2013, based upon a perceived change in market conditions, the Company began its efforts to exit its investments in Mexico and South America. By the fourth quarter of 2014, the Company had substantially liquidated its investments in Mexico, Brazil and Peru. The Company's revenues and equity in income (including gains on sales and impairment losses) from its foreign investments in U.S. dollar equivalents and their respective local currencies are as follows (in millions):

	2014	2013	2012
Revenues (consolidated in USD):			
Mexico	\$29.4	\$49.5	\$47.3
Brazil	\$-	\$3.2	\$3.8
Peru	\$0.1	\$0.4	\$0.4
Chile	\$8.1	\$9.2	\$7.4
Revenues (consolidated):			
Mexico (Mexican Pesos "MXN")	382.3	673.8	626.5
Brazil (Brazilian Real)	-	6.8	7.2
Peru (Peruvian Nuevo Sol)	0.4	1.2	1.1
Chile (Chilean Pesos "CLP")	4,485.9	4,464.7	3,648.0
Equity in income (unconsolidated joint ventures, including preferred equity investments in USD):			
Canada	\$49.3	\$46.6	\$45.7
Mexico (2014 includes the release of cumulative foreign currency translation adjustment "CTA")	\$(3.7)	\$98.1	\$15.0

Chile	\$ (0.1)	\$ 4.2	\$ 0.4
Equity in income (unconsolidated joint ventures, including preferred equity investments in local currencies):			
Canada (Canadian dollars)	54.6	48.0	46.0
Mexico (MXN)	(550.8)	232.3	152.8
Chile (CLP)	(55.3)	2,141.2	194.2

The Company, through its taxable REIT subsidiaries (“TRS”), as permitted by the Tax Relief Extension Act of 1999, has previously engaged in various retail real estate related opportunities, including (i) ground-up development of neighborhood and community shopping centers and the subsequent sale thereof upon completion and (ii) retail real estate management and disposition services, which primarily focused on leasing and disposition strategies for real estate property interests of both healthy and distressed retailers. The Company may consider other investments through its TRS should suitable opportunities arise.

In addition, the Company has capitalized on its established expertise in retail real estate by establishing other ventures in which the Company owns a smaller equity interest and provides management, leasing and operational support for those properties. The Company has also provided preferred equity capital in the past to real estate entrepreneurs and, from time to time, provides real estate capital and management services to both healthy and distressed retailers. The Company has also made selective investments in secondary market opportunities where a security or other investment is, in management’s judgment, priced below the value of the underlying assets, however these investments are subject to volatility within the equity and debt markets.

Operating and Investment Strategy

The Company's strategy is to be the premier owner and operator of neighborhood and community shopping centers through investments primarily in the U.S. To achieve this strategy the Company is (i) striving to transform the quality of its portfolio by disposing of lesser quality assets and acquiring larger higher quality properties in key markets identified by the Company, (ii) simplifying its business by exiting Mexico and South America and reducing the number of joint venture investments and (iii) pursuing redevelopment opportunities within its portfolio to increase overall value and certain development opportunities for long-term investment. The Company has an active capital recycling program and during the second quarter of 2014, the Company implemented a plan to accelerate the disposition of certain U.S. properties. This plan effectively shortened the Company's anticipated hold period for these properties and as such caused the Company to recognize impairment charges on certain consolidated operating properties to reflect their estimated fair values. If the Company accepts sales prices for these assets that are less than their net carrying values, the Company would be required to take additional impairment charges. In order to execute the Company's strategy, the Company intends to continue to strengthen its balance sheet by pursuing deleveraging efforts over time, providing it the necessary flexibility to invest opportunistically and selectively, primarily focusing on neighborhood and community shopping centers. The Company also has an institutional management business with domestic and foreign institutional partners for the purpose of investing in neighborhood and community shopping centers. In an effort to further its simplification strategy, the Company is actively pursuing opportunities to reduce its institutional management business through partner buy-outs, property acquisitions from institutional joint ventures and/or third party property sales.

The Company's investment objective is to increase cash flow, current income and, consequently, the value of its existing portfolio of properties and to seek continued growth in desirable demographic areas with successful retailers through (i) the retail re-tenanting, renovation and expansion of its existing centers and (ii) the selective acquisition of established income-producing real estate properties and properties requiring significant re-tenanting and redevelopment, primarily in neighborhood and community shopping centers in geographic regions in which the Company presently operates. The Company may consider investments in other real estate sectors and in geographic markets where it does not presently operate should suitable opportunities arise.

The Company's neighborhood and community shopping center properties are designed to attract local area customers and are typically anchored by a supermarket, a discount department store, a home improvement center or a drugstore tenant offering day-to-day necessities rather than high-priced luxury items. The Company may either purchase or lease income-producing properties in the future and may also participate with other entities in property ownership through partnerships, joint ventures or similar types of co-ownership. Equity investments may be subject to existing mortgage financing and/or other indebtedness. Financing or other indebtedness may be incurred simultaneously or subsequently in connection with such investments. Any such financing or indebtedness would have priority over the Company's equity interest in such property. The Company may make loans to joint ventures in which it may or may not participate.

The Company seeks to reduce its operating and leasing risks through diversification achieved by the geographic distribution of its properties and a large tenant base. As of December 31, 2014, no single neighborhood and community shopping center accounted for more than 1.8% of the Company's annualized base rental revenues, including the proportionate share of base rental revenues from properties in which the Company has less than a 100% economic interest, or more than 1.4% of the Company's total shopping center GLA. At December 31, 2014, the Company's five largest tenants were TJX Companies, The Home Depot, Wal-Mart, Kohl's and Bed Bath & Beyond which represented 3.3%, 2.4%, 1.8%, 1.8% and 1.8%, respectively, of the Company's annualized base rental revenues, including the proportionate share of base rental revenues from properties in which the Company has less than a 100% economic interest.

As one of the original participants in the growth of the shopping center industry and one of the nation's largest owners and operators of neighborhood and community shopping centers, the Company has established close relationships with a large number of major national and regional retailers and maintains a broad network of industry contacts. Management is associated with and/or actively participates in many shopping center and REIT industry organizations. Notwithstanding these relationships, there are numerous regional and local commercial developers, real estate companies, financial institutions and other investors who compete with the Company for the acquisition of properties and other investment opportunities and in seeking tenants who will lease space in the Company's properties.

Item 1A. Risk Factors

We are subject to certain business and legal risks including, but not limited to, the following:

Loss of our tax status as a real estate investment trust or changes in federal tax laws, regulations, administrative interpretations or court decisions relating to real estate investment trusts could have significant adverse consequences to us and the value of our securities.

We have elected to be taxed as a REIT for federal income tax purposes under the Code. We believe that we have operated so as to qualify as a REIT under the Code and that our current organization and method of operation comply with the rules and regulations promulgated under the Code to enable us to continue to qualify as a REIT. However, there can be no assurance that we have qualified or will continue to qualify as a REIT for federal income tax purposes.

Qualification as a REIT involves the application of highly technical and complex Code provisions, for which there are only limited judicial and administrative interpretations. The determination of various factual matters and circumstances not entirely within our control may affect our ability to qualify as a REIT. New legislation, regulations, administrative interpretations or court decisions could significantly change the tax laws with respect to qualification as a REIT, the federal income tax consequences of such qualification or the desirability of an investment in a REIT relative to other investments.

In order to qualify as a REIT, we must satisfy a number of requirements, including requirements regarding the composition of our assets and a requirement that at least 95% of our gross income in any year be derived from qualifying sources, such as “rents from real property.” Also, we must make distributions to stockholders aggregating annually at least 90% of our REIT taxable income, excluding net capital gains. Furthermore, we own a direct or indirect interest in certain subsidiary REITs which elected to be taxed as REITs for federal income tax purposes under the Code. Provided that each subsidiary REIT qualifies as a REIT, our interest in such subsidiary REIT will be treated as a qualifying real estate asset for purposes of the REIT asset tests. To qualify as a REIT, the subsidiary REIT must independently satisfy all of the REIT qualification requirements. The failure of a subsidiary REIT to qualify as a REIT could have an adverse effect on our ability to comply with the REIT income and asset tests, and thus our ability to qualify as a REIT.

If we lose our REIT status, we will face serious tax consequences that will substantially reduce the funds available to pay dividends to stockholders for each of the years involved because:

- we would not be allowed a deduction for distributions to stockholders in computing our taxable income and we would be subject to federal income tax at regular corporate rates;
- we could be subject to the federal alternative minimum tax and possibly increased state and local taxes;
- unless we were entitled to relief under statutory provisions, we could not elect to be taxed as a REIT for four taxable years following the year during which we were disqualified; and
- we would not be required to make distributions to stockholders.

As a result of all these factors, our failure to qualify as a REIT or changes in federal tax laws with respect to qualification as a REIT or the tax consequences of such qualification could also impair our ability to expand our business or raise capital and materially adversely affect the value of our securities.

To maintain our REIT status, we may be forced to borrow funds on a short-term basis during unfavorable market conditions.

To qualify as a REIT, we generally must distribute to our stockholders at least 90% of our REIT taxable income each year, excluding capital gains, and we will be subject to regular corporate income taxes to the extent that we distribute

less than 100% of our net taxable income each year. In addition, we will be subject to a 4% nondeductible excise tax on the amount, if any, by which distributions paid by us in any calendar year are less than the sum of 85% of our ordinary income, 95% of our capital gain net income and 100% of our undistributed income from prior years. While we have historically satisfied these distribution requirements by making cash distributions to our stockholders, a REIT is permitted to satisfy these requirements by making distributions of cash or other property, including, in limited circumstances, its own stock. Assuming we continue to satisfy these distributions requirements with cash, we may need to borrow funds to meet the REIT distribution requirements even if the then prevailing market conditions are not favorable for these borrowings. These borrowing needs could result from differences in timing between the actual receipt of cash and inclusion of income for federal income tax purposes, or the effect of non-deductible capital expenditures, the creation of reserves or required debt or amortization payments.

Adverse global market and economic conditions may impede our ability to generate sufficient income and maintain our properties.

The economic performance and value of our properties is subject to all of the risks associated with owning and operating real estate, including:

- changes in the national, regional and local economic climate;
- local conditions, including an oversupply of, or a reduction in demand for, space in properties like those that we own;
- trends toward smaller store sizes as retailers reduce inventory and new prototypes;
- increasing use by customers of e-commerce and online store sites;
- the attractiveness of our properties to tenants;
- the ability of tenants to pay rent, particularly anchor tenants with leases in multiple locations;
- tenants who may declare bankruptcy and/or close stores;
- competition from other available properties to attract and retain tenants;
- changes in market rental rates;
- the need to periodically pay for costs to repair, renovate and re-let space;
- changes in operating costs, including costs for maintenance, insurance and real estate taxes;
- the expenses of owning and operating properties, which are not necessarily reduced when circumstances such as market factors and competition cause a reduction in income from the properties;
- changes in laws and governmental regulations, including those governing usage, zoning, the environment and taxes;
- acts of terrorism and war, acts of God and physical and weather-related damage to our properties; and
- the potential risk of functional obsolescence of properties over time.

Competition may limit our ability to purchase new properties or generate sufficient income from tenants and may decrease the occupancy and rental rates for our properties.

Our properties consist primarily of community and neighborhood shopping centers and other retail properties. Our performance, therefore, is generally linked to economic conditions in the market for retail space. In the future, the market for retail space could be adversely affected by:

weakness in the national, regional and local economies;
the adverse financial condition of some large retailing companies;
the impact of internet sales on the demand for retail space;
ongoing consolidation in the retail sector; and
the excess amount of retail space in a number of markets.

In addition, numerous commercial developers and real estate companies compete with us in seeking tenants for our existing properties and properties for acquisition. New regional malls, open-air lifestyle centers or other retail shopping centers with more convenient locations or better rents may attract tenants or cause them to seek more favorable lease terms at or prior to renewal. Retailers at our properties may face increasing competition from other retailers, e-commerce, outlet malls, discount shopping clubs, catalog companies, direct mail, telemarketing or home shopping networks, all of which could (i) reduce rents payable to us; (ii) reduce our ability to attract and retain tenants at our properties; or (iii) lead to increased vacancy rates at our properties. We may fail to anticipate the effects of changes in consumer buying practices, particularly of growing online sales and the resulting retailing practices and space needs of our tenants or a general downturn in our tenants' businesses, which may cause tenants to close stores or default in payment of rent.

Our performance depends on our ability to collect rent from tenants, our tenants' financial condition and our tenants maintaining leases for our properties.

At any time our tenants, particularly small local stores, may experience a downturn in their business that may significantly weaken their financial condition. As a result, our tenants may delay a number of lease commencements, decline to extend or renew leases upon expiration, fail to make rental payments when due, close stores or declare bankruptcy. Any of these actions could result in the termination of tenants' leases and the loss of rental income attributable to these tenants' leases. In the event of a default by a tenant, we may experience delays and costs in enforcing our rights as landlord under the terms of the leases.

In addition, multiple lease terminations by tenants or a failure by multiple tenants to occupy their premises in a shopping center could result in lease terminations or significant reductions in rent by other tenants in the same shopping centers under the terms of some leases. In that event, we may be unable to re-lease the vacated space at

attractive rents or at all, and our rental payments from our continuing tenants could significantly decrease. The occurrence of any of the situations described above, particularly if it involves a substantial tenant with leases in multiple locations, could have a material adverse effect on our financial condition, results of operations and cash flows.

A tenant that files for bankruptcy protection may not continue to pay us rent. A bankruptcy filing by, or relating to, one of our tenants or a lease guarantor would bar all efforts by us to collect pre-bankruptcy debts from the tenant or the lease guarantor, or their property, unless the bankruptcy court permits us to do so. A tenant or lease guarantor bankruptcy could delay our efforts to collect past due balances under the relevant leases and could ultimately preclude collection of these sums. If a lease is rejected by a tenant in bankruptcy, we would have only a general unsecured claim for damages. As a result, it is likely that we would recover substantially less than the full value of any unsecured claims we hold, if at all.

We may be unable to sell our real estate property investments when appropriate or on terms favorable to us.

Real estate property investments are illiquid and generally cannot be disposed of quickly. In addition, the federal tax code restricts a REIT's ability to dispose of properties that are not applicable to other types of real estate companies. Therefore, we may not be able to vary our portfolio in response to economic or other conditions promptly or on terms favorable to us within a time frame that we would need.

We may acquire or develop properties or acquire other real estate related companies, and this may create risks.

We may acquire or develop properties or acquire other real estate related companies when we believe that an acquisition or ground-up development is consistent with our business strategies. We may not succeed in consummating desired acquisitions or in completing developments on time or within budget. When we do pursue a project or acquisition, we may not succeed in leasing newly developed or acquired properties at rents sufficient to cover the costs of acquisition or development and operations. Difficulties in integrating acquisitions may prove costly or time-consuming and could divert management's attention from other activities. Acquisitions or developments in new markets or industries where we do not have the same level of market knowledge may result in poorer than anticipated performance. We may also abandon acquisition or development opportunities that management has begun pursuing and consequently fail to recover expenses already incurred and will have devoted management's time to a matter not consummated. Furthermore, our acquisitions of new properties or companies will expose us to the liabilities of those properties or companies, some of which we may not be aware of at the time of the acquisition. In addition, development of our existing properties presents similar risks.

Newly acquired or re-developed properties may have characteristics or deficiencies currently unknown to us that affect their value or revenue potential. It is also possible that the operating performance of these properties may decline under our management. As we acquire additional properties, we will be subject to risks associated with managing new properties, including lease-up and tenant retention. In addition, our ability to manage our growth effectively will require us to successfully integrate our new acquisitions into our existing management structure. We may not succeed with this integration or effectively manage additional properties, particularly in secondary markets. Also, newly acquired properties may not perform as expected.

We face competition in pursuing acquisition or development opportunities that could increase our costs.

We face competition in the acquisition, development, operation and sale of real property from others engaged in real estate investment that could increase our costs associated with purchasing and maintaining assets. Some of these competitors may have greater financial resources than we do. This could result in competition for the acquisition of properties for tenants who lease or consider leasing space in our existing and subsequently acquired properties and for other real estate investment opportunities.

We do not have exclusive control over our joint venture and preferred equity investments, such that we are unable to ensure that our objectives will be pursued.

We have invested in some properties as a co-venturer or partner, instead of owning directly. In these investments, we do not have exclusive control over the development, financing, leasing, management and other aspects of these investments. As a result, the co-venturer or partner might have interests or goals that are inconsistent with ours, take action contrary to our interests or otherwise impede our objectives. These investments involve risks and uncertainties. The co-venturer or partner may fail to provide capital or fulfill its obligations, which may result in certain liabilities to us for guarantees and other commitments, conflicts arising between us and our partners and the difficulty of managing and resolving such conflicts, and the difficulty of managing or otherwise monitoring such business arrangements. The co-venturer or partner also might become insolvent or bankrupt, which may result in significant losses to us.

Although our joint venture arrangements may allow us to share risks with our joint-venture partners, these arrangements may also decrease our ability to manage risk. Joint ventures implicate additional risks, such as:

- potentially inferior financial capacity, diverging business goals and strategies and the need for our venture partner's continued cooperation;
- our inability to take actions with respect to the joint venture activities that we believe are favorable to us if our joint venture partner does not agree;
- our inability to control the legal entity that has title to the real estate associated with the joint venture;
- our lenders may not be easily able to sell our joint venture assets and investments or may view them less favorably as collateral, which could negatively affect our liquidity and capital resources;
- our joint venture partners can take actions that we may not be able to anticipate or prevent, which could result in negative impacts on our debt and equity; and
- our joint venture partners' business decisions or other actions or omissions may result in harm to our reputation or adversely affect the value of our investments.

Our joint venture and preferred equity investments generally own real estate properties for which the economic performance and value is subject to all the risks associated with owning and operating real estate as described above.

We intend to continue to sell our non-strategic assets and may not be able to recover our investments, which may result in significant losses to us.

There can be no assurance that we will be able to recover the current carrying amount of all of our non-strategic properties and investments and those of our unconsolidated joint ventures in the future. Our failure to do so would require us to recognize impairment charges for the period in which we reached that conclusion, which could materially and adversely affect our business, financial condition, operating results and cash flows.

We have significant international operations, which may be affected by economic, political and other risks associated with international operations, and this could adversely affect our business.

The risks we face in international business operations include, but are not limited to:

- currency risks, including currency fluctuations;
- unexpected changes in legislative and regulatory requirements, including changes in applicable laws and regulations in the United States that affect foreign operations;
- potential adverse tax burdens;
- burdens of complying with different accounting and permitting standards, labor laws and a wide variety of foreign laws;
- obstacles to the repatriation of earnings and cash;
- regional, national and local political uncertainty;
- economic slowdown and/or downturn in foreign markets;
- difficulties in staffing and managing international operations;
- difficulty in administering and enforcing corporate policies, which may be different than the normal business practices of local cultures; and
- reduced protection for intellectual property in some countries.

Each of these risks might impact our cash flow or impair our ability to borrow funds, which ultimately could adversely affect our business, financial condition, operating results and cash flows.

Currency fluctuations between local currency and the U.S. dollar during the period in which the Company held its investment result in a cumulative translation adjustment (“CTA”), which is recorded as a component of Accumulated other comprehensive income (“AOCI”) on the Company’s Consolidated Balance Sheets. The CTA amounts are subject to future changes resulting from ongoing fluctuations in the respective foreign currency exchange rates. Changes in exchange rates are impacted by many factors that cannot be forecasted with reliable accuracy. Any change could have a favorable or unfavorable impact on the Company’s CTA balance. The Company’s aggregate CTA net gain balance at December 31, 2014, is \$0.3 million, this amount consists of unrealized gains in Canada aggregating \$15.2 million,

offset by unrealized losses in Chile aggregating \$14.9 million.

Under U.S. GAAP, the Company is required to release CTA balances into earnings when the Company has substantially liquidated its investment in a foreign entity. During 2013, the Company began selling properties within its Latin American portfolio and during the fourth quarter 2014 the Company substantially liquidated its investment in Mexico and Peru and recognized a loss from foreign currency translation in the amount of \$140.1 million before noncontrolling interest of \$5.8 million. The Company may, in the near term, substantially liquidate its investment in Chile which will require the then unrealized loss on foreign currency translation to be recognized as a charge against earnings.

In order to fully develop our international operations, we must overcome cultural and language barriers and assimilate different business practices. In addition, we are required to create compensation programs, employment policies and other administrative programs that comply with laws of multiple countries. We also must communicate and monitor standards and directives in our international locations. Our failure to successfully manage our geographically diverse operations could impair our ability to react quickly to changing business and market conditions and to enforce compliance with standards and procedures. Since a portion of our revenues are generated internationally, we must devote an appropriate level of resources to managing our international operations.

Our future success will be influenced by our ability to anticipate and effectively manage these and other risks associated with our international operations. Any of these factors could, however, materially adversely affect our international operations and, consequently, our financial condition, results of operations and cash flows.

We cannot predict the impact of laws and regulations affecting our international operations nor the potential that we may face regulatory sanctions.

Our international operations include properties in Canada, Mexico and Chile and are subject to a variety of United States and foreign laws and regulations, including the United States Foreign Corrupt Practices Act ("FCPA"). We have policies and procedures designed to promote compliance with the FCPA and other anti-corruption laws, but we cannot assure you that we will continue to be found to be operating in compliance with, or be able to detect violations of, any such laws or regulations. In addition, we cannot predict the nature, scope or effect of future regulatory requirements to which our international operations might be subject, the manner in which existing laws might be administered or interpreted, or the potential that we may face regulatory sanctions.

We cannot assure you that our employees will adhere to our Code of Conduct or any other of our policies, applicable anti-corruption laws, including the FCPA, or other legal requirements. Failure to comply or violations of any applicable policies, anti-corruption laws, or other legal requirements may subject us to legal, regulatory or other sanctions, including criminal and civil penalties and other remedial measures. We have received a subpoena from the Enforcement Division of the SEC in connection with the SEC's investigation, In the Matter of Wal-Mart Stores, Inc. (FW-3678), that the SEC Staff is currently conducting with respect to possible violations of the FCPA. We are cooperating with the SEC investigation and a parallel investigation by the U.S. Department of Justice ("DOJ"). See "Item 3. Legal Proceedings," below. The DOJ and the SEC have a broad range of civil and criminal sanctions under the FCPA and other laws and regulations, which they may seek to impose against corporations and individuals in appropriate circumstances including, but not limited to, injunctive relief, disgorgement, fines, penalties and modifications to business practices and compliance programs. Any of these remedial measures, if applicable to us, could have a material adverse impact on our business, results of operations, financial condition and liquidity.

We face risks relating to cybersecurity attacks, loss of confidential information and other business disruptions.

Our business is at risk from and may be impacted by cybersecurity attacks, including attempts to gain unauthorized access to our confidential data and other electronic security breaches. Such cyber-attacks can range from individual attempts to gain unauthorized access to our information technology systems to more sophisticated security threats. While we employ a number of measures to prevent, detect and mitigate these threats including password protection, backup servers and annual penetration testing, there is no guarantee such efforts will be successful in preventing a cyber-attack. Cybersecurity incidents could compromise the confidential information of our tenants, employees and third party vendors and disrupt and effect the efficiency of our business operations.

We may be unable to obtain financing through the debt and equities market, which would have a material adverse effect on our growth strategy, our results of operations and our financial condition.

We cannot assure you that we will be able to access the capital and credit markets to obtain additional debt or equity financing or that we will be able to obtain financing on terms favorable to us. The inability to obtain financing on a timely basis could have negative effects on our business, such as:

- we could have great difficulty acquiring or developing properties, which would materially adversely affect our business strategy;
- our liquidity could be adversely affected;
- we may be unable to repay or refinance our indebtedness;
- we may need to make higher interest and principal payments or sell some of our assets on terms unfavorable to us to fund our indebtedness; or
- we may need to issue additional capital stock, which could further dilute the ownership of our existing shareholders.

Adverse changes in our credit ratings could impair our ability to obtain additional debt and equity financing on terms favorable to us, if at all, and could significantly reduce the market price of our publicly traded securities.

We are subject to financial covenants that may restrict our operating and acquisition activities.

Our revolving credit facility, term loan and the indentures under which our senior unsecured debt is issued contain certain financial and operating covenants, including, among other things, certain coverage ratios and limitations on our ability to incur debt, make dividend payments, sell all or substantially all of our assets and engage in mergers and consolidations and certain acquisitions. These covenants may restrict our ability to pursue certain business initiatives or certain acquisition transactions that might otherwise be advantageous. In addition, failure to meet any of the financial covenants could cause an event of default under our revolving credit facility, term loan and the indentures and/or accelerate some or all of our indebtedness, which would have a material adverse effect on us.

Changes in market conditions could adversely affect the market price of our publicly traded securities.

The market price of our publicly traded securities depends on various market conditions, which may change from time-to-time. Among the market conditions that may affect the market price of our publicly traded securities are the following:

- the extent of institutional investor interest in us;
- the reputation of REITs generally and the reputation of REITs with portfolios similar to ours;
- the attractiveness of the securities of REITs in comparison to securities issued by other entities, including securities issued by other real estate companies;
- our financial condition and performance;
- the market's perception of our growth potential, potential future cash dividends and risk profile;
- an increase in market interest rates, which may lead prospective investors to demand a higher distribution rate in relation to the price paid for our shares; and
- general economic and financial market conditions.

We may change the dividend policy for our common stock in the future.

The decision to declare and pay dividends on our common stock in the future, as well as the timing, amount and composition of any such future dividends, will be at the sole discretion of our Board of Directors and will depend on our earnings, operating cash flows, liquidity, financial condition, capital requirements, contractual prohibitions or other limitations under our indebtedness including preferred stock, the annual distribution requirements under the REIT provisions of the Code, state law and such other factors as our Board of Directors deems relevant or are requirements under the Code or state or federal laws. Any change in our dividend policy could have a material adverse effect on the market price of our common stock.

We may not be able to recover our investments in marketable securities mortgage receivables or other investments, which may result in significant losses to us.

Our investments in marketable securities are subject to specific risks relating to the particular issuer of the securities, including the financial condition and business outlook of the issuer, which may result in significant losses to us. Marketable securities are generally unsecured and may also be subordinated to other obligations of the issuer. As a result, investments in marketable securities are subject to risks of:

limited liquidity in the secondary trading market;
substantial market price volatility, resulting from changes in prevailing interest rates;
subordination to the prior claims of banks and other senior lenders to the issuer;
the possibility that earnings of the issuer may be insufficient to meet its debt service and distribution obligations; and
the declining creditworthiness and potential for insolvency of the issuer during periods of rising interest rates and economic downturn.

These risks may adversely affect the value of outstanding marketable securities and the ability of the issuers to make distribution payments.

In the event of a default by a borrower, it may be necessary for us to foreclose our mortgage or engage in costly negotiations. Delays in liquidating defaulted mortgage loans and repossessing and selling the underlying properties could reduce our investment returns. Furthermore, in the event of default, the actual value of the property securing the mortgage may decrease. A decline in real estate values will adversely affect the value of our loans and the value of the mortgages securing our loans.

Our mortgage receivables may be or become subordinated to mechanics' or materialmen's liens or property tax liens. In these instances we may need to protect a particular investment by making payments to maintain the current status of a prior lien or discharge it entirely. Where that occurs, the total amount we recover may be less than our total investment, resulting in a loss. In the event of a major loan default or several loan defaults resulting in losses, our investments in mortgage receivables would be materially and adversely affected.

The economic performance and value of our other investments, which we do not control and are in retail operations, are subject to risks associated with owning and operating retail businesses, including:

- changes in the national, regional and local economic climate;
- the adverse financial condition of some large retailing companies;
- increasing use by customers of e-commerce and online store sites; and
- ongoing consolidation in the retail sector.

A decline in the value of our other investments may require us to recognize an other-than-temporary impairment (“OTTI”) against such assets. When the fair value of an investment is determined to be less than its amortized cost at the balance sheet date, we assess whether the decline is temporary or other-than-temporary. If we intend to sell an impaired asset, or it is more likely than not that we will be required to sell the impaired asset before any anticipated recovery, then we must recognize an OTTI through charges to earnings equal to the entire difference between the assets amortized cost and its fair value at the balance sheet date. When an OTTI is recognized through earnings, a new cost basis is established for the asset and the new cost basis may not be adjusted through earnings for subsequent recoveries in fair value.

We may be subject to liability under environmental laws, ordinances and regulations.

Under various federal, state, and local laws, ordinances and regulations, we may be considered an owner or operator of real property and may be responsible for paying for the disposal or treatment of hazardous or toxic substances released on or in our property, as well as certain other potential costs relating to hazardous or toxic substances (including governmental fines and injuries to persons and property). This liability may be imposed whether or not we knew about, or were responsible for, the presence of hazardous or toxic substances.

Item 1B. Unresolved Staff Comments

None

Item 2. Properties

Real Estate Portfolio. As of December 31, 2014, the Company had interests in 754 shopping center properties (the “Combined Shopping Center Portfolio”) aggregating 109.5 million square feet of gross leasable area (“GLA”) and 533 other property interests, primarily through the Company’s preferred equity investments and other real estate investments, totaling 11.7 million square feet of GLA, for a grand total of 1,287 properties aggregating 121.2 million square feet of GLA, located in 41 states, Puerto Rico, Canada, Mexico and Chile. The Company’s portfolio includes noncontrolling interests. Neighborhood and community shopping centers comprise the primary focus of the Company’s current portfolio. As of December 31, 2014, the Company’s Combined Shopping Center Portfolio was 95.6% leased.

The Company’s neighborhood and community shopping center properties, which are generally owned and operated through subsidiaries or joint ventures, had an average size of 145,226 square feet as of December 31, 2014. The Company generally retains its shopping centers for long-term investment and consequently pursues a program of regular physical maintenance together with major renovations and refurbishing to preserve and increase the value of its properties. This includes renovating existing facades, installing uniform signage, resurfacing parking lots and enhancing parking lot lighting. During 2014, the Company capitalized \$22.2 million in connection with these property improvements and expensed to operations \$33.8 million.

The Company’s management believes its experience in the real estate industry and its relationships with numerous national and regional tenants gives it an advantage in an industry where ownership is fragmented among a large number of property owners. The Company’s neighborhood and community shopping centers are usually “anchored”

by a national or regional discount department store, supermarket or drugstore. As one of the original participants in the growth of the shopping center industry and one of the nation's largest owners and operators of shopping centers, the Company has established close relationships with a large number of major national and regional retailers. Some of the major national and regional companies that are tenants in the Company's shopping center properties include TJX Companies, The Home Depot, Wal-Mart, Kohl's, Bed Bath & Beyond, Royal Ahold, Petsmart, Ross Stores, Best Buy and Safeway.

A substantial portion of the Company's income consists of rent received under long-term leases. Most of the leases provide for the payment of fixed-base rentals monthly in advance and for the payment by tenants of an allocable share of the real estate taxes, insurance, utilities and common area maintenance expenses incurred in operating the shopping centers. Although many of the leases require the Company to make roof and structural repairs as needed, a number of tenant leases place that responsibility on the tenant, and the Company's standard small store lease provides for roof repairs to be reimbursed by the tenant as part of common area maintenance.

Minimum base rental revenues and operating expense reimbursements accounted for 98% and other revenues, including percentage rents, accounted for 2% of the Company's total revenues from rental property for the year ended December 31, 2014. The Company's management believes that the base rent per leased square foot for many of the Company's existing leases is generally lower than the prevailing market-rate base rents in the geographic regions where the Company operates, reflecting the potential for future growth.

Approximately 31.2% of the Company's leases of consolidated properties also contain provisions requiring the payment of additional rent calculated as a percentage of tenants' gross sales above predetermined thresholds. Percentage rents accounted for less than 1% of the Company's revenues from rental property for the year ended December 31, 2014. Additionally, a majority of the Company's leases have provisions requiring contractual rent increases. The Company's leases may also include escalation clauses, which provide for increases based upon changes in the consumer price index or similar inflation indices.

As of December 31, 2014, the Company's consolidated operating portfolio, comprised of 57.6 million square feet of GLA, was 95.7% leased. The U.S. properties make up the majority of the Company's consolidated operating portfolio consisting of 57.2 million of the total 57.6 million square feet. For the period January 1, 2014 to December 31, 2014, the Company increased the average base rent per leased square foot, which includes the impact of tenant concessions, in its U.S. consolidated portfolio of neighborhood and community shopping centers from \$12.61 to \$13.50, an increase of \$0.89. This increase primarily consists of (i) a \$0.34 increase relating to acquisitions, (ii) a \$0.31 increase relating to dispositions, and (iii) an \$0.24 increase relating to new leases signed net of leases vacated and rent step-ups within the portfolio.

The Company has a total of 5,569 leases in the U.S. consolidated operating portfolio. The following table sets forth the aggregate lease expirations for each of the next ten years, assuming no renewal options are exercised. For purposes of the table, the Total Annual Base Rent Expiring represents annualized rental revenue, for each lease that expires during the respective year. Amounts in thousands except for number of lease data:

Year Ending December 31,	Number of Leases Expiring	Square Feet Expiring	Total Annual Base Rent Expiring	% of Gross Annual Rent	
(1)	232	687	\$12,846	1.8	%
2015	600	3,167	\$47,336	6.5	%
2016	784	6,134	\$80,059	11.0	%
2017	873	7,432	\$100,813	13.8	%
2018	774	6,241	\$89,340	12.2	%
2019	724	6,123	\$84,778	11.6	%
2020	398	4,531	\$58,196	8.0	%
2021	219	2,602	\$34,624	4.7	%
2022	213	2,290	\$32,082	4.4	%
2023	210	2,343	\$33,567	4.6	%
2024	224	3,228	\$45,236	6.2	%
2025	106	1,530	\$18,974	2.6	%

(1) Leases currently under month to month lease or in process of renewal

During 2014, the Company executed 872 leases totaling over 6.6 million square feet in the Company's consolidated operating portfolio comprised of 354 new leases and 518 renewals and options. The leasing costs associated with these leases are estimated to aggregate \$45.4 million or \$23.73 per square foot. These costs include \$35.9 million of tenant improvements and \$9.5 million of leasing commissions. The average rent per square foot on new leases was \$16.68 and on renewals and options was \$12.78. The Company will seek to obtain rents that are higher than amounts within its expiring leases, however, there are many variables and uncertainties which can significantly affect the leasing market at any time; as such, the Company cannot guarantee that future leases will continue to be signed for rents that are equal to or higher than current amounts.

Ground-Leased Properties. The Company has interests in 49 consolidated shopping center properties and interests in 24 shopping center properties in unconsolidated joint ventures that are subject to long-term ground leases where a third party owns and has leased the underlying land to the Company (or an affiliated joint venture) to construct and/or

operate a shopping center. The Company or the joint venture pays rent for the use of the land and generally is responsible for all costs and expenses associated with the building and improvements. At the end of these long-term leases, unless extended, the land together with all improvements revert to the landowner.

More specific information with respect to each of the Company's property interests is set forth in Exhibit 99.1, which is incorporated herein by reference.

Item 3. Legal Proceedings

The Company is not presently involved in any litigation nor, to its knowledge, is any litigation threatened against the Company or its subsidiaries that, in management's opinion, would result in any material adverse effect on the Company's ownership, management or operation of its properties taken as a whole, or which is not covered by the Company's liability insurance.

On January 28, 2013, the Company received a subpoena from the Enforcement Division of the SEC in connection with an investigation, In the Matter of Wal-Mart Stores, Inc. (FW-3678), that the SEC Staff is currently conducting with respect to possible violations of the Foreign Corrupt Practices Act. The Company is responding to the subpoena and intends to cooperate fully with the SEC in this matter. The U.S. Department of Justice ("DOJ") is conducting a parallel investigation, and the Company is cooperating with the DOJ investigation. At this point, we are unable to predict the duration, scope or result of the SEC or DOJ investigation.

Item 4. Mine Safety Disclosures

Not applicable.

PART II**Item 5. Market for the Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities**

Market Information There were no common stock offerings completed by the Company during the three-year period ended December 31, 2014.

The table below sets forth, for the quarterly periods indicated, the high and low sales prices per share reported on the NYSE Composite Tape and declared dividends per share for the Company's common stock. The Company's common stock is traded on the NYSE under the trading symbol "KIM".

Period	Stock Price		Dividends	
	High	Low		
2013:				
First Quarter	\$22.49	\$19.41	\$ 0.21	
Second Quarter	\$25.09	\$20.25	\$ 0.21	
Third Quarter	\$23.24	\$19.68	\$ 0.21	
Fourth Quarter	\$21.83	\$19.22	0.225	(a)
2014:				
First Quarter	\$22.70	\$19.61	\$ 0.225	
Second Quarter	\$23.63	\$21.41	\$ 0.225	
Third Quarter	\$23.82	\$21.54	\$ 0.225	
Fourth Quarter	\$26.04	\$21.56	0.24	(b)

(a) Paid on January 15, 2014, to stockholders of record on January 2, 2014.

(b) Paid on January 15, 2015, to stockholders of record on January 2, 2015.

Holders The number of holders of record of the Company's common stock, par value \$0.01 per share, was 2,521 as of January 31, 2015.

Dividends Since the IPO, the Company has paid regular quarterly cash dividends to its stockholders. While the Company intends to continue paying regular quarterly cash dividends, future dividend declarations will be paid at the discretion of the Board of Directors and will depend on the actual cash flows of the Company, its financial condition, capital requirements, the annual distribution requirements under the REIT provisions of the Code and such other

factors as the Board of Directors deems relevant. The Company's Board of Directors will continue to evaluate the Company's dividend policy on a quarterly basis as they monitor sources of capital and evaluate operating fundamentals. The Company is required by the Code to distribute at least 90% of its REIT taxable income. The actual cash flow available to pay dividends will be affected by a number of factors, including the revenues received from rental properties, the operating expenses of the Company, the interest expense on its borrowings, the ability of lessees to meet their obligations to the Company, the ability to refinance near-term debt maturities and any unanticipated capital expenditures.

The Company has determined that the \$0.90 dividend per common share paid during 2014 represented 36% ordinary income, a 36% return of capital and 28% capital gain to its stockholders. The \$0.84 dividend per common share paid during 2013 represented 46% ordinary income, a 36% return of capital and 18% capital gain to its stockholders.

In addition to its common stock offerings, the Company has capitalized the growth in its business through the issuance of unsecured fixed and floating-rate medium-term notes, underwritten bonds, unsecured bank debt, mortgage debt and construction loans, convertible preferred stock and perpetual preferred stock. Borrowings under the Company's revolving credit facility have also been an interim source of funds to both finance the purchase of properties and other investments and meet any short-term working capital requirements. The various instruments governing the Company's issuance of its unsecured public debt, bank debt, mortgage debt and preferred stock impose certain restrictions on the Company with regard to dividends, voting, liquidation and other preferential rights available to the holders of such instruments. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Footnotes 12, 13 and 16 of the Notes to Consolidated Financial Statements included in this Form 10-K.

The Company does not believe that the preferential rights available to the holders of its Class H Preferred Stock, Class I Preferred Stock, Class J Preferred Stock and Class K Preferred Stock, the financial covenants contained in its public bond indentures, as amended, its term loan, or its revolving credit agreements will have an adverse impact on the Company's ability to pay dividends in the normal course to its common stockholders or to distribute amounts necessary to maintain its qualification as a REIT.

The Company maintains a dividend reinvestment and direct stock purchase plan (the "Plan") pursuant to which common and preferred stockholders and other interested investors may elect to automatically reinvest their dividends to purchase shares of the Company's common stock or, through optional cash payments, purchase shares of the Company's common stock. The Company may, from time-to-time, either (i) purchase shares of its common stock in the open market or (ii) issue new shares of its common stock for the purpose of fulfilling its obligations under the Plan.

Issuer Purchases of Equity Securities During the year ended December 31, 2014, the Company repurchased 128,147 shares in connection with common shares surrendered or deemed surrendered to the Company to satisfy statutory minimum tax withholding obligations in connection with the vesting of restricted stock awards under the Company's equity-based compensation plans. The Company expended approximately \$2.8 million to repurchase these shares.

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (in millions)	
January 1, 2014 – February 1, 2014	January 31, 2014 February 28, 2014	2,329 83,826	\$ 20.01 \$ 21.37	- -	\$ - -
March 1, 2014 - April 1, 2014 -	March 31, 2014 April 30, 2014	39,678 -	\$ 22.01 \$ -	- -	- -
May 1, 2014 - June 1, 2014 -	May 31, 2014 June 30, 2014	557 302	\$ 22.73 \$ 23.40	- -	- -
July 1, 2014 - August 1, 2014 -	July 31, 2014 August 31, 2014	789 666	\$ 23.51 \$ 22.37	- -	- -
September 1, 2014 -	December 31, 2014	-	\$ -	-	-
Total		128,147	\$ 22.13	-	\$ -

Total Stockholder Return Performance The following performance chart compares, over the five years ended December 31, 2014, the cumulative total stockholder return on the Company's common stock with the cumulative total return of the S&P 500 Index and the cumulative total return of the NAREIT Equity REIT Total Return Index (the "NAREIT Equity Index") prepared and published by the National Association of Real Estate Investment Trusts ("NAREIT"). Equity real estate investment trusts are defined as those which derive more than 75% of their income from equity investments in real estate assets. The NAREIT Equity Index includes all tax qualified equity real estate investment trusts listed on the New York Stock Exchange, American Stock Exchange or the NASDAQ National Market System. Stockholder return performance, presented quarterly for the five years ended December 31, 2014, is not necessarily indicative of future results. All stockholder return performance assumes the reinvestment of dividends. The information in this paragraph and the following performance chart are deemed to be furnished, not filed.

Item 6. Selected Financial Data

The following table sets forth selected, historical, consolidated financial data for the Company and should be read in conjunction with the Consolidated Financial Statements of the Company and Notes thereto and Management's Discussion and Analysis of Financial Condition and Results of Operations included in this Form 10-K.

The Company believes that the book value of its real estate assets, which reflects the historical costs of such real estate assets less accumulated depreciation, is not indicative of the current market value of its properties. Historical operating results are not necessarily indicative of future operating performance.

	Year ended December 31, (2)				
	2014	2013	2012	2011	2010
	(in thousands, except per share information)				
Operating Data:					
Revenues from rental properties (1)	\$958,888	\$825,210	\$755,851	\$698,211	\$673,367
Interest expense (3)	\$203,759	\$212,240	\$223,736	\$219,599	\$219,766
Early extinguishment of debt charges	\$-	\$-	\$-	\$-	\$10,811
Depreciation and amortization (3)	\$258,074	\$224,713	\$214,827	\$197,956	\$188,706
Gain on sale of development properties	\$-	\$-	\$-	\$12,074	\$2,080
Gain on sale of operating properties, net of tax (3)	\$389	\$1,432	\$4,299	\$108	\$2,377
Provision for income taxes, net (4)	\$22,438	\$32,654	\$15,603	\$24,928	\$6,279
Impairment charges (5)	\$39,808	\$32,247	\$10,289	\$13,077	\$32,661
Income from continuing operations (6)	\$375,133	\$276,884	\$172,760	\$100,059	\$65,091
Income per common share, from continuing operations:					
Basic	\$0.77	\$0.53	\$0.19	\$0.10	\$0.03
Diluted	\$0.77	\$0.53	\$0.19	\$0.10	\$0.03
Weighted average number of shares of common stock:					
Basic	409,088	407,631	405,997	406,530	405,827
Diluted	411,038	408,614	406,689	407,669	406,201
Cash dividends declared per common share	\$0.915	\$0.855	\$0.78	\$0.73	\$0.66

	December 31,				
	2014	2013	2012	2011	2010
	(in thousands)				
Balance Sheet Data:					
Real estate, before accumulated depreciation	\$10,018,226	\$9,123,344	\$8,947,287	\$8,771,257	\$8,592,760
Total assets	\$10,285,728	\$9,663,630	\$9,751,234	\$9,628,762	\$9,833,875
Total debt	\$4,620,298	\$4,221,401	\$4,195,317	\$4,114,385	\$4,058,987
Total stockholders' equity	\$4,774,785	\$4,632,417	\$4,765,160	\$4,686,386	\$4,935,842
Cash flow provided by operations	\$629,343	\$570,035	\$479,054	\$448,613	\$479,935

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Cash flow provided by/(used for) investing activities	\$126,705	\$72,235	\$(51,000)	\$(20,760)	\$37,904
Cash flow used for financing activities	\$(717,494)	\$(635,377)	\$(399,061)	\$(440,125)	\$(514,743)

(1) Does not include revenues (i) from rental property relating to unconsolidated joint ventures, (ii) relating to the investment in retail store leases and (iii) from properties included in discontinued operations.

All years have been adjusted to reflect the impact of operating properties sold during the years ended December 31, (2)2014, 2013, 2012, 2011 and 2010, which are reflected in discontinued operations in the Consolidated Statements of Income.

(3) Does not include amounts reflected in discontinued operations.

(4) Does not include amounts reflected in discontinued operations. Amounts include income taxes related to gain on transfer/sale of operating properties.

(5) Amounts exclude noncontrolling interests and amounts reflected in discontinued operations.

(6) Amounts include gain on transfer/sale of operating properties, net of tax and net income attributable to noncontrolling interests.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with the Consolidated Financial Statements and Notes thereto included in this Form 10-K. Historical results and percentage relationships set forth in the Consolidated Statements of Income contained in the Consolidated Financial Statements, including trends, should not be taken as indicative of future operations.

Executive Summary

Kimco Realty Corporation is one of the nation's largest publicly-traded owners and operators of neighborhood and community shopping centers. As of December 31, 2014, the Company had interests in 754 shopping center properties (the "Combined Shopping Center Portfolio"), aggregating 109.5 million square feet of gross leasable area ("GLA") and 533 other property interests, primarily through the Company's preferred equity investments and other real estate investments, totaling 11.7 million square feet of GLA, for a grand total of 1,287 properties aggregating 121.2 million square feet of GLA, located in 41 states, Puerto Rico, Canada, Mexico, and Chile.

The executive officers are engaged in the day-to-day management and operation of real estate exclusively with the Company, with nearly all operating functions, including leasing, asset management, maintenance, construction, legal, finance and accounting, administered by the Company.

The Company's strategy is to be the premier owner and operator of neighborhood and community shopping centers through investments primarily in the U.S. To achieve this strategy the Company is (i) striving to transform the quality of its portfolio by disposing of lesser quality assets and acquiring larger higher quality properties in key markets identified by the Company, (ii) simplifying its business by exiting Mexico and South America and reducing the number of joint venture investments and (iii) pursuing redevelopment opportunities within its portfolio to increase overall value and certain development opportunities for long-term investment. The Company has an active capital recycling program and during the second quarter of 2014, the Company implemented a plan to accelerate the disposition of certain non-strategic U.S. properties. This plan effectively shortened the Company's anticipated hold period for these properties and as such caused the Company to recognize impairment charges on certain consolidated operating properties. If the Company accepts sales prices for these assets that are less than their net carrying values, the Company would be required to take additional impairment charges. In order to execute the Company's strategy, the Company intends to continue to strengthen its balance sheet by pursuing deleveraging efforts over time, providing it the necessary flexibility to invest opportunistically and selectively, primarily focusing on neighborhood and community shopping centers in the U.S. The Company also has an institutional management business with domestic and foreign institutional partners for the purpose of investing in neighborhood and community shopping centers. In an effort to further its simplification strategy, the Company is actively pursuing opportunities to reduce its institutional management business through partner buy-outs, property acquisitions from institutional joint ventures and/or third party property sales.

The following highlights the Company's significant transactions, events and results that occurred during the year ended December 31, 2014:

Portfolio Information:

Net income available to common shareholders increased by \$187.7 million to \$365.7 million for the year ended December 31, 2014, as compared to \$178.0 million for the corresponding period in 2013.

Funds from operations ("FFO") increased from \$1.35 per diluted share for the year ended December 31, 2013, to \$1.45 per diluted share for the year ended December 31, 2014 (see additional disclosure on FFO beginning on page 31).

FFO as adjusted increased from \$1.33 per diluted share for the year ended December 31, 2013, to \$1.40 per diluted share for the year ended December 31, 2014 (see additional disclosure on FFO beginning on page 31).

Combined Same Property net operating income ("NOI") increased 2.5% for the year ended December 31, 2014, as compared to the corresponding period in 2013; excluding the negative impact of foreign currency fluctuation, this increase would have been 3.3% (see additional disclosure on NOI beginning on page 32).

Occupancy rose from 94.6% at December 31, 2013, to 95.6% at December 31, 2014 in the Combined Shopping Center Portfolio.

Occupancy rose from 94.9% at December 31, 2013, to 95.7% at December 31, 2014 for the U.S. combined shopping center portfolio.

Generated U.S. cash-basis leasing spreads of 8.8%; new leases increased 19.5% and renewals/options increased 6.3%.

Executed 2,124 leases, renewals and options totaling approximately 9.8 million square feet in the Combined Shopping Center Portfolio.

Acquisition Activity (see Footnotes 3 and 7 of the Notes to Consolidated Financial Statements included in this Form 10-K):

Acquired 63 shopping center properties and five outparcels comprising an aggregate 7.1 million square feet of GLA, for an aggregate purchase price of \$1.4 billion including the assumption of \$702.6 million of non-recourse mortgage debt encumbering 53 of the properties. The Company acquired 34 of these properties for an aggregate sales price of \$1.0 billion from joint ventures in which the Company held noncontrolling ownership interests. The Company evaluated these transactions pursuant to the Financial Accounting Standards Boards (“FASB”) Consolidation guidance. As such, the Company recognized an aggregate gain of \$107.2 million from the fair value adjustment associated with its original ownership due to a change in control.

Additionally, during the year ended December 31, 2014, the Company acquired \$53.5 million in land related to three development projects which will be held as long-term investments. The Company anticipates completing these projects over the next four years.

U.S. Disposition Activity (see Footnotes 4, 5, and 6 of the Notes to Consolidated Financial Statements included in this Form 10-K):

During 2014, the Company disposed of 63 operating properties, in separate transactions, for an aggregate sales price of \$535.8 million. These transactions, which are included in Discontinued Operations, resulted in an aggregate gain of \$166.6 million, before income taxes of \$8.7 million, and aggregate impairment charges of \$60.4 million, before income tax benefits of \$2.0 million.

Latin America Disposition Activity (see Footnotes 4, 5, 6 and 7 of Notes to the Consolidated Financial Statements included in this Form 10-K):

During 2014, the Company sold 27 consolidated properties in its Latin American portfolio for an aggregate sales price of \$297.7 million. These transactions, which are included in Discontinued Operations, resulted in an aggregate gain of \$33.4 million, after income taxes of \$3.3 million and aggregate impairment charges of \$24.7 million.

During 2014, joint ventures in which the Company held noncontrolling interests sold 14 operating properties located throughout Mexico for \$324.5 million. These transactions resulted in an aggregate net gain to the Company of \$40.0 million, after income tax, and aggregate impairment charges of \$0.9 million.

These transactions contributed to the Company’s substantial liquidation of its investment in Mexico and Peru during the fourth quarter, which resulted in the release of a cumulative foreign currency translation loss of \$134.4 million, after noncontrolling interests of \$5.8 million. This loss has been recorded on the Company’s Consolidated Statements of Income as follows: (i) \$92.9 million is included in Impairment/loss on operating properties, net of tax, within Discontinued operations (ii) \$47.3 million is included in Equity in income of joint ventures, net and (iii) \$5.8 million is included in Net income attributable to noncontrolling interest.

Capital Activity (for additional details see Liquidity and Capital Resources below):

During March 2014, the Company established a new \$1.75 billion unsecured revolving credit facility (the “Credit Facility”) with a group of banks, which is scheduled to expire in March 2018, with two additional six-month options to extend the maturity date, at the Company’s discretion, to March 2019. The Credit Facility, which can be increased to \$2.25 billion through an accordion feature, accrues interest at a rate of LIBOR plus 92.5 basis points on drawn funds.

During 2014, the Company issued \$500.0 million of 7-year Senior Unsecured Notes at an interest rate of 3.20% payable semi-annually in arrears which are scheduled to mature in May 2021. Net proceeds were used for general corporate purposes including reducing borrowings under the Credit Facility and repayment of maturing debt.

Also during 2014, the Company repaid (i) its \$100.0 million 5.95% senior unsecured notes, which matured in June 2014 and (ii) its remaining \$194.6 million 4.82% senior unsecured notes, which also matured in June 2014.

The Company repaid its 1.0 billion Mexican peso (“MXN”) (USD \$76.3 million) term loan which was scheduled to mature in March 2018, and bore interest at a rate equal to TIIE (Equilibrium Interbank Interest Rate) plus 1.35% during September 2014.

Critical Accounting Policies

The Consolidated Financial Statements of the Company include the accounts of the Company, its wholly-owned subsidiaries and all entities in which the Company has a controlling interest, including where the Company has been determined to be a primary beneficiary of a variable interest entity in accordance with the consolidation guidance of the FASB Accounting Standards Codification (“ASC”). The Company applies these provisions to each of its joint venture investments to determine whether the cost, equity or consolidation method of accounting is appropriate. The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions in certain circumstances that affect amounts reported in the accompanying Consolidated Financial Statements and related notes. In preparing these financial statements, management has made its best estimates and assumptions that affect the reported amounts of assets and liabilities. These estimates are based on, but not limited to, historical results, industry standards and current economic conditions, giving due consideration to materiality. The most significant assumptions and estimates relate to revenue recognition and the recoverability of trade accounts receivable, depreciable lives, valuation of real estate and intangible assets and liabilities, valuation of joint venture investments and other investments, realizability of deferred tax assets and uncertain tax positions. Application of these assumptions requires the exercise of judgment as to future uncertainties, and, as a result, actual results could materially differ from these estimates.

The Company is required to make subjective assessments as to whether there are impairments in the value of its real estate properties, investments in joint ventures, marketable securities and other investments. The Company's reported net earnings are directly affected by management's estimate of impairments and/or valuation allowances.

Revenue Recognition and Accounts Receivable

Base rental revenues from rental property are recognized on a straight-line basis over the terms of the related leases. Certain of these leases also provide for percentage rents based upon the level of sales achieved by the lessee. These percentage rents are recorded once the required sales level is achieved. Operating expense reimbursements are recognized as earned. Rental income may also include payments received in connection with lease termination agreements. In addition, leases typically provide for reimbursement to the Company of common area maintenance, real estate taxes and other operating expenses.

The Company makes estimates of the uncollectability of its accounts receivable related to base rents, straight-line rent, expense reimbursements and other revenues. The Company analyzes accounts receivable and historical bad debt levels, customer credit-worthiness and current economic trends when evaluating the adequacy of the allowance for doubtful accounts. In addition, tenants in bankruptcy are analyzed and estimates are made in connection with the expected recovery of pre-petition and post-petition claims. The Company's reported net earnings are directly affected by management's estimate of the collectability of accounts receivable.

Real Estate

The Company's investments in real estate properties are stated at cost, less accumulated depreciation and amortization. Expenditures for maintenance and repairs are charged to operations as incurred. Significant renovations and replacements, which improve and extend the life of the asset, are capitalized.

Upon acquisition of real estate operating properties, the Company estimates the fair value of acquired tangible assets (consisting of land, building, building improvements and tenant improvements) and identified intangible assets and liabilities (consisting of above and below-market leases, in-place leases and tenant relationships, where applicable), assumed debt and redeemable units issued at the date of acquisition, based on evaluation of information and estimates available at that date. Fair value is determined based on an exit price approach, which contemplates the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. If, up to one year from the acquisition date, information regarding fair value of the assets acquired and liabilities assumed is received and estimates are refined, appropriate adjustments, if material, are made to the purchase price allocation on a retrospective basis. The Company expenses transaction costs associated with business combinations in the period incurred.

Depreciation and amortization are provided on the straight-line method over the estimated useful lives of the assets, as follows:

Buildings and building improvements	15 to 50 years
Fixtures, leasehold and tenant improvements (including certain identified intangible assets)	Terms of leases or useful lives, whichever is shorter

The Company is required to make subjective assessments as to the useful lives of its properties for purposes of determining the amount of depreciation to reflect on an annual basis with respect to those properties. These assessments have a direct impact on the Company's net earnings.

On a continuous basis, management assesses whether there are any indicators, including property operating performance, changes in anticipated holding period and general market conditions, that the value of the real estate properties (including any related amortizable intangible assets or liabilities) may be impaired. A property value is considered impaired only if management's estimate of current and projected operating cash flows (undiscounted and unleveraged) of the property over its anticipated hold period is less than the net carrying value of the property. Such cash flow projections consider factors such as expected future operating income, trends and prospects, as well as the effects of demand, competition and other factors. To the extent impairment has occurred, the carrying value of the property would be adjusted to reflect the estimated fair value of the property.

When a real estate asset is identified by management as held-for-sale, the Company ceases depreciation of the asset and estimates the sales price of such asset net of selling costs. If, in management's opinion, the net sales price of the asset is less than the net book value of such asset, an adjustment to the carrying value would be recorded to reflect the estimated fair value of the property.

Investments in Unconsolidated Joint Ventures

The Company accounts for its investments in unconsolidated joint ventures under the equity method of accounting as the Company exercises significant influence, but does not control, these entities. These investments are recorded initially at cost and are subsequently adjusted for cash contributions and distributions. Earnings for each investment are recognized in accordance with each respective investment agreement and, where applicable, are based upon an allocation of the investment's net assets at book value as if the investment was hypothetically liquidated at the end of each reporting period.

The Company's joint ventures and other real estate investments primarily consist of co-investments with institutional and other joint venture partners in neighborhood and community shopping center properties, consistent with its core business. These joint ventures typically obtain non-recourse third-party financing on their property investments, thus contractually limiting the Company's exposure to losses to the amount of its equity investment, and, due to the lender's exposure to losses, a lender typically will require a minimum level of equity in order to mitigate its risk. The Company's exposure to losses associated with its unconsolidated joint ventures is primarily limited to its carrying value in these investments. The Company, on a limited selective basis, obtained unsecured financing for certain joint ventures. These unsecured financings are guaranteed by the Company with guarantees from the joint venture partners for their proportionate amounts of any guaranty payment the Company is obligated to make.

On a continuous basis, management assesses whether there are any indicators, including property operating performance and general market conditions, that the value of the Company's investments in unconsolidated joint ventures may be impaired. An investment's value is impaired only if management's estimate of the fair value of the investment is less than the carrying value of the investment and such difference is deemed to be other-than-temporary. To the extent impairment has occurred, the loss shall be measured as the excess of the carrying amount of the investment over the estimated fair value of the investment.

The Company's estimated fair values are based upon a discounted cash flow model for each joint venture that includes all estimated cash inflows and outflows over a specified holding period and, where applicable, any estimated debt premiums. Capitalization rates, discount rates and credit spreads utilized in these models are based upon rates that the Company believes to be within a reasonable range of current market rates.

Realizability of Deferred Tax Assets and Uncertain Tax Positions

The Company is subject to federal, state and local income taxes on the income from its activities relating to its TRS activities and subject to local taxes on certain non-U.S. investments. The Company accounts for income taxes using the asset and liability method, which requires that deferred tax assets and liabilities be recognized based on future tax consequences of temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply in the years in which temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in earnings in the period when the changes are enacted.

A reduction of the carrying amounts of deferred tax assets by a valuation allowance is required, if based on the evidence available, it is more likely than not (a likelihood of more than 50 percent) that some portion or all of the deferred tax assets will not be realized. The valuation allowance should be sufficient to reduce the deferred tax asset to the amount that is more likely than not to be realized.

The Company considers all available evidence, both positive and negative, to determine whether, based on the weight of that evidence, a valuation allowance is needed. Information about an enterprise's current financial position and its results of operations for the current and preceding years is supplemented by all currently available information about future years. The Company must use judgment in considering the relative impact of negative and positive evidence.

The Company believes, when evaluating deferred tax assets within its taxable REIT subsidiaries, special consideration should be given to the unique relationship between the Company as a REIT and its taxable REIT subsidiaries. This relationship exists primarily to protect the REIT's qualification under the Code by permitting, within certain limits, the REIT to engage in certain business activities in which the REIT cannot directly participate. As such, the REIT controls which and when investments are held in, or distributed or sold from, its taxable REIT subsidiaries. This relationship distinguishes a REIT and taxable REIT subsidiary from an enterprise that operates as a single, consolidated corporate taxpayer.

The Company primarily utilizes a twenty year projection of pre-tax book income and taxable income as positive evidence to overcome any negative evidence. Although items of income and expense utilized in the projection are objectively verifiable there is also significant judgment used in determining the duration and timing of events that would impact the projection. Based upon the Company's analysis of positive and negative evidence the Company will make a determination of the need for a valuation allowance against its deferred tax assets. If future income projections do not occur as forecasted, the Company will reevaluate the need for a valuation allowance. In addition, the Company can employ additional strategies to realize its deferred tax assets, including transferring a greater portion of its property management business to the TRS, sale of certain built-in gain assets, and reducing intercompany debt.

The Company recognizes and measures benefits for uncertain tax positions, which requires significant judgment from management. Although the Company believes it has adequately reserved for any uncertain tax positions, no assurance can be given that the final tax outcome of these matters will not be different. The Company adjusts these reserves in light of changing facts and circumstances, such as the closing of a tax audit or the refinement of an estimate. Changes in the recognition or measurement of uncertain tax positions could result in material increases or decreases in the Company's income tax expense in the period in which a change is made, which could have a material impact on operating results (see Footnote 21 of the Notes to Consolidated Financial Statements included in this Form 10-K).

Results of Operations*Comparison 2014 to 2013*

	2014	2013	Increase	% change
	(amounts in millions)			
Revenues from rental properties (1)	\$958.9	\$825.2	\$ 133.7	16.2%
Rental property expenses: (2)				
Rent	\$14.3	\$13.3	\$ 1.0	7.5%
Real estate taxes	124.7	108.7	16.0	14.7%
Operating and maintenance	119.7	99.4	20.3	20.4%
	\$258.7	\$221.4	\$ 37.3	16.8%
Depreciation and amortization (3)	\$258.1	\$224.7	\$ 33.4	14.9%

Revenues from rental property increased primarily from the combined effect of (i) the acquisition of operating properties during 2014 and 2013, providing incremental revenues for the year ended December 31, 2014, of \$110.1 million, as compared to the corresponding period in 2013 and (ii) an overall increase in the consolidated shopping (1) center portfolio occupancy to 95.7% at December 31, 2014, as compared to 94.0% at December 31, 2013, the completion of certain redevelopment projects, tenant buyouts and net growth in the current portfolio, providing incremental revenues for the year ended December 31, 2014, of \$23.6 million, as compared to the corresponding period in 2013.

Rental property expenses include (i) rent expense relating to ground lease payments for which the Company is the lessee, (ii) real estate tax expense for consolidated properties for which the Company has a controlling ownership interest and (iii) operating and maintenance expense, which consists of property related costs including repairs and maintenance costs, roof repair, landscaping, parking lot repair, snow removal, utilities, property insurance costs, security and various other property related expenses. Rental property expenses increased for the year ended (2) December 31, 2014, as compared to the corresponding period in 2013, primarily due to acquisitions of properties during 2014 and 2013, resulting in (i) an increase in real estate taxes of \$16.0 million, (ii) an increase in repairs and maintenance costs of \$6.8 million, (iii) an increase in snow removal costs of \$3.4 million, (iv) an increase in property services of \$3.7 million, (v) an increase in utilities expense of \$1.8 million and (vi) an increase in insurance expense of \$3.9 million, due to an increase in insurance claims.

(3) Depreciation and amortization increased for the year ended December 31, 2014, as compared to the corresponding period in 2013, primarily due to operating property acquisitions during 2014 and 2013.

General and administrative costs include employee-related expenses (salaries, bonuses, equity awards, benefits, severance costs and payroll taxes), professional fees, office rent, travel expense, and other company-specific expenses. General and administrative expenses decreased \$5.3 million to \$122.2 million for the year ended December 31, 2014, as compared to \$127.5 million for the corresponding period in 2013. This decrease is primarily due to a decrease in

professional fees of \$3.4 million in connection with the Company's response to a subpoena from the Enforcement Division of the SEC and a parallel investigation by the DOJ, in connection with the investigation of Wal-Mart Stores, Inc. with respect to the Foreign Corrupt Practices Act (see Item 3) and a decrease in personnel related costs of \$1.8 million for the year ended December 31, 2014, as compared to the corresponding period in 2013.

During the year ended December 31, 2014, the Company recognized impairment charges of \$217.8 million, of which \$178.0 million, before income tax benefits of \$1.7 million, is included in discontinued operations. These impairment charges consist of (i) \$118.4 million related to adjustments to property carrying values, (ii) the release of a cumulative foreign currency translation loss of \$92.9 million relating to the substantial liquidation of the Company's investment in Mexico, (iii) \$4.8 million related to a cost method investment and (iv) \$1.6 million related to a preferred equity investment. The adjustments to property carrying values were recognized in connection with the Company's efforts to market certain properties and management's assessment as to the likelihood and timing of such potential transactions and the anticipated hold period for such properties. During the second quarter ended June 30, 2014, the Company implemented a plan to accelerate its disposition of certain properties. This plan effectively shortened the Company's anticipated hold period for these properties and as a result the Company recognized impairment charges on various operating properties. Certain of the calculations to determine fair value utilized unobservable inputs and as such are classified as Level 3 of the fair value hierarchy. For additional disclosure, see Footnote 15 of the Notes to Consolidated Financial Statements included in this Form 10-K.

During the year ended December 31, 2013, the Company recognized impairment charges of \$190.2 million of which \$158.0 million, before noncontrolling interests and income tax, is included in discontinued operations. These impairment charges consist of (i) \$175.6 million related to adjustments to property carrying values, (ii) \$10.4 million related to a cost method investment, (iii) \$1.0 million related to certain joint venture investments and (iv) \$3.2 million related to a preferred equity investment. Certain of the calculations to determine fair value utilized unobservable inputs and as such are classified as Level 3 of the fair value hierarchy. For additional disclosure, see Footnote 15 of the Notes to Consolidated Financial Statements included in this Form 10-K.

Interest, dividends and other investment income decreased \$15.8 million to \$1.0 million for the year ended December 31, 2014, as compared to \$16.8 million for the corresponding period in 2013. This decrease is primarily due to (i) a decrease in realized gains of \$12.1 million resulting from the sale of certain marketable securities during the year ended December 31, 2013, (ii) a decrease in excess cash distributions related to cost method investments of \$2.8 million for the year ended December 31, 2013 and (iii) a decrease in dividend income of \$1.2 million resulting from the sale of certain marketable securities during the year ended December 31, 2013.

Other (expense)/income, net changed \$9.7 million to an expense of \$8.5 million for the year ended December 31, 2014, as compared to income of \$1.2 million for the corresponding period in 2013. This change is primarily due to a decrease in gains from land sales of \$8.0 million and an increase in acquisition related costs of \$1.4 million related to an increase in acquisitions during 2014 as compared to 2013.

Interest expense decreased \$8.4 million to \$203.8 million for the year ended December 31, 2014, as compared to \$212.2 million for the year ended December 31, 2013. This decrease is primarily related to lower implied interest rates and reduced borrowing levels during 2014, as compared to 2013.

Provision for income taxes, net decreased \$10.3 million to \$22.4 million for the year ended December 31, 2014, as compared to \$32.7 million for the corresponding period in 2013. This change is primarily due to (i) a decrease in foreign tax expense of \$9.5 million primarily relating to the sale of certain unconsolidated properties during 2013 within the Company's Latin American portfolio which were subject to foreign taxes at a consolidated reporting entity level offset by an increase in other foreign uncertain tax positions of \$5.5 million, (ii) a decrease in tax provision of \$9.1 million relating to a change in control gain recognized during the year ended December 31, 2013, (iii) a decrease in tax provision of \$3.4 million related to gains on land sales during 2013, and (iv) a decrease in tax provision of \$2.4 million related to gains on sale of certain marketable securities during 2013, partially offset by (v) a partial release of the deferred tax valuation allowance of \$8.7 million during the year ended December 31, 2013 related to the Company's FNC Realty Corp. ("FNC") portfolio based on the Company's estimated future earnings of FNC and (vi) a decrease in tax benefit of \$4.3 million relating to equity losses recognized in connection with the Company's Albertson's investment.

Equity in income of joint ventures, net decreased \$49.1 million to \$159.6 million for the year ended December 31, 2014, as compared to \$208.7 million for the corresponding period in 2013. This decrease is primarily the result of (i) the release of a cumulative foreign currency translation loss of \$47.3 million relating to the substantial liquidation of the Company's investment in Mexico, (ii) a decrease in gains of \$21.7 million resulting from the sale of properties within various joint venture investments and interests in joint ventures primarily located in Latin America during 2013, (iii) a decrease in equity in income of \$1.4 million due to the sale of the InTown portfolio in 2013 and (iv) a decrease of equity in income of \$7.5 million related to the sale of various joint ventures within the Company's Latin American portfolio during 2014, partially offset by (v) an increase in equity in income of \$15.6 million primarily resulting from a cash distribution received in excess of the Company's carrying basis during 2014, and (vi) a decrease in impairment charges of \$8.2 million relating to various joint venture properties primarily located in Mexico taken during the year ended 2013, as compared to 2014.

During 2014, the Company acquired 34 properties from joint ventures in which the Company had noncontrolling interests. The Company recorded an aggregate net gain on change in control of interests of \$107.2 million related to the fair value adjustment associated with its original ownership of these properties.

During 2013, the Company acquired four properties from joint ventures in which the Company had noncontrolling interests. The Company recorded an aggregate net gain on change in control of interests of \$21.7 million related to the fair value adjustment associated with its original ownership of these properties.

Equity in income from other real estate investments, net increased \$6.9 million to \$38.0 million for the year ended December 31, 2014, as compared to \$31.1 million for the corresponding period in 2013. This increase is primarily due to an increase of \$10.7 million in equity in income, resulting from lower net losses in the Albertson's joint venture during the year ended December 31, 2014, as compared to the corresponding period in 2013, partially offset by a decrease of \$5.8 million in earnings from the Company's Preferred Equity Program primarily resulting from the sale of the Company's interests in certain preferred equity investments during 2014 and 2013.

During 2014, the Company disposed of 90 operating properties, in separate transactions, for an aggregate sales price of \$833.5 million, including 27 operating properties in Latin America. These transactions, which are included in Discontinued Operations on the Company's Consolidated Statements of Income, resulted in (i) an aggregate gain of \$203.3 million, before income taxes of \$12.0 million (ii) the release of a cumulative foreign currency translation loss of \$92.9 million relating to the substantial liquidation of the Company's investment in Mexico and (iii) aggregate impairment charges of \$85.1 million before income tax benefits of \$1.7 million.

During 2013, the Company disposed of 36 operating properties and three out-parcels in separate transactions, for an aggregate sales price of \$279.5 million. These transactions, which are included in Discontinued operations in the Company's Consolidated Statements of Income, resulted in an aggregate gain of \$25.4 million and impairment charges of \$61.9 million, before income tax.

Additionally, during 2013, the Company sold eight properties in its Latin American portfolio for an aggregate sales price of \$115.4 million. These transactions, which are included in Discontinued operations in the Company's Consolidated Statements of Income, resulted in an aggregate gain of \$23.3 million, before income taxes, and aggregate impairment charges of \$26.9 million (including the release of a cumulative foreign currency translation loss of \$7.8 million associated with the sale of the Company's interest in two properties within Brazil, which represents a full liquidation of the Company's investment in Brazil), before income taxes.

Net income attributable to the Company increased \$187.7 million to \$424.0 million for the year ended December 31, 2014, as compared to \$236.3 million for the corresponding period in 2013. On a diluted per share basis, net income attributable to the Company was \$0.89 for 2014, as compared to net income of \$0.43 for 2013. These changes are primarily attributable to (i) incremental earnings due to the acquisition of operating properties during 2014 and 2013 and increased profitability from the Company's operating properties, (ii) an increase in gains on sale of operating properties, (iii) an increase in gain on change in control of interests, (iv) a decrease in tax provision relating to decreased gains on sales from joint venture properties during 2014, and (v) an increase in equity in income of other real estate investments, net, partially offset by, (vi), a decrease in equity in income of joint ventures, net, including the release of a cumulative foreign currency translation loss relating to the substantial liquidation of the Company's Mexican Portfolio (vii) a decrease in interest, dividends and other investment income, (viii) a decrease in other income/(expense), net and (ix) an increase in impairment charges, including the release of a cumulative foreign currency translation loss relating to the substantial liquidation of the Company's Mexican Portfolio, during the year ended December 31, 2014, as compared to the corresponding period in 2013.

Results of Operations

Comparison 2013 to 2012

	2013	2012	Increase	% change	
	(amounts in millions)				
Revenues from rental properties (1)	\$ 825.2	\$ 755.9	\$ 69.3	9.2	%
Rental property expenses: (2)					
Rent	\$ 13.3	\$ 12.7	\$ 0.6	4.7	%
Real estate taxes	108.7	101.8	6.9	6.8	%
Operating and maintenance	99.4	92.4	7.0	7.6	%
	\$ 221.4	\$ 206.9	\$ 14.5	7.0	%
Depreciation and amortization (3)	\$ 224.7	\$ 214.8	\$ 9.9	4.6	%

(1) Revenues from rental properties increased primarily from the combined effect of (i) the acquisition of operating properties during 2013 and 2012, providing incremental revenues for the year ended December 31, 2013 of \$46.5 million, as compared to the corresponding period in 2012, (ii) an overall increase in the consolidated shopping center portfolio occupancy to 94.0% at December 31, 2013, as compared to 93.4% at December 31, 2012 and the

completion of certain development and redevelopment projects, tenant buyouts and net growth in the current portfolio, providing incremental revenues for the year ended December 31, 2013, of \$22.7 million, as compared to the corresponding period in 2012, and (iii) an increase in revenues relating to the Company's Latin America portfolio of \$0.1 million for the year ended December 31, 2013, as compared to the corresponding period in 2012.

Rental property expenses include (i) rent expense relating to ground lease payments for which the Company is the lessee; (ii) real estate tax expense for consolidated properties for which the Company has a controlling ownership interest and (iii) operating and maintenance expense, which consists of property related costs including repairs and maintenance costs, roof repair, landscaping, parking lot repair, snow removal, utilities, property insurance costs, security and various other property related expenses. Rental property expenses increased for the year ended (2) December 31, 2013, as compared to the corresponding period in 2012, primarily due to acquisitions of properties during 2013 and 2012 resulting in (i) an increase in real estate taxes of \$6.9 million, (ii) an increase in repairs and maintenance costs of \$5.0 million, (iii) an increase in snow removal costs of \$2.1 million, (iv) an increase in property services of \$1.6 million and (v) an increase in utilities expense of \$1.3 million, partially offset by (vi) a decrease in insurance expense of \$3.0 million due to a decrease in insurance claims.

Depreciation and amortization increased for the year ended December 31, 2013, as compared to the corresponding (3) period in 2012, primarily due to (i) operating property acquisitions during 2013 and 2012 and (ii) expensing of unamortized tenant costs related to tenant vacancies prior to their lease expiration, partially offset by (iii) certain operating property dispositions during 2013 and 2012.

General and administrative costs include employee-related expenses (salaries, bonuses, equity awards, benefits, severance costs and payroll taxes), professional fees, office rent, travel expense, and other company-specific expenses. General and administrative expenses increased \$4.0 million to \$127.5 million for the year ended December 31, 2013, as compared to \$123.5 million for the corresponding period in 2012. This increase is primarily a result of an increase in professional fees related to the Company's response to a subpoena from the Enforcement Division of the SEC and a parallel investigation by the DOJ, in connection with the investigation of Wal-Mart Stores, Inc. with respect to the Foreign Corrupt Practices Act (see Item 3).

During the year ended December 31, 2013, the Company recognized impairment charges of \$190.2 million of which \$158.0 million, before noncontrolling interests and income tax, is included in Discontinued operations. These impairment charges consist of (i) \$175.6 million related to adjustments to property carrying values, (ii) \$10.4 million related to a cost method investment, (iii) \$1.0 million related to certain joint venture investments and (iv) \$3.2 million related to a preferred equity investment. Certain of the calculations to determine fair value utilized unobservable inputs and as such are classified as Level 3 of the fair value hierarchy. For additional disclosure, see Footnote 15 of the Notes to Consolidated Financial Statements included in this Form 10-K.

During the year ended December 31, 2012, the Company recognized impairment charges related to adjustments to property carrying values of \$59.6 million, of which \$49.3 million, before income taxes and noncontrolling interests, is included in Discontinued operations. The Company's estimated fair values for these assets were primarily based upon (i) estimated sales prices from third party offers relating to property carrying values and joint venture investments. The Company does not have access to the unobservable inputs used by the third parties to determine these estimated fair values. The discounted cash flows model includes all estimated cash inflows and outflows over a specified holding period. These cash flows were comprised of unobservable inputs which include forecasted revenues and expenses based upon market conditions and expectations for growth. Based on these inputs the Company determined that its valuation of these investments was classified within Level 3 of the fair value hierarchy. The property carrying value impairment charges resulted from the Company's efforts to market certain assets and management's assessment as to the likelihood and timing of such potential transactions.

Mortgage financing income decreased \$3.2 million to \$4.3 million for the year ended December 31, 2013, as compared to \$7.5 million for the corresponding period in 2012. This decrease is primarily due to a decrease in interest income resulting from the repayment of certain mortgage receivables during 2013 and 2012.

Interest, dividends and other investment income increased \$14.8 million to \$16.8 million for the year ended December 31, 2013, as compared to \$2.0 million for the corresponding period in 2012. This increase is primarily due to an increase in realized gains of \$12.1 million resulting from the sale of certain marketable securities during 2013 and an increase in cash distributions received in excess of basis related to cost method investments of \$2.2 million for the year ended December 31, 2013, as compared to the corresponding period in 2012.

Other (expense)/income, net changed \$8.1 million to \$1.2 million of income for the year ended December 31, 2013, as compared to \$6.9 million of an expense for the year ended December 31, 2012. This change is primarily due to (i) increases in gains on land sales of \$8.2 million for year ended December 31, 2013, as compared to the corresponding period in 2012 and (ii) an increase in gains on foreign currency of \$1.5 million relating to changes in foreign currency exchange rates, partially offset by (iii) an increase in other corporate expenses of \$1.9 million for the year ended December 31, 2013, as compared to the corresponding period in 2012.

Interest expense decreased \$11.5 million to \$212.2 million for the year ended December 31, 2013, as compared to \$223.7 million for the year ended December 31, 2012. This decrease is primarily related to lower interest rates on borrowings during 2013, as compared to 2012.

Provision for income taxes, net increased \$17.1 million to \$32.7 million for the year ended December 31, 2013, as compared to \$15.6 million for the corresponding period in 2012. This increase is primarily due to (i) an increase in foreign taxes of \$23.6 million primarily relating to the sale of the Company's joint venture interest in a portfolio of 84 operating properties in Mexico, (ii) an increase in income tax expense of \$9.1 million relating to a change in control gain resulting from the purchase of a partner's noncontrolling joint venture interest, (iii) a tax provision of \$6.0 million

resulting from incremental earnings due to increased profitability from properties within the Company's taxable REIT subsidiaries and (iv) a tax provision of \$2.4 million related to gains on sale of certain marketable securities, partially offset by (v) a partial release of the deferred tax valuation allowance of \$8.7 million related to FNC based on the Company's estimated future earnings of FNC, (vi) an increase in income tax benefit of \$7.9 million related to impairments taken during 2013, as compared to the 2012, and (vii) a decrease in tax provision of \$9.4 million relating to a decrease in equity in income recognized in connection with the Albertson's investment.

Equity in income of joint ventures, net increased \$95.8 million to \$208.7 million for the year ended December 31, 2013, as compared to \$112.9 million for the corresponding period in 2012. This increase is primarily the result of (i) an increase in gains of \$120.7 million resulting from the sale of properties within various joint venture investments, primarily located in Mexico during 2013, as compared to 2012, (ii) an increase in equity in income from three joint ventures of \$4.0 million due to the Company's increase in ownership percentage and (iii) incremental earnings due to increased profitability from properties within the Company's joint venture program, partially offset by (iv) an increase in impairment charges of \$18.4 million recognized against certain joint venture investment properties primarily located in Mexico, resulting from pending property sales, taken during 2013, as compared to 2012, (v) the recognition of \$7.5 million in income on the sale of certain air rights at a property within one of the Company's joint venture investments in Canada during 2012 and (vi) a decrease in equity in income of \$2.6 million from the Company's InTown Suites investment during 2013, as compared to 2012, resulting from the sale of this investment in 2013.

During June 2013, the Company sold its unconsolidated investment in the InTown portfolio for a sales price of \$735.0 million which included the assignment of \$609.2 million in debt. This transaction resulted in a deferred gain to the Company of \$21.7 million. The Company maintains its guarantee on a portion of the debt (\$139.7 million as of December 31, 2013) assumed by the buyer. The guarantee is collateralized by the buyer's ownership interest in the portfolio. The Company is entitled to a guarantee fee, for the initial term of the loan, which is scheduled to mature in December 2015. The guarantee fee is calculated based upon the difference between LIBOR plus 1.15% and 5.0% per annum multiplied by the outstanding amount of the loan. Additionally, the Company has entered into a commitment to provide financing up to the outstanding amount of the guaranteed portion of the loan for five years past the date of maturity. This commitment can be in the form of extensions with the current lender, a new lender or financing directly from the Company to the buyer. Due to this continued involvement, the Company deferred its gain until such time that the guarantee and commitment expire. On February 24, 2015, the outstanding debt balance of \$139.7 million was fully repaid and as such, the Company was relieved of its related commitments and guarantee.

During 2013, the Company acquired four properties from joint ventures in which the Company had noncontrolling interests. The Company recorded an aggregate net gain on change in control of interests of \$21.7 million related to the fair value adjustment associated with its original ownership of these properties. During 2012, the Company acquired four properties from joint ventures in which the Company had noncontrolling interests. The Company recorded an aggregate gain on change in control of interests of \$15.6 million related to the fair value adjustment associated with its original ownership.

Equity in income from other real estate investments, net decreased \$22.3 million to \$31.1 million for the year ended December 31, 2013, as compared to \$53.4 million for the corresponding period in 2012. This decrease is primarily due to a decrease of \$23.5 million in equity in income from the Albertson's joint venture primarily due to start-up costs associated with the purchase of additional Albertson's stores from SuperValu Inc. during 2013, as compared to 2012.

During 2013, the Company disposed of 36 operating properties and three out-parcels in separate transactions, for an aggregate sales price of \$279.5 million. These transactions, which are included in Discontinued operations in the Company's Consolidated Statements of Income, resulted in an aggregate gain of \$25.4 million and impairment charges of \$61.9 million, before income taxes.

Additionally, during 2013, the Company sold eight properties in its Latin American portfolio for an aggregate sales price of \$115.4 million. These transactions, which are included in Discontinued operations in the Company's Consolidated Statements of Income, resulted in an aggregate gain of \$23.3 million, before income taxes, and aggregate impairment charges of \$26.9 million (including the release of a cumulative foreign currency translation loss of \$7.8 million associated with the sale of the Company's interest in two properties within Brazil, which represents a full liquidation of the Company's investment in Brazil), before income taxes and noncontrolling interests.

During 2012, the Company disposed of 62 operating properties and two outparcels, in separate transactions, for an aggregate sales price of \$418.9 million. These transactions resulted in an aggregate gain of \$85.9 million and impairment charges of \$22.5 million, before income taxes, which is included in Discontinued operations in the Company's Consolidated Statements of Income.

During 2012, the Company sold a previously consolidated operating property to a newly formed unconsolidated joint venture in which the Company has a 20% noncontrolling interest for a sales price of \$55.5 million. This transaction resulted in a pre-tax gain of \$10.0 million, of which the Company deferred \$2.0 million due to its continued involvement. This gain has been recorded as Gain on sale of operating properties, net of tax in the Company's Consolidated Statements of Income.

Net income attributable to the Company decreased \$29.8 million to \$236.3 million for the year ended December 31, 2013, as compared to \$266.1 million for the corresponding period in 2012. On a diluted per share basis, net income attributable to the Company was \$0.43 for 2013, as compared to net income of \$0.42 for 2012. These changes are primarily attributable to (i) additional incremental earnings due to increased profitability from the Company's operating properties and the acquisition of operating properties during 2013 and 2012, (ii) an increase in equity in income of joint ventures, net primarily due to gains on sales of operating properties sold within various joint venture portfolios during 2013 and (iii) an increase in gains on sale of marketable securities during 2013, partially offset by (iv) an increase in impairment charges recognized during the year ended December 31, 2013, as compared to the corresponding period in 2012 and (v) a decrease in gains on sale of operating properties. The 2012 diluted per share results were decreased by a reduction in net income available to common shareholders of \$21.7 million resulting from the deduction of original issuance costs associated with the redemption of the Company's 6.65% Class F Cumulative Redeemable Preferred Stock and 7.75% Class G Cumulative Redeemable Preferred Stock.

Liquidity and Capital Resources

The Company's capital resources include accessing the public debt and equity capital markets, mortgage and construction loan financing, borrowings under term loans and immediate access to an unsecured revolving credit facility with bank commitments of \$1.75 billion.

The Company's cash flow activities are summarized as follows (in millions):

	Year Ended December 31,		
	2014	2013	2012
Net cash flow provided by operating activities	\$629.3	\$570.0	\$479.1
Net cash flow provided by/(used for) investing activities	\$126.7	\$72.2	\$(51.0)
Net cash flow used for financing activities	\$(717.5)	\$(635.4)	\$(399.1)

Operating Activities

The Company anticipates that cash on hand, borrowings under its revolving credit facility, issuance of equity and public debt, as well as other debt and equity alternatives, will provide the necessary capital required by the Company. Net cash flow provided by operating activities for the year ended December 31, 2014, was primarily attributable to (i) cash flow from the diverse portfolio of rental properties, (ii) the acquisition of operating properties during 2014 and 2013, (iii) new leasing, expansion and re-tenanting of core portfolio properties and (iv) operational distributions from the Company's joint venture programs.

Cash flow provided by operating activities for the year ended December 31, 2014, was \$629.3 million, as compared to \$570.0 million for the comparable period in 2013. The change of \$59.3 million is primarily attributable to (i) higher operational income from operating properties including properties acquired during 2014 and 2013 and (ii) changes in other operating assets and liabilities due to timing of payments, partially offset by (iii) changes in accounts payable and accrued expenses due to timing of payments and (iv) decreased operational distributions from joint ventures and other real estate investments.

Investing Activities

Cash flows provided by investing activities for the year ended December 31, 2014, was \$126.7 million, as compared to cash flows provided by investing activities of \$72.2 million for the comparable period in 2013. This increase of \$54.5 million resulted primarily from (i) an increase in proceeds from the sale of operating properties of \$226.9 million, (ii) a decrease in investments and advances to real estate joint ventures of \$202.7 million, (iii) a decrease in investment in marketable securities of \$22.1 million, (iv) a decrease in investment in other investments of \$21.4 million and (v) a decrease in investment in other real estate investments of \$19.2 million, partially offset by, (vi) a decrease in reimbursements of investments and advances to real estate joint ventures of \$217.6 million, (vii) an increase in acquisitions of real estate under development of \$65.7 million, (viii) an increase in investment/collection, net in mortgage loans receivable of \$59.4 million, (ix) an increase in acquisition of operating real estate of \$30.5 million, (x) a decrease in proceeds from sale/repayments of marketable securities of \$22.6 million, (xi) an increase in improvements to operating real estate of \$24.5 million, (xii) a decrease in reimbursements of investments and advances to other real estate investments of \$13.8 million, and (xiii) a decrease in reimbursements of other investments of \$9.2 million.

Acquisitions of Operating Real Estate

During the years ended December 31, 2014 and 2013, the Company expended \$384.8 million, towards the acquisition of operating real estate properties. The Company's strategy is to continue to transform its operating portfolio through

its capital recycling program by acquiring what the Company believes are high quality U.S. retail properties and disposing of lesser quality assets. The Company anticipates acquiring approximately \$1.1 billion to \$1.3 billion of operating properties during 2015. The Company intends to fund these acquisitions with proceeds from property dispositions, cash flow from operating activities, assumption of mortgage debt, if applicable, increased borrowings through the Company's term loan and availability under the Company's revolving line of credit.

Improvements to Operating Real Estate

During the years ended December 31, 2014 and 2013, the Company expended \$131.8 million and \$107.3 million, respectively, towards improvements to operating real estate. These amounts are made up of the following (in thousands):

	Year Ended	
	December 31,	
	2014	2013
Redevelopment/renovations	\$86,639	\$39,531
Tenant improvements/tenant allowances	40,060	57,473
Other	5,096	10,273
Total	\$131,795	\$107,277

Additionally, during the years ended December 31, 2014 and 2013, the Company capitalized interest of \$2.4 million and \$1.3 million, respectively, and capitalized payroll of \$3.4 million and \$1.6 million, respectively, in connection with the Company's improvements to its operating real estate.

During the years ended December 31, 2014 and 2013, the Company capitalized personnel costs of \$15.5 million and \$15.2 million, respectively, to deferred leasing costs and \$0.6 million and \$1.3 million, respectively, to software development costs.

The Company has an ongoing program to redevelop and re-tenant its properties to maintain or enhance its competitive position in the marketplace. The Company is actively pursuing redevelopment opportunities within its operating portfolio which it believes will increase the overall value by bringing in new tenants and improving the assets' value. The Company has identified three categories of redevelopment, (i) large scale redevelopment, which involves building new square footage, (ii) value creation redevelopment, which includes the subdivision of large anchor spaces into multiple tenant layouts, and (iii) creation of out-parcels and pads which are located in the front of the shopping center properties. The Company anticipates its capital commitment toward these redevelopment projects and re-tenanting efforts during 2015 will be approximately \$200 million to \$250 million. The funding of these capital requirements will be provided by cash flow from operating activities and availability under the Company's revolving line of credit.

Ground-Up Development

The Company is engaged in certain ground-up development projects, which will be held as long-term investments by the Company. As of December 31, 2014, the Company had in progress a total of four ground-up development projects located in the U.S. The Company anticipates its capital commitment toward these development projects during 2015 will be approximately \$50 million to \$100 million. The funding of these capital requirements will be provided by cash flow from operating activities and availability under the Company's revolving line of credit.

Investments and Advances to Real Estate Joint Ventures

During the year ended December 31, 2014, the Company expended \$93.8 million for investments and advances to real estate joint ventures, primarily related to the repayment of mortgage debt and received \$222.6 million from reimbursements of investments and advances to real estate joint ventures, including refinancing of debt and sales of properties (see Footnote 7 of the Notes to Consolidated Financial Statements included in this Form 10-K).

Financing Activities

Cash flow used for financing activities for the year ended December 31, 2014, was \$717.5 million, as compared to \$635.4 million for the comparable period in 2013. This change of \$82.1 million resulted primarily from (i) a decrease in proceeds from unsecured term loan/notes of \$121.6 million, (ii) an increase in principal payments of \$70.7 million, (iii) an increase in repayments/borrowings, net under the Company's unsecured revolving credit facility of \$36.6 million, (iv) an increase in dividends paid of \$27.5 million, (v) a decrease in proceeds from mortgage loan financing of \$20.3 million and (vi) a decrease in proceeds from issuance of stock of \$6.3 million, partially offset by, (vii) a decrease in repayments under unsecured term loan/notes of \$175.9 million and (viii) a decrease in redemption of noncontrolling interests of \$28.8 million.

The Company continually evaluates its debt maturities, and, based on management's current assessment, believes it has viable financing and refinancing alternatives that will not materially adversely impact its expected financial results. The Company continues to pursue borrowing opportunities with large commercial U.S. and global banks, select life insurance companies and certain regional and local banks. The Company has noticed a continuing trend that although pricing remains dependent on specific deal terms, generally spreads for non-recourse mortgage financing have been stable. The unsecured debt markets are functioning well and credit spreads are at manageable levels. The Company continues to assess 2015 and beyond to ensure the Company is prepared if credit market conditions weaken.

Debt maturities for 2015 consist of: \$483.1 million of consolidated debt; \$525.7 million of unconsolidated joint venture debt; and \$58.7 million of preferred equity debt, assuming the utilization of extension options where available. The 2015 consolidated debt maturities are anticipated to be extended, refinanced or repaid with operating cash flows and borrowings from the Company's credit facility (which at December 31, 2014, had \$1.65 billion available). The 2015 unconsolidated joint venture and preferred equity debt maturities are anticipated to be extended or repaid through debt refinancing and partner capital contributions, as deemed appropriate.

The Company intends to maintain strong debt service coverage and fixed charge coverage ratios as part of its commitment to maintain its investment-grade debt ratings. The Company may, from time-to-time, seek to obtain funds through additional common and preferred equity offerings, unsecured debt financings and/or mortgage/construction loan financings and other capital alternatives.

Since the completion of the Company's IPO in 1991, the Company has utilized the public debt and equity markets as its principal source of capital for its expansion needs. Since the IPO, the Company has completed additional offerings of its public unsecured debt and equity, raising in the aggregate over \$9.8 billion. Proceeds from public capital market activities have been used for the purposes of, among other things, repaying indebtedness, acquiring interests in neighborhood and community shopping centers, funding ground-up development projects, expanding and improving properties in the portfolio and other investments.

During March 2014, the Company established a new \$1.75 billion unsecured revolving credit facility (the "Credit Facility") with a group of banks, which is scheduled to expire in March 2018 with two additional six-month options to extend the maturity date, at the Company's discretion, to March 2019. This Credit Facility replaced the Company's then existing \$1.75 billion unsecured revolving credit facility which was scheduled to mature in October 2015. The Credit Facility, which can be increased to \$2.25 billion through an accordion feature, accrues interest at a rate of LIBOR plus 92.5 basis points on drawn funds. In addition, the Credit Facility includes a \$500 million sub-limit which provides the Company the opportunity to borrow in alternative currencies including Canadian dollars, British Pounds Sterling, Japanese Yen or Euros. Pursuant to the terms of the Credit Facility, the Company, among other things, is subject to covenants requiring the maintenance of (i) maximum leverage ratios on both unsecured and secured debt and (ii) minimum interest and fixed coverage ratios. As of December 31, 2014, the Credit Facility had a balance of \$100.0 million outstanding and \$1.0 million appropriated for letters of credit.

Pursuant to the terms of the Credit Facility, the Company, among other things, is subject to maintenance of various covenants. The Company is currently in compliance with these covenants. The financial covenants for the Credit Facility are as follows:

Covenant	Must Be	As of 12/31/14
Total Indebtedness to Gross Asset Value (“GAV”)	<60%	35%
Total Priority Indebtedness to GAV	<35%	10%
Unencumbered Asset Net Operating Income to Total Unsecured Interest Expense	>1.75x	4.26x
Fixed Charge Total Adjusted EBITDA to Total Debt Service	>1.50x	3.34x

For a full description of the Credit Facility’s covenants refer to the Credit Agreement dated as of March 17, 2014, filed as Exhibit 10.1 to the Company’s Current Report on Form 8-K dated March 20, 2014.

The Company had a 1.0 billion Mexican peso (“MXN”) term loan which was scheduled to mature in March 2018 and bore interest at a rate equal to TIEE (Equilibrium Interbank Interest Rate) plus 1.35%. During September 2014, the Company repaid the MXN 1.0 billion (USD \$76.3 million) term loan.

As of December 31, 2014, the Company had a \$400.0 million unsecured term loan with a consortium of banks, which accrued interest at LIBOR plus 105 basis points (1.21% as of December 31, 2014). This term loan was scheduled to mature in April 2014, with three additional one-year options to extend the maturity date, at the Company’s discretion, to April 17, 2017. During January 2014, the Company exercised its option to extend the maturity date to April 17, 2015. During January 2015, the Company entered into a new \$650.0 million unsecured term loan credit facility which is scheduled to mature in January 2017, with three one-year extension options at the Company’s discretion to January 2020, and accrues interest at a spread (currently 0.95%) to LIBOR or at the Company’s option at a base rate as defined per the agreement. The proceeds from the new \$650 million term loan were used to repay the \$400.0 million term loan and general corporate purposes. Pursuant to the terms of the term loan credit agreement, the Company, among other things, is subject to covenants requiring the maintenance of (i) maximum indebtedness ratios and (ii) minimum interest and fixed charge coverage ratios. The term loan covenants are similar to the Credit Facility covenants described above.

During April 2012, the Company filed a shelf registration statement on Form S-3, which is effective for a term of three years, for the future unlimited offerings, from time-to-time, of debt securities, preferred stock, depositary shares, common stock and common stock warrants. The Company, pursuant to this shelf registration statement may, from time-to-time, offer for sale its senior unsecured debt for any general corporate purposes, including (i) funding specific liquidity requirements in its business, including property acquisitions, development and redevelopment costs and (ii) managing the Company’s debt maturities. (See Footnote 12 of the Notes to Consolidated Financial Statements included in this Form 10-K.)

The Company's supplemental indenture governing its medium term notes ("MTN") and senior notes contains the following covenants, all of which the Company is compliant with:

Covenant	Must Be	As of 12/31/14
Consolidated Indebtedness to Total Assets	<60%	39%
Consolidated Secured Indebtedness to Total Assets	<40%	12%
Consolidated Income Available for Debt Service to Maximum Annual Service Charge	>1.50x	5.7x
Unencumbered Total Asset Value to Consolidated Unsecured Indebtedness	>1.50x	2.7x

For a full description of the various indenture covenants refer to the Indenture dated September 1, 1993; the First Supplemental Indenture dated August 4, 1994; the Second Supplemental Indenture dated April 7, 1995; the Third Supplemental Indenture dated June 2, 2006; the Fourth Supplemental Indenture dated April 26, 2007; the Fifth Supplemental Indenture dated as of September 24, 2009; the Sixth Supplemental Indenture dated as of May 23, 2013; the Seventh Supplemental Indenture dated as of April 24, 2014; the Indenture dated April 21, 2005; the First Supplemental Indenture dated June 2, 2006; the Second Supplemental Indenture dated August 16, 2006; the Third Supplemental Indenture dated April 13, 2010; the Fourth Supplemental Indenture dated July 22, 2013; the First Supplemental Indenture dated October 31, 2006; and the Fifth Supplemental Indenture dated as of October 31, 2006, as filed with the SEC. See the Exhibits Index for specific filing information.

During April 2014, the Company issued \$500.0 million of 7-year Senior Unsecured Notes at an interest rate of 3.20% payable semi-annually in arrears which are scheduled to mature in May 2021. The Company used the net proceeds from the offering of \$495.4 million, after deducting the underwriting discount and offering expenses, for general corporate purposes including reducing borrowings under the Credit Facility and repayment of maturing debt. In connection with this issuance, the Company entered into a seventh supplemental indenture which, among other things, revised, for all securities created on or after the date of the seventh supplemental indenture, the definition of Unencumbered Total Asset Value, used to determine compliance with certain covenants within the indenture.

During 2014, the Company repaid (i) its \$100.0 million 5.95% senior unsecured notes, which matured in June 2014, and (ii) its remaining \$194.6 million 4.82% senior unsecured notes, which also matured in June 2014.

Additionally, during 2014, the Company (i) assumed \$742.0 million of individual non-recourse mortgage debt relating to the acquisition of 53 operating properties, including an increase of \$39.4 million associated with fair value debt adjustments (ii) paid off \$328.0 million of mortgage debt that encumbered 21 properties and (iii) obtained \$15.7 million of individual non-recourse debt relating to one operating property.

In addition to the public equity and debt markets as capital sources, the Company may, from time-to-time, obtain mortgage financing on selected properties and construction loans to partially fund the capital needs of its ground-up development projects. As of December 31, 2014, the Company had over 370 unencumbered property interests in its portfolio.

In connection with its intention to continue to qualify as a REIT for federal income tax purposes, the Company expects to continue paying regular dividends to its stockholders. These dividends will be paid from operating cash flows. The Company's Board of Directors will continue to evaluate the Company's dividend policy on a quarterly basis as they monitor sources of capital and evaluate the impact of the economy and capital markets availability on operating fundamentals. Since cash used to pay dividends reduces amounts available for capital investment, the Company generally intends to maintain a conservative dividend payout ratio, reserving such amounts as it considers necessary for the expansion and renovation of shopping centers in its portfolio, debt reduction, the acquisition of interests in new properties and other investments as suitable opportunities arise and such other factors as the Board of Directors considers appropriate. Cash dividends paid were \$427.9 million in 2014, \$400.4 million in 2013 and \$382.7 million in 2012.

Although the Company receives substantially all of its rental payments on a monthly basis, it generally intends to continue paying dividends quarterly. Amounts accumulated in advance of each quarterly distribution will be invested by the Company in short-term money market or other suitable instruments. On October 28, 2014, the Board of Directors declared a quarterly cash dividend per common share of \$0.24 payable to shareholders of record on January 2, 2015, which was paid on January 15, 2015. Additionally, on February 4, 2015, the Company's Board of Directors declared a quarterly cash dividend of \$0.24 per common share payable to shareholders of record on April 6, 2015, which is scheduled to be paid on April 15, 2015.

The Company is subject to taxes on its activities in Canada, Mexico, and Chile. In general, under local country law applicable to the structures the Company has in place and applicable treaties, the repatriation of cash to the Company from its subsidiaries and joint ventures in Canada and Mexico generally are not subject to withholding tax. The Company does not anticipate the need to repatriate foreign funds from Chile to provide for its cash flow needs in the U.S. and, as such, no significant withholding or transaction taxes are expected in the foreseeable future. The Company will be subject to withholding taxes in Chile on the distribution of any proceeds from sale transactions. The Company

is subject to and also includes in its tax provision non-U.S. income taxes on certain investments located in jurisdictions outside the U.S. These investments are held by the Company at the REIT level and not in the Company's taxable REIT subsidiary. Accordingly, the Company does not expect a U.S. income tax impact associated with the repatriation of undistributed earnings from the Company's foreign subsidiaries.

Contractual Obligations and Other Commitments

The Company has debt obligations relating to its revolving credit facility, term loan, MTNs, senior notes and mortgages with maturities ranging from less than one year to 20 years. As of December 31, 2014, the Company's total debt had a weighted average term to maturity of 3.7 years. In addition, the Company has non-cancelable operating leases pertaining to its shopping center portfolio. As of December 31, 2014, the Company has 49 shopping center properties that are subject to long-term ground leases where a third party owns and has leased the underlying land to the Company to construct and/or operate a shopping center. In addition, the Company has 9 non-cancelable operating leases pertaining to its retail store lease portfolio. The following table summarizes the Company's debt maturities (excluding extension options and fair market value of debt adjustments aggregating \$40.1 million) and obligations under non-cancelable operating leases as of December 31, 2014 (in millions):

Contractual Obligations:	Payments due by period						Total
	2015	2016	2017	2018	2019	Thereafter	
Long-Term Debt-Principal (1) (3)	\$907.2	\$663.4	\$748.5	\$602.2	\$310.0	\$1,348.9	\$4,580.2
Long-Term Debt-Interest (2)	\$196.9	\$158.6	\$120.4	\$83.1	\$74.0	\$123.2	\$756.2
Operating Leases:							
Ground Leases	\$13.2	\$12.5	\$11.6	\$10.3	\$10.4	\$164.8	\$222.8
Retail Store Leases	\$2.1	\$2.1	\$1.6	\$1.1	\$0.4	\$0.4	\$7.7

(1) Maturities utilized do not reflect extension options, which range from one to five years.

(2) For loans which have interest at floating rates, future interest expense was calculated using the rate as of December 31, 2014.

(3) During January 2015, the Company repaid its \$400.0 million term loan which was scheduled to mature in 2015 with a new \$650.0 million unsecured term loan that is scheduled to mature in 2017, with three one-year extension options, and bears interest at a rate equal to LIBOR plus 0.95%.

The Company has accrued \$4.6 million of non-current uncertain tax benefits and related interest under the provisions of the authoritative guidance that addresses accounting for income taxes, which are included in Other liabilities on the Company's Consolidated Balance Sheets at December 31, 2014. These amounts are not included in the table above because a reasonably reliable estimate regarding the timing of settlements with the relevant tax authorities, if any, cannot be made.

The Company has \$250.0 million of medium term notes, \$100.0 million of unsecured notes and \$134.7 million of secured debt scheduled to mature in 2015. The Company anticipates satisfying these maturities with a combination of operating cash flows, its unsecured revolving credit facility, exercise of extension options, where available, and new debt issuances.

The Company has issued letters of credit in connection with completion and repayment guarantees for loans encumbering certain of the Company's redevelopment projects and guarantee of payment related to the Company's insurance program. As of December 31, 2014, these letters of credit aggregate \$24.9 million.

On a select basis, the Company has provided guarantees on interest bearing debt held within real estate joint ventures. The Company is often provided with a back-stop guarantee from its partners. The Company had the following outstanding guarantees as of December 31, 2014 (amounts in millions):

Name of Joint Venture	Amount of Guarantee	Interest rate	Maturity, with extensions	Terms	Type of debt
InTown Suites Management, Inc.	\$ 139.7	LIBOR plus 1.15%	2015	(1)	Unsecured credit facility
Victoriaville	\$ 2.1	3.92%	2020	Jointly and severally with partner	Promissory note
Anthem K-12, LP	\$ 42.2	Various (2)	Various (2)	Jointly and severally with partner	Promissory note

(1)

During June 2013, the Company sold its unconsolidated investment in the InTown portfolio. The Company continues to maintain its guarantee of a portion of the debt assumed by the buyer (\$139.7 million as of December 31, 2014). The guarantee is collateralized by the buyer's ownership interest in the portfolio. Additionally, the Company has a commitment to provide financing up to the outstanding amount of the guaranteed portion of the loan for five years past the date of maturity. This commitment can be in the form of extensions with the current lender or a new lender or financing directly from the Company to the buyer. On February 24, 2015, the outstanding debt balance of \$139.7 million was fully repaid and as such, the Company was relieved of its related commitments and guarantee.

(2) As of December 31, 2014, the interest rates range from 3.62% to 4.97% and maturity dates with extensions range from 2015 to 2022.

In connection with the construction of its development/redevelopment projects and related infrastructure, certain public agencies require posting of performance and surety bonds to guarantee that the Company's obligations are satisfied. These bonds expire upon the completion of the improvements and infrastructure. As of December 31, 2014, the Company had \$22.0 million in performance and surety bonds outstanding.

Off-Balance Sheet Arrangements

Unconsolidated Real Estate Joint Ventures

The Company has investments in various unconsolidated real estate joint ventures with varying structures. These joint ventures primarily operate shopping center properties or are established for development projects. Such arrangements are generally with third-party institutional investors, local developers and individuals. The properties owned by the joint ventures are primarily financed with individual non-recourse mortgage loans, however, the Company, on a selective basis, has obtained unsecured financing for certain joint ventures. These unsecured financings are guaranteed by the Company with guarantees from the joint venture partners for their proportionate amounts of any guaranty payment the Company is obligated to make (see guarantee table above). Non-recourse mortgage debt is generally defined as debt whereby the lenders' sole recourse with respect to borrower defaults is limited to the value of the property collateralized by the mortgage. The lender generally does not have recourse against any other assets owned by the borrower or any of the constituent members of the borrower, except for certain specified exceptions listed in the particular loan documents (see Footnote 7 of the Notes to Consolidated Financial Statements included in this Form 10-K). These investments include the following joint ventures:

Venture	Kimco Ownership Interest	Number of Properties	Total GLA (in thousands)	Non- Recourse Mortgage Payable	Number of Encumbered Properties	Average Interest Rate	Weighted Average Term (months)
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					(in millions)				
KimPru (a)	15.0	%	60	10,573	\$ 920.4	39	5.53	%	23.0
RioCan Venture (b)	50.0	%	45	9,307	\$ 642.6	28	4.29	%	39.9
KIR (c)	48.6	%	54	11,519	\$ 866.4	46	5.04	%	61.9
BIG Shopping Centers (d)	50.1	%	6	1,029	\$ 144.6	6	5.52	%	22.0
Kimstone (e)(g)	33.3	%	39	5,595	\$ 704.4	38	4.45	%	28.7
CPP (f)	55.0	%	7	2,425	\$ 112.1	2	5.05	%	10.1

(a) Represents the Company's joint ventures with Prudential Real Estate Investors.

(b) Represents the Company's joint ventures with RioCan Real Estate Investment Trust.

(c) Represents the Company's joint ventures with certain institutional investors.

(d) Represents the Company's remaining joint venture with BIG Shopping Centers (TLV:BIG), an Israeli public company (see Footnote 7 of the Notes to Consolidated Financial Statements included in this Form 10-K).

(e) Represents the Company's joint ventures with Blackstone.

(f) Represents the Company's joint ventures with The Canadian Pension Plan Investment Board (CPPIB).

On February 2, 2015, the Company purchased the remaining 66.7% interest in the 39-property Kimstone portfolio (g) for a gross purchase price of \$1.4 billion, including the assumption of \$638.0 million in mortgage debt (see Footnote 26 of the Notes to Consolidated Financial Statements included in this Form 10-K).

The Company has various other unconsolidated real estate joint ventures with varying structures. As of December 31, 2014, these other unconsolidated joint ventures had individual non-recourse mortgage loans aggregating \$1.2 billion. The aggregate debt as of December 31, 2014, of all of the Company's unconsolidated real estate joint ventures is \$4.6 billion, of which the Company's proportionate share of this debt is \$1.8 billion. As of December 31, 2014, these loans had scheduled maturities ranging from one month to 19 years and bear interest at rates ranging from 1.92% to 8.39%. Approximately \$525.7 million of the aggregate outstanding loan balance matures in 2015, of which the Company's proportionate share is \$206.0 million. These maturing loans are anticipated to be repaid with operating cash flows, debt refinancing and partner capital contributions, as deemed appropriate (see Footnote 7 of the Notes to Consolidated Financial Statements included in this Form 10-K).

Other Real Estate Investments

The Company previously provided capital to owners and developers of real estate properties through its Preferred Equity program. The Company accounts for its preferred equity investments under the equity method of accounting. As of December 31, 2014, the Company's net investment under the Preferred Equity Program was \$229.1 million relating to 443 properties, including 385 net leased properties. As of December 31, 2014, these preferred equity investment properties had individual non-recourse mortgage loans aggregating \$717.0 million. These loans had scheduled maturities ranging from three months to 19 years and bear interest at rates ranging from 3.4% to 10.47%. Due to the Company's preferred position in these investments, the Company's share of each investment is subject to fluctuation and is dependent upon property cash flows. The Company's maximum exposure to losses associated with its preferred equity investments is primarily limited to its invested capital.

At December 31, 2014, the Company had a 90% equity participation interest in an existing leveraged lease of 11 properties, which is reported as a net investment in leveraged lease in accordance with the FASB's Lease guidance. The properties are leased under a long-term bond-type net lease whose primary term expires in 2016, with the lessee having certain renewal option rights. These 11 properties were encumbered by third-party non-recourse debt of \$11.2 million that is scheduled to fully amortize during the primary term of the lease from a portion of the periodic net rents receivable under the net lease. As an equity participant in the leveraged lease, the Company has no recourse obligation for principal or interest payments on the debt, which is collateralized by a first mortgage lien on the properties and collateral assignment of the lease. Accordingly, this debt has been offset against the related net rental receivable under the lease.

Funds From Operations

Funds From Operations ("FFO") is a supplemental non-GAAP measure utilized to evaluate the operating performance of real estate companies. The National Association of Real Estate Investment Trusts ("NAREIT") defines FFO as net income/(loss) attributable to common shareholders computed in accordance with generally accepted accounting principles ("GAAP"), excluding (i) gains or losses from sales of operating real estate assets and (ii) extraordinary items,

plus (iii) depreciation and amortization of operating properties and (iv) impairment of depreciable real estate and in substance real estate equity investments and (v) after adjustments for unconsolidated partnerships and joint ventures calculated to reflect funds from operations on the same basis.

The Company presents FFO as it considers it an important supplemental measure of our operating performance and believes it is frequently used by securities analysts, investors and other interested parties in the evaluation of REITs, many of which present FFO when reporting results. Comparison of our presentation of FFO to similarly titled measures for other REITs may not necessarily be meaningful due to possible differences in the application of the NAREIT definition used by such REITs.

The Company also presents FFO as adjusted as an additional supplemental measure as it believes it is more reflective of the Company's core operating performance. The Company believes FFO as adjusted provides investors and analysts an additional measure in comparing the Company's performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our core operating performance. FFO as adjusted is generally calculated by the Company as FFO excluding certain transactional income and expenses and non-operating impairments which management believes are not reflective of the results within the Company's operating real estate portfolio.

FFO is a supplemental non-GAAP financial measure of real estate companies' operating performances, which does not represent cash generated from operating activities in accordance with GAAP and therefore should not be considered an alternative for net income as a measure of liquidity. Our method of calculating FFO and FFO as adjusted may be different from methods used by other REITs and, accordingly, may not be comparable to such other REITs.

The Company's reconciliation of net income available to common shareholders to FFO and FFO as adjusted for the three months and years ended December 31, 2014 and 2013 is as follows (in thousands, except per share data):

	Three Months Ended		Year Ended	
	December 31, 2014	2013	December 31, 2014	2013
Net income available to common shareholders	\$ 38,207	\$ 47,035	\$ 365,707	\$ 177,987
Gain on disposition of operating properties, net of tax and noncontrolling interests	(71,152)	(16,503)	(189,572)	(45,330)
Gain on disposition of joint venture operating properties and change in control of interests	(56,262)	(5,530)	(193,791)	(113,937)
Depreciation and amortization - real estate related	70,878	64,511	263,885	250,253
Depreciation and amortization - real estate joint ventures, net of noncontrolling interests	21,113	24,448	92,343	117,743
Impairments of operating properties, net of tax and noncontrolling interests	153,937	(2) 20,707	257,660	165,825
FFO	156,721	134,668	596,232	552,541
Transactional (income)/charges:				
Profit participation from other real estate investments	(13,627)	(474)	(16,426)	(13,650)
Transactional losses from other real estate investments	-	3,091	3,497	3,091
Loss/(gains) from land sales, net of tax	436	(1,775)	(2,550)	(3,448)
Acquisition costs, net of tax	2,172	2,296	7,033	5,623
Deferred tax asset valuation allowance release	-	-	-	(9,126)
Severance costs	-	2,225	2,869	2,225
Distributions in excess of Company's investment basis	(2,168)	(167)	(17,691)	(2,213)
Gain on sale of marketable securities	-	(5,339)	-	(10,668)
	1,621	455	6,494	20,754

Impairments on other investments, net of tax and noncontrolling interest							
Other income, net	(513)	(180)	(2,567)	(1,419)			
Total transactional charges/(income), net	(12,079)	132	(19,341)	(8,831)			
FFO as adjusted	\$ 144,642	\$ 134,800	\$ 576,891	\$ 543,710			
Weighted average shares outstanding for FFO calculations:							
Basic	409,740	408,139	409,088	407,631			
Units	1,531	1,522	1,536	1,523			
Dilutive effect of equity awards	3,171	2,414	3,139	2,541			
Diluted (1)	414,442 (1)	412,075 (1)	413,763 (1)	411,695 (1)			
FFO per common share – basic	\$ 0.38	\$ 0.33	\$ 1.46	\$ 1.36			
FFO per common share – diluted (1)	\$ 0.38 (1)	\$ 0.33 (1)	\$ 1.45 (1)	\$ 1.35 (1)			
FFO as adjusted per common share – basic	\$ 0.35	\$ 0.33	\$ 1.41	\$ 1.33			
FFO as adjusted per common share – diluted (1)	\$ 0.35 (1)	\$ 0.33 (1)	\$ 1.40 (1)	\$ 1.33 (1)			

Reflects the potential impact if certain units were converted to common stock at the beginning of the period.

- (1) *FFO would be increased by \$795 and \$641 for the three months ended December 31, 2014 and 2013, and \$3,033 and \$2,516 for the years ended December 31, 2014 and 2013, respectively.*
- (2) *Includes cumulative foreign currency translation loss of \$134.3 million due to the substantial liquidation of the Company's Mexican Portfolio.*

Combined Same Property Net Operating Income

Combined Same Property Net Operating Income (“Combined Same Property NOI”) is a supplemental non-GAAP financial measure of real estate companies’ operating performance and should not be considered an alternative to net income in accordance with GAAP or as a measure of liquidity. Combined Same Property NOI is considered by management to be an important performance measure of the Company’s operations and management believes that it is helpful to investors as a measure of the Company’s operating performance because it includes only the net operating income of properties that have been owned for the entire current and prior year reporting periods including those properties under redevelopment and excludes properties under development and pending stabilization. Properties are deemed stabilized at the earlier of (i) reaching 90% leased or (ii) one year following a projects inclusion in operating real estate. As such, Combined Same Property NOI assists in eliminating disparities in net income due to the development, acquisition or disposition of properties during the particular period presented, and thus provides a more consistent performance measure for the comparison of the Company's properties.

Combined Same Property NOI is calculated using revenues from rental properties (excluding straight-line rents, lease termination fees, above/below market rents and includes charges for bad debt) less operating and maintenance expense, real estate taxes and rent expense, plus the Company's proportionate share of Combined Same Property NOI from unconsolidated real estate joint ventures, calculated on the same basis. Our method of calculating Combined Same Property NOI may differ from methods used by other REITs and, accordingly, may not be comparable to such other REITs.

The following is a reconciliation of the Company's Income from continuing operations to Combined Same Property NOI and U.S. Same Property Net Operating Income "U.S. Same Property NOI" (in thousands):

	Three Months Ended December 31,		Year Ended December 31,	
	2014	2013	2014	2013
Income from continuing operations	\$ 74,474	\$ 56,705	\$ 384,506	\$ 288,454
Adjustments:				
Management and other fee income	(8,764)	(9,565)	(35,009)	(36,317)
General and administrative expenses	27,675	31,543	122,201	127,470
Impairment charges	11,420	609	39,808	32,247
Depreciation and amortization	72,767	59,571	258,074	224,713
Other income	53,153	39,569	208,208	189,894
Provision for income taxes, net	7,727	6,333	22,438	32,654
Gain on change in control of interests, net	(23,462)	-	(107,235)	(21,711)
Equity in income of other real estate investments, net	(21,638)	(1,225)	(38,042)	(31,136)
Non same property net operating income	(22,557)	(12,021)	(83,755)	(80,373)
Non-operational expense from joint ventures, net	61,988	54,227	148,918	171,503
Combined Same Property NOI	232,783	225,746	920,112	897,398
Impact from foreign currency	-	(1,907)	-	(6,672)
Combined Same Property NOI, before foreign currency impact	232,783	223,839	920,112	890,726
Canadian Same Property NOI, before foreign currency impact	(23,316)	(23,060)	(94,940)	(92,286)
U.S. Same Property NOI	\$ 209,467	\$ 200,779	\$ 825,172	\$ 798,440

Combined Same Property NOI, before foreign currency impact increased by \$8.9 million or 4.0% for the three months ended December 31, 2014, as compared to the corresponding period in 2013. Combined Same Property NOI increased by \$7.0 million or 3.1% for the three months ended December 31, 2014, as compared to the corresponding period in 2013. This increase is primarily the result of (i) an increase of \$6.6 million related to lease-up and rent commencements in the portfolio and (ii) an increase of \$2.3 million in other property income, partially offset by (iii) the impact from changes in foreign currency exchange rates of \$1.9 million.

Combined Same Property NOI, before foreign currency impact increased by \$29.4 million or 3.3% for the year ended December 31, 2014, as compared to the corresponding period in 2013. Combined Same Property NOI increased by \$22.7 million or 2.5% for the year ended December 31, 2014, as compared to the corresponding period in 2013. This increase is primarily the result of (i) an increase of \$25.8 million related to lease-up and rent commencements in the portfolio and (ii) an increase of \$3.6 million in other property income, partially offset by (iii) the impact from changes in foreign currency exchange rates of \$6.7 million.

Effects of Inflation

Many of the Company's leases contain provisions designed to mitigate the adverse impact of inflation. Such provisions include clauses enabling the Company to receive payment of additional rent calculated as a percentage of tenants' gross sales above pre-determined thresholds, which generally increase as prices rise, and/or escalation clauses, which generally increase rental rates during the terms of the leases. Such escalation clauses often include increases based upon changes in the consumer price index or similar inflation indices. In addition, many of the Company's leases are for terms of less than 10 years, which permits the Company to seek to increase rents to market rates upon renewal. Most of the Company's leases require the tenant to pay an allocable share of operating expenses, including common area maintenance costs, real estate taxes and insurance, thereby reducing the Company's exposure to increases in costs and operating expenses resulting from inflation. The Company periodically evaluates its exposure to short-term interest rates and foreign currency exchange rates and will, from time-to-time, enter into interest rate protection agreements and/or foreign currency hedge agreements which mitigate, but do not eliminate, the effect of changes in interest rates on its floating-rate debt and fluctuations in foreign currency exchange rates.

New Accounting Pronouncements

See Footnote 1 of the Notes to Consolidated Financial Statements included in this Form 10-K.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

The Company's primary market risk exposures are interest rate risk and foreign currency exchange rate risk. The following table presents the Company's aggregate fixed rate and variable rate domestic and foreign debt obligations outstanding as of December 31, 2014, with corresponding weighted-average interest rates sorted by maturity date. The table does not include extension options where available. Amounts include fair value purchase price allocation adjustments for assumed debt. The information is presented in U.S. dollar equivalents, which is the Company's reporting currency. The instruments' actual cash flows are denominated in U.S. dollars, Canadian dollars (CAD), and Chilean Pesos (CLP) as indicated by geographic description (\$USD equivalent in millions).

	2015	2016	2017	2018	2019	Thereafter	Total	Fair Value
U.S. Dollar Denominated								
Secured Debt								
Fixed Rate	\$134.7	\$357.7	\$469.3	\$35.8	\$-	\$350.0	\$1,347.5	\$1,399.9
Average Interest Rate	5.17 %	6.24 %	5.86 %	4.80 %	-	5.19 %	5.69 %	
Variable Rate	\$6.0	\$-	\$1.9	\$36.0	\$-	\$-	\$43.9	\$43.6
Average Interest Rate	0.08 %	-	4.00 %	2.51 %	-	-	2.24 %	
Unsecured Debt								
Fixed Rate	\$350.0	\$300.0	\$290.9	\$300.0	\$300.0	\$850.0	\$2,390.9	\$2,517.3
Average Interest Rate	5.29 %	5.78 %	5.70 %	4.30 %	6.88 %	3.17 %	4.72 %	
Variable Rate	\$400.0	\$-	\$-	\$100.0	\$-	\$-	\$500.0	\$491.7
Average Interest Rate	1.21 %	-	-	1.09 %	-	-	1.19 %	
CAD Denominated								
Unsecured Debt								
Fixed Rate	\$-	\$-	\$-	\$129.1	\$-	\$172.2	\$301.3	\$325.4
Average Interest Rate	-	-	-	5.99 %	-	3.86 %	4.77 %	
CLP Denominated Secured Debt								
Variable Rate	\$-	\$-	\$-	\$-	\$-	\$36.7	\$36.7	\$41.5
Average Interest Rate	-	-	-	-	-	5.68 %	5.68 %	

Based on the Company's variable-rate debt balances, interest expense would have increased by \$5.8 million in 2014 if short-term interest rates were 1.0% higher.

The following table presents the Company's foreign investments and respective cumulative translation adjustment ("CTA") as of December 31, 2014. Investment amounts are shown in their respective local currencies and the U.S. dollar equivalents and CTA balances are shown in US dollars:

Foreign Investment (in millions)

Country	Local Currency	US Dollars	CTA Gain/(Loss)
Mexican real estate investments (MXN)	708.2	\$ 48.0	\$ -
Canadian real estate investments (CAD)	442.3	\$ 380.7	\$ 15.2
Chilean real estate investments (CLP)	32,408	\$ 53.4	\$ (14.9)

The foreign currency exchange risk has been partially mitigated, but not eliminated, through the use of local currency denominated debt. The Company has not, and does not plan to, enter into any derivative financial instruments for trading or speculative purposes.

Currency fluctuations between local currency and the U.S. dollar during the period in which the Company held its investment result in a CTA, which is recorded as a component of Accumulated other comprehensive income ("AOCI") on the Company's Consolidated Balance Sheets. The CTA amounts are subject to future changes resulting from ongoing fluctuations in the respective foreign currency exchange rates. Changes in exchange rates are impacted by many factors that cannot be forecasted with reliable accuracy. Any change could have a favorable or unfavorable impact on the Company's CTA balance. The Company's aggregate CTA net gain balance at December 31, 2014, is \$0.3 million.

Under U.S. GAAP, the Company is required to release CTA balances into earnings when the Company has substantially liquidated its investment in a foreign entity. During 2013, the Company began selling properties within its Latin American portfolio. During the year ended December 31, 2014, the Company continued selling properties in its Latin American portfolio and as a result substantially liquidated its investments in Mexico and Peru. Due to the substantial liquidation of its investments in Mexico and Peru, the Company recognized a loss from foreign currency translation in the aggregate amount of \$134.4 million, after noncontrolling interest of \$5.8 million.

Item 8. Financial Statements and Supplementary Data

The response to this Item 8 is included in our audited Notes to Consolidated Financial Statements, which are contained in Part IV Item 15 of this Form 10-K.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this report. Based on such evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, the Company's disclosure controls and procedures are effective.

Changes in Internal Control Over Financial Reporting

There have not been any changes in the Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fourth fiscal quarter ended December 31, 2014, to which this report relates, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f) and 15d-15(f). Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in the *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our evaluation under the framework in *Internal Control - Integrated Framework (2013)*, our management concluded that our internal control over financial reporting was effective as of December 31, 2014.

The effectiveness of our internal control over financial reporting as of December 31, 2014, has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which is included herein.

Item 9B. Other Information

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this item is incorporated by reference to "Proposal 1—Election of Directors," "Corporate Governance," "Committees of the Board of Directors" and "Other Matters—Section 16(a) Beneficial Ownership Reporting Compliance" in our Proxy Statement.

We have adopted a Code of Business Conduct and Ethics that applies to all employees (the "Code of Ethics"). The Code of Ethics is available at the Investors/Governance/Governance Documents section of our website at www.kimcorealty.com. A copy of the Code of Ethics is available in print, free of charge, to stockholders upon request to us at the address set forth in Item 1 of this Annual Report on Form 10-K under the section "Business - Background."

We intend to satisfy the disclosure requirements under the Securities and Exchange Act of 1934, as amended, regarding an amendment to or waiver from a provision of our Code of Ethics by posting such information on our web site.

Item 11. Executive Compensation

The information required by this item is incorporated by reference to “Compensation Discussion and Analysis,” “Executive Compensation Committee Report,” “Compensation Tables” and “Compensation of Directors” in our Proxy Statement.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this item is incorporated by reference to “Security Ownership of Certain Beneficial Owners and Management” and “Compensation Tables” in our Proxy Statement.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this item is incorporated by reference to “Certain Relationships and Related Transactions” and “Corporate Governance” in our Proxy Statement.

Item 14. Principal Accounting Fees and Services

The information required by this item is incorporated by reference to “Independent Registered Public Accountants” in our Proxy Statement.

PART IV

Item 15. Exhibits, Financial Statement Schedules

Financial Statements –

(a) 1.

The following consolidated financial information is included as a separate section of this annual report on Form 10-K.

Report of Independent Registered Public Accounting Firm	42
Consolidated Financial Statements	
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Consolidated Statements of Income for the years ended December 31, 2014, 2013 and 2012	44
Consolidated Statements of Comprehensive Income for the years ended December 31, 2014, 2013 and 2012	45
Consolidated Statements of Changes in Equity for the years ended December 31, 2014, 2013 and 2012	46
Consolidated Statements of Cash Flows for the years ended December 31, 2014, 2013 and 2012	47
Notes to Consolidated Financial Statements	48

2 . Financial Statement Schedules -

Schedule II - Valuation and Qualifying Accounts	96
Schedule III - Real Estate and Accumulated Depreciation	97
Schedule IV - Mortgage Loans on Real Estate	99

All other schedules are omitted since the required information is not present or is not present in amounts sufficient to require submission of the schedule.

3. Exhibits -

The exhibits listed on the accompanying Index to Exhibits are filed as part of this report. 37

INDEX TO EXHIBITS

Exhibit Number	<u>Exhibit Description</u>	<u>Incorporated by Reference</u>			Page
		<u>Form</u>	<u>File No.</u>	<u>Date of Filing</u>	
3.1(a)	Articles of Restatement of Kimco Realty Corporation, dated January 14, 2011	10-K	1-10899	02/28/11	3.1(a)
3.1(b)	Amendment to Articles of Restatement of Kimco Realty Corporation dated May 8, 2014	-	-	-	X 100
3.1(c)	Articles Supplementary of Kimco Realty Corporation dated November 8, 2010	10-K	1-10899	02/28/11	3.1(b)
3.1(d)	Articles Supplementary of Kimco Realty Corporation, dated March 12, 2012	8-A12B1	1-10899	03/13/12	3.2
3.1(e)	Articles Supplementary of Kimco Realty Corporation, dated July 17, 2012	8-A12B1	1-10899	07/18/12	3.2
3.1(f)	Articles Supplementary of Kimco Realty Corporation, dated November 30, 2012	8-A12B1	1-10899	12/03/12	3.2
3.2	Amended and Restated By-laws of Kimco Realty Corporation, dated February 25, 2009	10-K	1-10899	02/27/09	3.2
4.1	Agreement of Kimco Realty Corporation pursuant to Item 601(b)(4)(iii)(A) of Regulation S-K	S-11	333-425880	09/11/91	4.1
4.2	Form of Certificate of Designations for the Preferred Stock	S-3	333-675520	09/10/93	4(d)
4.3	Indenture dated September 1, 1993, between Kimco Realty Corporation and Bank of New York (as successor to IBJ Schroder Bank and Trust Company)	S-3	333-675520	09/10/93	4(a)
4.4	First Supplemental Indenture, dated August 4, 1994, between Kimco Realty Corporation and Bank of New York (as successor to IBJ Schroder Bank and Trust Company)	10-K	1-10899	03/28/96	4.6
4.5	Second Supplemental Indenture, dated April 7, 1995, between Kimco Realty Corporation and Bank of New York (as successor to IBJ Schroder Bank and Trust Company)	8-K	1-10899	04/07/95	4(a)
4.6	Indenture dated April 21, 2005, between Kimco North Trust III, Kimco Realty Corporation, as guarantor and BNY Trust Company of Canada, as trustee	8-K	1-10899	04/25/05	4.1
4.7	Third Supplemental Indenture, dated June 2, 2006, between Kimco Realty Corporation, and The Bank of New York, as trustee	8-K	1-10899	06/05/06	4.1
4.8	First Supplemental Indenture, dated October 31, 2006, among Kimco Realty Corporation, Pan Pacific Retail Properties, Inc. and Bank of New	8-K	1-10899	11/03/06	4.2

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4.9	York Trust Company, N.A., as trustee Fifth Supplemental Indenture, dated October 31, 2006, among Kimco Realty Corporation, Pan Pacific Retail Properties, Inc. and Bank of New York Trust Company, N.A., as trustee	8-K	1-10899	11/03/064.1
4.10	First Supplemental Indenture, dated June 2, 2006, among Kimco North Trust III, Kimco Realty Corporation, as guarantor and BNY Trust Company of Canada, as trustee	10-K	1-10899	02/28/074.12
4.11	Second Supplemental Indenture, dated August 16, 2006, among Kimco North Trust III, Kimco Realty Corporation, as guarantor and BNY Trust Company of Canada, as trustee	10-K	1-10899	02/28/074.13
4.12	Fourth Supplemental Indenture, dated April 26, 2007, between Kimco Realty Corporation and The Bank of New York, as trustee	8-K	1-10899	04/26/071.3
4.13	Fifth Supplemental Indenture, dated September 24, 2009, between Kimco Realty Corporation and The Bank of New York Mellon, as trustee	8-K	1-10899	09/24/094.1
4.14	Third Supplemental Indenture, dated April 13, 2010, among Kimco North Trust III, Kimco Realty Corporation, as guarantor and BNY Trust Company of Canada, as trustee	10-Q	1-10899	05/07/1099.2
4.15	Sixth Supplemental Indenture, dated May 23, 2013, between Kimco Realty Corporation and The Bank of New York Mellon, as trustee	8-K	1-10899	05/23/134.1

Exhibit Number	<u>Exhibit Description</u>	<u>Incorporated by Reference</u>		Date of	Exhibit Filed	Page
		<u>Form</u>	<u>File No.</u>	<u>Filing</u>	<u>Number Herewith</u>	<u>Number</u>
4.16	Fourth Supplemental Indenture, dated July 22, 2013, among Kimco North Trust III, Kimco Realty Corporation, as guarantor and BNY Trust Company of Canada, as trustee	10-Q	1-10899	08/02/13	99.2	
4.17	Seventh Supplemental Indenture, dated April 24, 2014, between Kimco Realty Corporation and The Bank of New York Mellon, as trustee	8-K	1-10899	04/24/14	4.1	
10.1	Amended and Restated Stock Option Plan	10-K	1-10899	03/28/95	10.3	
10.2	Second Amended and Restated 1998 Equity Participation Plan of Kimco Realty Corporation (restated February 25, 2009)	10-K	1-10899	02/27/09	10.9	
10.3	Form of Indemnification Agreement	10-K	1-10899	02/27/09	99.1	
10.4	Agency Agreement, dated July 17, 2013, by and among Kimco North Trust III, Kimco Realty Corporation and Scotia Capital Inc., RBC Dominion Securities Inc., CIBC World Markets Inc. and National Bank Financial Inc.	10-Q	1-10899	08/02/13	99.1	
10.5	1 billion MXN Credit Agreement, dated March 3, 2008, among KRC Mexico Acquisition, LLC, as borrower, Kimco Realty Corporation, as guarantor and each of the parties named therein	10-K/A	1-10899	08/17/10	10.18	
10.6	Kimco Realty Corporation Executive Severance Plan, dated March 15, 2010	8-K	1-10899	03/19/10	10.5	
10.7	Kimco Realty Corporation 2010 Equity Participation Plan	8-K	1-10899	03/19/10	10.7	
10.8	Form of Performance Share Award Grant Notice and Performance Share Award Agreement	8-K	1-10899	03/19/10	10.8	
10.9	Credit Agreement, dated April 17, 2009, among Kimco Realty Corporation and each of the parties	10-K/A	1-10899	08/17/10	10.19	

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	named therein			
10.10	\$1.75 Billion Credit Agreement, dated October 27, 2011, among Kimco Realty Corporation and each of the parties named therein	8-K	1-10899	11/02/11 10.1
10.11	Agreement and General Release between Kimco Realty Corporation and Barbara Pooley, dated January 18, 2012	8-K	1-10899	01/19/12 10.1
10.12	\$400 Million Credit Agreement, dated April 17, 2012, among Kimco Realty Corporation as borrower and each of the parties named therein	8-K	1-10899	04/20/12 10.1
10.13	First Amendment to the Kimco Realty Corporation Executive Severance Plan, dated March 20, 2012	10-Q	1-10899	05/10/12 10.3
10.14	\$147.5 Million Credit Agreement, dated June 28, 2012, by and among InTown Hospitality Corp. as borrower, Kimco Realty Corporation as guarantor, and each of the parties named therein	8-K	1-10899	07/03/12 10.1
10.15	First Amendment to the Kimco Realty Corporation 2010 Equity Participation Plan	S-8	333-184776	11/06/12 99.1
10.16	First Amendment to Credit Agreement, dated June 3, 2013, among Kimco Realty Corporation, a Maryland corporation, the subsidiaries of Kimco party thereto, the lenders party thereto, and JPMorgan Chase Bank, N.A., as administrative agent	8-K	1-10899	06/07/13 10.1
10.17	\$1.75 Billion Amended and Restated Credit Agreement, dated March 17, 2014, among Kimco Realty Corporation, the subsidiaries of Kimco party thereto, the lenders party thereto, and JPMorgan Chase Bank, N.A., as administrative agent	8-K	1-10899	03/20/14 10.1
10.18	First Amendment, dated March 17, 2014, to the Credit Agreement, dated April 17, 2012, among Kimco Realty Corporation, the subsidiaries of Kimco party thereto, the lenders party thereto, and PNC Bank, National Association, as administrative	8-K	1-10899	03/20/14 10.2

10.19 agent
Underwriting Agreement, dated
April 14, 2014, by and among
Kimco Realty Corporation and 8-K 1-10899 04/15/14 1.1
Citigroup Global Markets Inc.,
UBS Securities LLC and Wells
Fargo Securities, LLC

12.1	Computation of Ratio of Earnings to Fixed Charges	—	—	—X	120
12.2	Computation of Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends	—	—	—X	121
21.1	Significant Subsidiaries of the Company	—	—	—X	122
23.1	Consent of PricewaterhouseCoopers LLP	—	—	—X	123
31.1	Certification of the Company's Chief Executive Officer, David B. Henry, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	—	—	—X	124
31.2	Certification of the Company's Chief Financial Officer, Glenn G. Cohen, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	—	—	—X	125
32.1	Certification of the Company's Chief Executive Officer, David B. Henry, and the Company's Chief Financial Officer, Glenn G. Cohen, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	—	—	—X	126
99.1	Property Chart	—	—	—X	127
101.INS	XBRL Instance Document	—	—	—X	
101.SCH	XBRL Taxonomy Extension Schema	—	—	—X	
101.CAL	XBRL Taxonomy Extension Calculation Linkbase	—	—	—X	
101.DEF	XBRL Taxonomy Extension Definition Linkbase	—	—	—X	
101.LAB	XBRL Taxonomy Extension Label Linkbase	—	—	—X	
101.PRE	XBRL Taxonomy Extension Presentation Linkbase	—	—	—X	

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

KIMCO REALTY CORPORATION

By: /s/ David B. Henry
David B. Henry
Chief Executive Officer

Dated: February 27, 2015

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
/s/ Milton Cooper Milton Cooper	Executive Chairman of the Board of Directors	February 27, 2015
/s/ David B. Henry David B. Henry	Chief Executive Officer and Vice Chairman of the Board of Directors	February 27, 2015
/s/ Richard G. Dooley Richard G. Dooley	Director	February 27, 2015
/s/ Joe Grills Joe Grills	Director	February 27, 2015
/s/ Frank Lourenso Frank Lourenso	Director	February 27, 2015
/s/ Richard Saltzman Richard Saltzman	Director	February 27, 2015
/s/ Philip Coviello Philip Coviello	Director	February 27, 2015

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/s/ Colombe Nicholas Colombe Nicholas	Director	February 27, 2015
/s/ Conor Flynn Conor Flynn	President - Chief Operating Officer	February 27, 2015
/s/ Glenn G. Cohen Glenn G. Cohen	Executive Vice President - Chief Financial Officer and Treasurer	February 27, 2015
/s/ Paul Westbrook Paul Westbrook	Vice President - Chief Accounting Officer	February 27, 2015

ANNUAL REPORT ON FORM 10-K

ITEM 8, ITEM 15 (a) (1) and (2)

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AND

FINANCIAL STATEMENT SCHEDULES

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders
of Kimco Realty Corporation:

In our opinion, the consolidated financial statements listed in the index appearing under Item 15(a)(1) present fairly, in all material respects, the financial position of Kimco Realty Corporation and its subsidiaries (the "Company") at December 31, 2014 and 2013, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2014 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedules listed in the index appearing under Item 15(a)(2) present fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2014, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements and financial statement schedules, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on these financial statements, on the financial statement schedules, and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have

a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP

New York, New York

February 27, 2015

KIMCO REALTY CORPORATION AND SUBSIDIARIES**CONSOLIDATED BALANCE SHEETS****(in thousands, except share information)**

	December 31, 2014	December 31, 2013
Assets:		
Real Estate		
Rental property		
Land	\$2,365,800	\$2,072,099
Building and improvements	7,520,095	6,953,427
	9,885,895	9,025,526
Less: accumulated depreciation and amortization	(1,955,406)	(1,878,681)
	7,930,489	7,146,845
Real estate under development	132,331	97,818
Real estate, net	8,062,820	7,244,663
Investments and advances in real estate joint ventures	1,037,218	1,257,010
Other real estate investments	266,157	274,641
Mortgages and other financing receivables	74,013	30,243
Cash and cash equivalents	187,322	148,768
Marketable securities	90,235	62,766
Accounts and notes receivable	172,386	164,326
Deferred charges and prepaid expenses	182,630	175,698
Other assets	212,947	305,515
Total assets	\$10,285,728	\$9,663,630
Liabilities:		
Notes payable	\$3,192,167	\$3,186,047
Mortgages payable	1,428,131	1,035,354
Accounts payable and accrued expenses	129,509	124,290
Dividends payable	111,143	104,496
Other liabilities	431,533	357,764
Total liabilities	5,292,483	4,807,951
Redeemable noncontrolling interests	91,480	86,153
Commitments and Contingencies		
Stockholders' equity:		
Preferred stock, \$1.00 par value, authorized 5,959,100 shares 102,000 shares issued and outstanding (in series), Aggregate liquidation preference \$975,000	102	102
Common stock, \$.01 par value, authorized 750,000,000 shares issued and outstanding 411,819,818 and 409,731,058 shares, respectively	4,118	4,097

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Paid-in capital	5,732,021	5,689,258
Cumulative distributions in excess of net income	(1,006,578)	(996,058)
Accumulated other comprehensive income	45,122	(64,982)
Total stockholders' equity	4,774,785	4,632,417
Noncontrolling interests	126,980	137,109
Total equity	4,901,765	4,769,526
Total liabilities and equity	\$10,285,728	\$9,663,630

The accompanying notes are an integral part of these consolidated financial statements

KIMCO REALTY CORPORATION AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF INCOME****(in thousands, except share information)**

	Year Ended December 31,		
	2014	2013	2012
Revenues			
Revenues from rental properties	\$958,888	\$825,210	\$755,851
Management and other fee income	35,009	36,317	37,522
Total revenues	993,897	861,527	793,373
Operating expenses			
Rent	14,250	13,347	12,745
Real estate taxes	124,670	108,746	101,820
Operating and maintenance	119,697	99,405	92,409
General and administrative expenses	122,201	127,470	123,524
Provision for doubtful accounts	4,882	6,133	4,843
Impairment charges	39,808	32,247	10,289
Depreciation and amortization	258,074	224,713	214,827
Total operating expenses	683,582	612,061	560,457
Operating income	310,315	249,466	232,916
Other income/(expense)			
Mortgage financing income	3,129	4,304	7,504
Interest, dividends and other investment income	966	16,847	2,022
Other (expense)/income, net	(8,544)	1,195	(6,949)
Interest expense	(203,759)	(212,240)	(223,736)
Income from continuing operations before income taxes, equity in income of joint ventures, gain on change in control of interests and equity in income from other real estate investments	102,107	59,572	11,757
Provision for income taxes, net	(22,438)	(32,654)	(15,603)
Equity in income of joint ventures, net	159,560	208,689	112,896
Gain on change in control of interests, net	107,235	21,711	15,555
Equity in income of other real estate investments, net	38,042	31,136	53,397
Income from continuing operations	384,506	288,454	178,002
Discontinued operations			
Income from discontinued operating properties, net of tax	36,780	50,610	53,153
Impairment/loss on operating properties, net of tax	(176,315)	(143,057)	(38,432)

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Gain on disposition of operating properties, net of tax	190,520	43,914	83,253
Income/(loss) from discontinued operations	50,985	(48,533)	97,974
Gain on sale of operating properties, net of tax	389	1,432	4,299
Net income	435,880	241,353	280,275
Net income attributable to noncontrolling interests	(11,879)	(5,072)	(14,202)
Net income attributable to the Company	424,001	236,281	266,073
Preferred stock redemption costs	-	-	(21,703)
Preferred dividends	(58,294)	(58,294)	(71,697)
Net income available to the Company's common shareholders	\$365,707	\$177,987	\$172,673
Per common share:			
Income from continuing operations:			
-Basic	\$0.77	\$0.53	\$0.19
-Diluted	\$0.77	\$0.53	\$0.19
Net income attributable to the Company:			
-Basic	\$0.89	\$0.43	\$0.42
-Diluted	\$0.89	\$0.43	\$0.42
Weighted average shares:			
-Basic	409,088	407,631	405,997
-Diluted	411,038	408,614	406,689
Amounts attributable to the Company's common shareholders:			
Income from continuing operations	\$316,839	\$218,590	\$79,360
Income/(loss) from discontinued operations	48,868	(40,603)	93,313
Net income	\$365,707	\$177,987	\$172,673

The accompanying notes are an integral part of these consolidated financial statements

KIMCO REALTY CORPORATION AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME****(in thousands)**

	Year Ended December 31,		
	2014	2013	2012
Net income	\$435,880	\$241,353	\$280,275
Other comprehensive income:			
Change in unrealized gain on marketable securities	20,202	6,773	3,013
Change in unrealized (loss)/ gain on interest rate swaps	(1,404)	-	450
Change in foreign currency translation adjustment, net	96,895	(4,208)	43,515
Other comprehensive income	115,693	2,565	46,978
Comprehensive income	551,573	243,918	327,253
Comprehensive income attributable to noncontrolling interests	(17,468)	(6,436)	(19,702)
Comprehensive income attributable to the Company	\$534,105	\$237,482	\$307,551

The accompanying notes are an integral part of these consolidated financial statements.

KIMCO REALTY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the Years Ended December 31, 2014, 2013 and 2012

(in thousands)

	Cumulative Distributions in Excess of Net Income	Accumulated Other Comprehensive Income	Preferred Stock Issued	Amount Issued	Common Stock Issued	Paid-in Capital	Total Stockholders' Equity	Noncontrolling Interests	Total Equity	
Balance, January 1, 2012	\$ (702,999)	\$ (107,660)	954	\$ 954	406,938	\$ 4,069	\$ 5,492,022	\$ 4,686,386	\$ 193,757	\$ 4,880,143
Contributions from noncontrolling interests	-	-	-	-	-	-	-	-	1,384	1,384
Comprehensive income: Net income attributable to the Company	266,073	-	-	-	-	-	-	266,073	14,202	280,275
Other comprehensive income, net of tax:										
Change in unrealized gain on marketable securities	-	3,013	-	-	-	-	-	3,013	-	3,013
Change in unrealized gain on interest rate swaps	-	450	-	-	-	-	-	450	-	450
Change in foreign currency translation adjustment	-	38,015	-	-	-	-	-	38,015	5,500	43,515

Redeemable noncontrolling interests	-	-	-	-	-	-	-	-	(6,337)	(6,337)
Dividends (\$0.78 per common share; \$1.0344 per Class F Depositary Share, \$1.5016 per Class G Depositary Share, \$1.725 per Class H Depositary Share, \$1.1708 per Class I Depositary Share, \$0.5958 per Class J Depositary Share, and \$0.0938 per Class K Depositary Share, respectively)	-	-	-	-	-	-	-	-	(15,328)	(15,328)
Distributions to noncontrolling interests	-	-	-	-	-	-	-	-	(15,328)	(15,328)
Issuance of common stock	-	-	-	-	1,096	11	18,104	18,115	-	18,115
Issuance of preferred stock	-	-	32	32	-	-	774,125	774,157	-	774,157
Surrender of common stock	-	-	-	-	(111)	(1)	(2,072)	(2,073)	-	(2,073)
Repurchase of common stock	-	-	-	-	(1,636)	(16)	(30,931)	(30,947)	-	(30,947)
Exercise of common stock options	-	-	-	-	1,495	15	22,576	22,591	-	22,591
Acquisition of noncontrolling interests	-	-	-	-	-	-	(95)	(95)	(25,858)	(25,858)
Amortization of equity awards	-	-	-	-	-	-	11,557	11,557	-	11,557
Redemption of preferred stock	-	-	(884)	(884)	-	-	(634,116)	(635,000)	-	(635,000)
	(824,008)	(66,182)	102	102	407,782	4,078	5,651,170	4,765,160	167,320	4,932,480

Balance,
December 31,
2012

Contributions
from
noncontrolling
interests

	-	-	-	-	-	-	-	-	-	1,026	1,026
--	---	---	---	---	---	---	---	---	---	-------	-------

Comprehensive
income:

Net income
attributable to
the Company

	236,281	-	-	-	-	-	-	-	-	236,281	5,072	241,353
--	---------	---	---	---	---	---	---	---	---	---------	-------	---------

Other
comprehensive
income, net of
tax:

Change in
unrealized gain
on marketable
securities

	-	6,773	-	-	-	-	-	-	-	6,773	-	6,773
--	---	-------	---	---	---	---	---	---	---	-------	---	-------

Change in
foreign
currency
translation
adjustment

	-	(5,573)	-	-	-	-	-	-	-	(5,573)	1,365	(4,208)
--	---	----------	---	---	---	---	---	---	---	----------	-------	----------

Redeemable
noncontrolling
interests

	-	-	-	-	-	-	-	-	-	-	(6,892)	(6,892)
--	---	---	---	---	---	---	---	---	---	---	----------	----------

Dividends
(\$0.855 per
common share;
\$1.725 per
Class H

Depositary
Share, \$1.5000

per Class I
Depositary

	(408,331)	-	-	-	-	-	-	-	-	(408,331)	-	(408,331)
--	------------	---	---	---	---	---	---	---	---	------------	---	------------

Share, \$1.3750

per Class J
Depositary

Share, and
\$1.40625 per
Class K

Depositary
Share,
respectively)

Distributions to
noncontrolling

	-	-	-	-	-	-	-	-	-	-	(10,686)	(10,686)
--	---	---	---	---	---	---	---	---	---	---	-----------	-----------

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interests										
Issuance of common stock	-	-	-	-	560	5	9,208	9,213	-	9,213
Surrender of restricted stock	-	-	-	-	(247)	(2)	(3,889)	(3,891)	-	(3,891)
Exercise of common stock options	-	-	-	-	1,636	16	30,193	30,209	-	30,209
Acquisition of noncontrolling interests	-	-	-	-	-	-	(8,894)	(8,894)	(20,096)	(28,990)
Amortization of equity awards	-	-	-	-	-	-	11,470	11,470	-	11,470
Balance, December 31, 2013	(996,058)	(64,982)	102	102	409,731	4,097	5,689,258	4,632,417	137,109	4,769,327
Contributions from noncontrolling interests	-	-	-	-	-	-	-	-	6,259	6,259
Comprehensive income:										
Net income attributable to the Company	424,001	-	-	-	-	-	-	424,001	11,879	435,880
Other comprehensive income, net of tax:										
Change in unrealized gain on marketable securities	-	20,202	-	-	-	-	-	20,202	-	20,202
Change in unrealized loss on interest rate swaps	-	(1,404)	-	-	-	-	-	(1,404)	-	(1,404)
Change in foreign currency translation adjustment	-	91,306	-	-	-	-	-	91,306	5,589	96,895
Redeemable noncontrolling interests	-	-	-	-	-	-	-	-	(6,335)	(6,335)
Dividends (\$0.915 per	(434,521)	-	-	-	-	-	-	(434,521)	-	(434,521)

common share; \$1.725 per Class H Depositary Share, \$1.5000 per Class I Depositary Share, \$1.3750 per Class J Depositary Share, and \$1.40625 per Class K Depositary Share, respectively) Distributions to noncontrolling interests	-	-	-	-	-	-	-	-	-	(26,755)	(26,755)
Issuance of common stock	-	-	-	-	805	8	14,039	14,047	-	-	14,047
Surrender of restricted stock	-	-	-	-	(190)	(2)	(4,049)	(4,051)	-	-	(4,051)
Exercise of common stock options	-	-	-	-	1,474	15	23,859	23,874	-	-	23,874
Acquisition of noncontrolling interests	-	-	-	-	-	-	(294)	(294)	(766)	(766)	(1,060)
Amortization of equity awards	-	-	-	-	-	-	9,208	9,208	-	-	9,208
Balance, December 31, 2014	\$(1,006,578)	\$45,122	102	\$102	411,820	\$4,118	\$5,732,021	\$4,774,785	\$126,980	\$126,980	\$4,901,765

The accompanying notes are an integral part of these consolidated financial statements.

KIMCO REALTY CORPORATION AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF CASH FLOWS****(in thousands)**

	Year Ended December 31,		
	2014	2013	2012
Cash flow from operating activities:			
Net income	\$435,880	\$241,353	\$280,275
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	273,093	257,855	262,742
Impairment charges	217,858	190,218	59,569
Equity award expense	17,879	18,897	17,907
Gain on sale of operating properties	(203,889)	(51,529)	(94,369)
Equity in income of joint ventures, net	(159,560)	(208,689)	(112,896)
Gain on change in control of interests, net	(107,235)	(21,711)	(15,555)
Equity in income from other real estate investments, net	(38,042)	(31,136)	(53,397)
Distributions from joint ventures and other real estate investments	255,532	258,050	194,110
Change in accounts and notes receivable	(8,060)	7,213	2,940
Change in accounts payable and accrued expenses	(1,095)	10,166	(11,281)
Change in other operating assets and liabilities	(53,018)	(100,652)	(50,991)
Net cash flow provided by operating activities	629,343	570,035	479,054
Cash flow from investing activities:			
Acquisition of operating real estate			