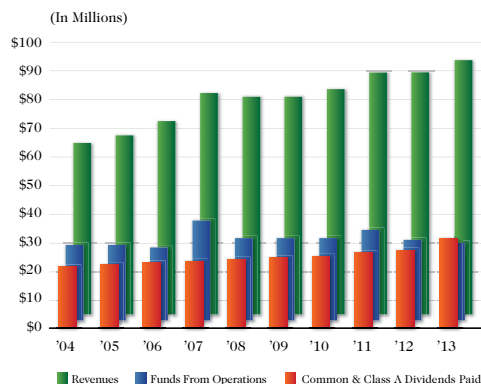




URSTADT BIDDLE PROPERTIES INC.

Stock prices are only opinions.
But dividends are facts.



44 CONSECUTIVE YEARS
OF UNINTERRUPTED
DIVIDENDS.

20 CONSECUTIVE YEARS OF
INCREASED DIVIDENDS.



URSTADT BIDDLE PROPERTIES INC.

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Urstadt Biddle Properties Inc. is a self-administered publicly held real estate investment trust providing investors with a means of participating in the ownership of income-producing properties. Our core properties consist of neighborhood and community shopping centers in suburban areas of the northeastern United States with a primary concentration in Fairfield County, Connecticut, Westchester and Putnam Counties, New York and Bergen County, New Jersey.

Class A Common Shares, Common Shares, Series D Preferred Shares and Series F Preferred Shares of the company trade on the New York Stock Exchange under the symbols "UBA," "UBP," "UBPPRD" and "UBPPRF."

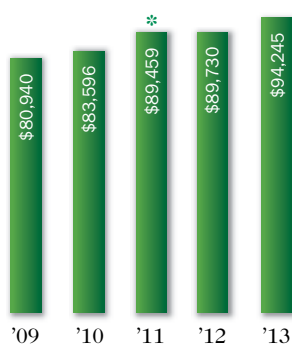


SELECTED FINANCIAL DATA

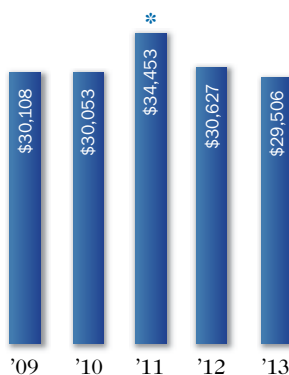
Year Ended October 31,	2013	2012	2011	2010	2009
Balance Sheet Data:					
Total Assets	\$650,026	\$724,243	\$576,264	\$557,053	\$504,539
Revolving Credit Lines	\$ 9,250	\$ 11,600	\$ 41,850	\$ 11,600	\$ —
Mortgage Notes Payable and Other Loans	\$166,246	\$143,236	\$118,135	\$118,202	\$116,417
Redeemable Preferred Stock	\$ —	\$ 21,510	\$ 96,203	\$ 96,203	\$ 96,203
Total Preferred Stock	\$190,625	\$212,135	\$157,453	\$157,453	\$157,453
Operating Data:					
Total Revenues	\$ 94,245	\$ 89,730	\$ 89,459	\$ 83,596	\$ 80,940
Total Expenses and Payments to Noncontrolling Interests	\$ 69,881	\$ 63,702	\$ 60,526	\$ 57,970	\$ 55,327
Income from Continuing Operations before Discontinued Operations	\$ 29,105	\$ 27,282	\$ 30,483	\$ 26,022	\$ 26,109
Per Share Data:					
Net Income from Continuing Operations – Basic:					
Class A Common Stock	\$.31	\$.42	\$.63	\$.52	\$.54
Common Stock	\$.28	\$.38	\$.57	\$.47	\$.49
Net Income from Continuing Operations – Diluted:					
Class A Common Stock	\$.30	\$.41	\$.61	\$.51	\$.53
Common Stock	\$.27	\$.36	\$.55	\$.46	\$.48
Cash Dividends Paid on:					
Class A Common Stock	\$1.00	\$.99	\$.98	\$.97	\$.96
Common Stock	\$.90	\$.90	\$.89	\$.88	\$.87
Other Data:					
Net Cash Flow Provided by (Used in):					
Operating Activities	\$ 50,952	\$ 52,504	\$ 46,548	\$ 45,156	\$ 42,611
Investing Activities	\$ (49,631)	\$ (10,778)	\$ (42,351)	\$ (51,179)	\$ (3,095)
Financing Activities	\$ (76,468)	\$ 31,837	\$ (15,343)	\$ 11,358	\$ (30,840)
Funds from Operations (Note)	\$ 29,506	\$ 30,627	\$ 34,453*	\$ 30,053	\$ 30,108

Note: The Company has adopted the definition of Funds from Operations (FFO) suggested by the National Association of Real Estate Investment Trusts (NAREIT) and defines FFO as net income (computed in accordance with generally accepted accounting principles), excluding gains (or losses) from sales of properties plus real estate related depreciation and amortization and after adjustments for unconsolidated joint ventures. For a reconciliation of net income and FFO, see Management's Discussion and Analysis of Financial Condition and Results of Operations on page 35. FFO does not represent cash flows from operating activities in accordance with generally accepted accounting principles and should not be considered an alternative to net income as an indicator of the Company's operating performance. The Company considers FFO a meaningful, additional measure of operating performance because it primarily excludes the assumption that the value of its real estate assets diminishes predictably over time and industry analysts have accepted it as a performance measure. FFO is presented to assist investors in analyzing the performance of the Company. It is helpful as it excludes various items included in net income that are not indicative of the Company's operating performance. However, comparison of the Company's presentation of FFO, using the NAREIT definition, 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. For a further discussion of FFO, see Management's Discussion and Analysis of Financial Condition and Results of Operations on page 35.

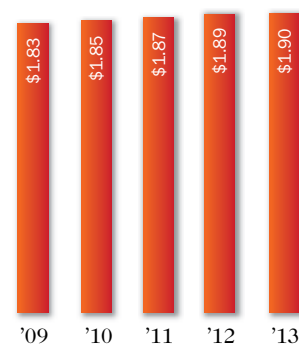
Total Revenues
(In thousands)



Funds From Operations
(In thousands)



Combined Dividends Paid on Common and Class A Common Shares
(Per share)



* Includes \$3 million one-time settlement of lease obligation.

LETTER TO OUR STOCKHOLDERS

We are pleased to report that we saw continued improvement in the real estate markets in our area in 2014 and made good progress in our primary focus areas of leasing and acquisitions.

Improving our occupancy levels to our historical norm of 95% continues to be our most important priority. We improved our overall core property portfolio occupancy from 89.89% to 90.80% during 2013. We currently own 66 properties and the average occupancy rate at all but two of them is 94%. A disproportionate share of our vacancies exists in the remaining two properties. Following is an update on the progress we are making in improving these two properties:

Staples Plaza, Yorktown

Heights, NY: We were successful in a zone change application to permit self storage at the lower level of this property. We are currently building the first phase of a 90,000 square foot self storage facility to be managed by Excess Space Storage, the second largest self storage REIT. We expect to open for business in the spring and achieve significantly higher income operating a self storage facility than the \$3.92 per square foot bulk warehouse rent we previously received on this space. Phase I is 60,000 square feet and upon stabilization we plan to complete phase II covering the remaining 30,000 square feet. Excess Space Storage is confident there is sufficient demand in the area to support a quality low-cost facility. In addition to the storage space, we have 38,000 square feet of retail space vacant at this property and are in discussions with retailers for almost all of it. We expect our patience to pay off and 2014 to be a big year for Staples Plaza.



Pavilion Shopping Center, White Plains, NY:

We are continuing to pursue an application for a zone change at this property. To date, the reception from the city has been very positive since the benefits to the city of having this 191,000 square foot mostly vacant property transformed into a dynamic mixed use development are significant. If approved, a mixed use project of up to 860,000 square feet consisting of apartments, retail, hotel and office uses could be constructed at the site. On the facing page is an architect's rendering of one design that is being considered. Our goal is to obtain the needed zoning approvals by this summer and we are seeking a well-capitalized, experienced developer to partner with us in a manner that will help us realize the value of this prime property in the heart of Westchester.

In last year's letter to stockholders, we discussed two additional properties that were a cause of our increased vacancy rate. We are proud to report that we have been successful in our plan to re-develop and lease those two shopping centers, as described below.



JOHN CANNON
Senior Vice President,
Management & Construction

Townline Square, Meriden, CT:

At the time of last year's annual report, Townline Square was only 79% leased. Our successful re-leasing of the vacant supermarket at this property in 2012 was a springboard to signing leases in 2013 with Petsmart, Fitness Edge (a health club), Five Below,



Westchester Pavillion: Existing condition



Westchester Pavillion: Proposed redevelopment

and a number of smaller retailers. The property currently is the site of a great deal of construction activity as all of these tenants prepare to open for business in 2014. By year end, occupancy will rise to 94%. In addition, we are in discussions with retailers for almost all of the remaining vacancies which, we hope will lead to a fully occupied property in 2014.

Chilmark Shopping Center, Briarcliff Manor, NY: This year we were successful in obtaining the needed approvals to permit us to commence construction of a new 14,000 square foot CVS as part of the re-development of this property. We expect CVS to open in the fall of 2014 and any remaining vacancies to fill due to the desirable location and co-tenancy with a CVS and a Food Emporium Supermarket.



Linda Lacey
Senior Vice President,
Leasing

Leasing

Our leasing indicators continued to improve this year. In our core portfolio (excluding the Chrysler warehouse properties sold in December), we

renewed 555,000 square feet of tenant leases at an average rent increase of 2.7% and signed 213,000 square feet of new leases at average rents that were 1.0% higher than the prior leases for these spaces. Our leasing team has a solid pipeline of leases in negotiation on vacant space and we are clearly seeing an improvement in the leasing market. Contrary to what you may read about the Internet threatening retail, there continues to be demand for space. Our centers are primarily grocery and drug store-anchored properties with a high percentage of the small stores leased to convenience and service retailers. Please visit our improved website to learn a little more about your company and the properties that it owns!

Capital Market Events:

At the end of 2012, it was uncertain if interest rates would rise in 2013 when our 8.5% Series C and E Preferred stocks became redeemable. We elected to sell \$129 million of 7.125% Series F Preferred stock in October 2012 so we would have the money on hand to redeem our

Series C and E Preferred stocks and enable the company to reduce its long term fixed cost of preferred stock dividends. As a result of this proactive decision, the company had to pay extra preferred stock dividends for a portion of 2013, but the resulting benefit of the lower cost 7.125% Series F Preferred stock will benefit the company for years to come. In addition, we sold 2.5 million shares of Class A Common stock at close to that stock's all time high price, which raised an additional \$45 million for our acquisition program. Our mortgage indebtedness grew slightly by \$23 million during the year as we assumed two mortgages in connection with acquisitions and paid off one small mortgage during the year. We remain one of the lowest leveraged REITs with mortgages accounting for only 22% of total book capitalization at year end. We have no mortgages maturing in 2014 and only \$4.7 million in mortgages coming due in 2015. Our \$80 million credit line remains 71% undrawn and available to help support our acquisition program.

Acquisitions and Sales:

We made some excellent acquisitions in 2013 and took advantage of strong property markets to sell two remaining legacy assets and two properties we had bought as part of a package that did not meet our long-term investment parameters. In the



John T. Hayes
Senior Vice President,
Chief Financial Officer
and Treasurer



Diane Midollo
Vice President and
Controller



James M. Aries
Senior Vice President
and Director
of Acquisitions



Stephan Rapaglia
Senior Vice President,
Chief Operating Officer,
Real Estate Counsel
and Assistant Secretary

Clockwise from right:
Friendly's Restaurant
Greenwich Cos Cob Plaza
Boonton A&P Shopping Center



last 12 months, we purchased the following properties:

1. Village Shopping Center New Providence, NJ

DESCRIPTION: Shopping Center consisting of 109,000 square feet of GLA on 7.8 acres of land

ANCHOR TENANT: A&P Supermarket

PRICE: \$34,900,000 subject to an existing mortgage of \$21.3 million

LOCATION: Intersection of Springfield Avenue (Route 512) and South Street (Route 647) in the center of New Providence, NJ

CLOSING DATE: May 2013

2. Friendly's six restaurant net lease portfolio

DESCRIPTION: six free-standing restaurant properties on ½ to 1 acre parcels net leased to either Friendly's Restaurants or franchisees of Friendly's

PRICE: \$7.8 million, all cash

LOCATION: Carmel and Kingston, NY; Unionville & Waterbury, CT; Hillsdale and Bloomfield, NJ

CLOSING DATES: January and March 2013

3. Greenwich Retail shopping center portfolio Greenwich, CT

DESCRIPTION: Two retail strip centers totaling 25,000 square feet of GLA with parking in Greenwich, CT



PRICE: \$18.0 million subject to an existing mortgage of \$8.3 million

LOCATION: Putnam Avenue, (Route 1), Greenwich, CT

CLOSING DATE: May 2013

4. Boonton A&P Shopping Center Boonton, NJ

DESCRIPTION: Shopping Center consisting of 63,000 square feet of GLA on 5.4 acres of land

ANCHOR TENANT: A&P Supermarket

PRICE: \$18.3 million subject to an existing mortgage of \$7.8 million

LOCATION: On Myrtle Avenue, just off of Interstate 287, in Boonton, NJ (Morris County)

CLOSING DATE: December 2013

5. Bloomfield A&P Shopping Center Bloomfield, NJ

DESCRIPTION: Shopping Center consisting of 56,000 square feet of GLA on 5 acres of land

ANCHOR TENANTS: A&P Supermarket and Walgreens

PRICE: \$11.0 million subject to an existing mortgage of \$7.7 million



LOCATION: On Belleville Avenue (Route 506) in Bloomfield, NJ (Essex County), about ½ mile east of the Garden State Parkway

CLOSING DATE: December 2013

6. Bethel Hub Shopping Center Bethel, CT (Fairfield County)

DESCRIPTION: Shopping Center consisting of 31,000 square feet of GLA on 4 acres of land

ANCHOR TENANTS: Rite Aid and Nutmeg Liquors

PRICE: \$9 million, all cash

LOCATION: At the intersection of Greenwood Avenue (Route 302) and Grassy Plain Street, Bethel, CT (Fairfield County)

CLOSING DATE: January 2014

In total, UBP invested \$71.9 million in equity in these new acquisitions with proceeds generated primarily from the sale of properties and proceeds from the October 2012 preferred stock sale. We are excited about the quality of these acquisitions and believe they will be accretive to 2014 earnings and solid long-term investments for us.

Results of Operations

In 2013, revenues rose 8.6% to a record \$98.3 million. Excluding gains on marketable securities, property acquisition costs and other one-time charges, including stock redemption charges and excess preferred stock dividends, our recurring funds from operations rose 3.4% to \$34.2 million when compared to the prior year's funds from operations with the same exclusions. Property expenses rose 7% in 2013 due in large part to increased paving costs as we made improvements to certain properties. General and administrative expense increased by \$666,000, mainly the result of professional fees in relation to the redemption of the Series C and E Preferred Stock and an increase in compensation as a result of adding new employees as our company continues to grow. General and administrative expenses currently are 1.1% of total assets.

Internet

The effect of the Internet on retailers' sales and profit margins continues to be of concern to us and something we study closely. Many retailers have proactively adapted a "clicks and bricks" strategy and learned how to adapt. Some traditionally mall-based tenants are looking to move to strip centers where they can act as both shipping and pick-up centers while still serving their brick and mortar customers. We continue to feel that well located grocery-anchored shopping centers will continue to be solid long-term investments because it is very expensive for Internet retailers to provide the same level of service at competitive prices that a grocery store can and grocery stores are adapting their own strategy involving at-store pick up and home delivery services. A grocery store is in effect a warehouse and a grocer does not need to build a distribution warehouse like Internet retailers have to. Our other tenants

tend to have a high service component to them, which makes them more Internet resistant.

UBP Solar

This year we completed the installation of five roof-top solar arrays on our New York properties as we continue to take advantage of government subsidy programs that enable us to simultaneously generate an attractive yield on our investment, lower the cost of electricity to our properties and provide an environmental benefit.



Thomas D. Myers
Executive Vice President,
Chief Legal Officer and Secretary

Outlook

Well located shopping centers are highly sought after in our market and we are seeing an increasing number of investors seeking to acquire them. While this makes continuing to grow our portfolio more challenging, it makes our existing portfolio more valuable. While the retail business is challenging, our area has higher income levels and lower unemployment

than the rest of the country and continues to be a highly sought after market for most retailers. As new development becomes increasingly more difficult, the price of properties continues to rise and vacancy rates continue to fall, we expect a positive effect on the rents that we can charge and retailers can afford to pay.

In December 2013, your Board of Directors increased the annualized dividend rate on the company's Class A Common stock by one cent a share. The increase in the dividend rate represents the 21st consecutive year that your Board of Directors has approved an increase in the dividend level and reflects the Board's continued confidence in the company. The Board elected not to increase the dividend rate on the company's Common stock in order to both maintain the 10% dividend premium that the Class A Common stock has to maintain in relation to the Common stock as set forth in the company's charter and due to caution about possible future cash flow reduction from the company's Pavilion shopping center redevelopment in White Plains, NY.

We greatly appreciate the hard work of our dedicated staff and directors and the continued support of our shareholders, tenants and their customers.



Willing L. Biddle
Willing L. Biddle
President and Chief Executive Officer
January 13, 2014



Charles J. Urstadt
Charles J. Urstadt
Chairman

selected core properties

M A S S A C H U S E T T S

31



URSTADT BIDDLE PROPERTIES INC.

C O N N E C T I C U T

N E W Y O R K

N E W
J E R S E Y

L O N G I S L A N D



1 Corporate Headquarters
Greenwich, Connecticut



2 Greenwich Commons
Greenwich, Connecticut



2 Cos Cob Plaza
Cos Cob, Connecticut



2 25 Valley Drive
Greenwich, Connecticut



3 Ridgeway Shopping Center
Stamford, Connecticut



4 Goodwives
Darien, Connecticut



5 Greens Farms Plaza
Westport, Connecticut



6 Fairfield Centre
Fairfield, Connecticut



7 Ridgefield Center
Ridgefield, Connecticut



8 Airport Plaza
Danbury, Connecticut



8 Danbury Square
Danbury, Connecticut



9 Veteran's Plaza
New Milford, Connecticut



9 New Milford Plaza
New Milford, Connecticut



9 Fairfield Plaza
New Milford, Connecticut



10 Starbucks Center
Monroe, Connecticut



11 The Dock
Stratford, Connecticut



12 Orange Meadows Shopping Center,
Orange, Connecticut



13 Townline Square
Meriden, Connecticut



14 Carmel ShopRite Center
Carmel, New York



14 Putnam Plaza
Carmel, New York



15 Towne Centre Shopping Center
Somers, New York



15 Somers Commons
Somers, New York



15 Heritage 202 Center
Somers, New York



16 Village Commons
Katonah, New York



17 Staples Plaza
Yorktown Heights, New York



18 Arcadian Shopping Center
Ossining, New York



19 Chilmark Shopping Center
Briarcliff Manor, New York



20 Orangetown Shopping Center
Orangeburg, New York



21 Westchester Pavilion
White Plains, New York



22 Midway Shopping Center
Scarsdale, New York



23 4 "Street Retail" Properties
Rye, New York



24 Shoppes at Eastchester
Eastchester, New York



24 Eastchester Plaza
Eastchester, New York



25 Gristede's Center
Pelham Manor, New York



26 Chestnut Ridge Shopping Center
Montvale, New Jersey



27 Emerson Shopping Plaza
Emerson, New Jersey



28 Valley Ridge Shopping Center
Wayne, New Jersey



29 Ferry Plaza
Newark, New Jersey



30 Village Shopping Center
New Providence, New Jersey



31 Five Town Plaza
Springfield, Massachusetts

URSTADT BIDDLE PROPERTIES INC.

Core Properties

UBP owns or has equity interests in 66 properties including nine office buildings which total 4,804,000 square feet.

Location	Square Feet	Principal Tenant	Property Type
Stamford, Connecticut	350,000	Stop & Shop Supermarket	Shopping center
Springfield, Massachusetts	328,000	Big Y Supermarket	Shopping center
Meriden, Connecticut	316,000	Big Y Supermarket	Shopping center
Stratford, Connecticut	276,000	Stop & Shop Supermarket	Shopping center
Scarsdale, New York	247,000	ShopRite Supermarket	Shopping center
New Milford, Connecticut	233,000	Stop & Shop Supermarket	Shopping center
Yorktown, New York	200,000	Staples	Shopping center
Danbury, Connecticut	194,000	Christmas Tree Shops	Shopping center
White Plains, New York	191,000	Development Site	Shopping center
Carmel, New York	189,000	Hannaford Brothers	Shopping center
Ossining, New York	137,000	Stop & Shop Supermarket	Shopping center
Somers, New York	135,000	Home Goods	Shopping center
Carmel, New York	129,000	ShopRite Supermarket	Shopping center
New Providence, New Jersey	109,000	A&P Supermarket	Shopping center
Newark, New Jersey	108,000	Pathmark Supermarket	Shopping center
Wayne, New Jersey	102,000	A&P Supermarket	Shopping center
Newington, New Hampshire	102,000	Jo-Ann Fabric	Shopping center
Darien, Connecticut	96,000	Stop & Shop Supermarket	Shopping center
Emerson, New Jersey	93,000	ShopRite Supermarket	Shopping center
New Milford, Connecticut	81,000	Big Y Supermarket	Shopping center
Somers, New York	80,000	CVS	Shopping center
Orange, Connecticut	77,000	Trader Joe's Supermarket	Shopping center
Montvale, New Jersey	76,000	The Fresh Market Supermarket	Shopping center
Orangeburg, New York	74,000	CVS	Shopping center
New Milford, Connecticut	72,000	T.J. Maxx	Shopping center
Eastchester, New York	70,000	A&P Fresh	Shopping center
Boonton, New Jersey	63,000	A&P Supermarket	Shopping center
Fairfield, Connecticut	63,000	Marshalls	Shopping center
Greenwich, Connecticut	58,000	Urstadt Biddle Properties	5 Office Buildings
Bloomfield, New Jersey	56,000	A&P Supermarket	Shopping Center
Ridgefield, Connecticut	52,000	Keller Williams	Street retail
Westport, Connecticut	40,000	Pier One Imports	Shopping center
Rye, New York	39,000	Cosi	Street retail (4 buildings)
Briarcliff Manor, New York	38,000	CVS	Shopping center
Danbury, Connecticut	33,000	Buffalo Wild Wings	Shopping center
Bethel, Connecticut	31,000	Rite Aid	Shopping center
Ossining, New York	29,000	Westchester Community College	Shopping center
Katonah, New York	28,000	Squires	Retail/Office
Pelham, New York	25,000	Gristede's Supermarket	Shopping center
Spring Valley, New York	24,000	Spring Valley Foods, Inc.	Shopping center
Eastchester, New York	23,000	CVS	Shopping center
Bronxville and Yonkers, New York	20,000	People's United Bank	Retail (4 buildings)
Friendly's net leases	20,000	Friendly's (6 properties)	Net leased properties
Waldwick, New Jersey	20,000	Rite Aid	Retail—Single tenant
Somers, New York	19,000	Putnam County Savings Bank	Shopping center
Cos Cob, Connecticut	15,000	Jos A. Bank	Retail/Office
Bernardsville, New Jersey	14,000	Bernards Sports Chiropractic	Office building
Monroe, Connecticut	10,000	Starbucks	Shopping center
Greenwich, Connecticut	10,000	Cosi	Retail
Chester, New Jersey	9,000	Clockwork Childcare Center	Office building

FINANCIALS

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FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEETS

(In thousands, except share data)

ASSETS	2013	2012
Real Estate Investments:		
Core properties—at cost	\$ 731,564	\$ 659,780
Non-core properties—at cost	595	595
	<u>732,159</u>	<u>660,375</u>
Less: Accumulated depreciation	(155,272)	(140,511)
	<u>576,887</u>	<u>519,864</u>
Investments in and advances to unconsolidated joint ventures	31,432	26,708
Mortgage note receivable	—	898
	<u>608,319</u>	<u>547,470</u>
Cash and cash equivalents	2,945	78,092
Restricted cash	1,397	63,979
Marketable securities	96	994
Tenant receivables	21,077	21,549
Prepaid expenses and other assets	10,802	6,958
Deferred charges, net of accumulated amortization	5,390	5,201
Total Assets	<u>\$ 650,026</u>	<u>\$ 724,243</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Revolving credit lines	\$ 9,250	\$ 11,600
Mortgage notes payable and other loans	166,246	143,236
Preferred stock called for redemption	—	58,508
Accounts payable and accrued expenses	1,450	1,632
Deferred compensation—officers	176	194
Other liabilities	15,147	13,134
Total Liabilities	<u>192,269</u>	<u>228,304</u>
Redeemable Noncontrolling Interests	<u>11,843</u>	<u>11,421</u>
8.50% Series C Senior Cumulative Preferred Stock; (liquidation preference of \$100 per share); issued and outstanding -0- and 224,027 shares	<u>—</u>	<u>21,510</u>
Commitments and Contingencies		
Stockholders' Equity:		
7.5% Series D Senior Cumulative Preferred Stock (liquidation preference of \$25 per share); 2,450,000 shares issued and outstanding	61,250	61,250
7.125% Series F Cumulative Preferred Stock (liquidation preference of \$25 per share); 5,175,000 shares issued and outstanding	129,375	129,375
Excess Stock, par value \$.01 per share; 20,000,000 shares authorized; none issued and outstanding	—	—
Common Stock, par value \$.01 per share; 30,000,000 shares authorized; 9,035,212 and 8,854,465 shares issued and outstanding	90	89
Class A Common Stock, par value \$.01 per share; 100,000,000 shares authorized; 23,530,704 and 23,460,880 shares issued and outstanding	235	235
Additional paid in capital	367,070	362,777
Cumulative distributions in excess of net income	(112,168)	(90,701)
Accumulated other comprehensive income (loss)	62	(17)
Total Stockholders' Equity	<u>445,914</u>	<u>463,008</u>
Total Liabilities and Stockholders' Equity	<u>\$ 650,026</u>	<u>\$ 724,243</u>

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

CONSOLIDATED STATEMENTS OF INCOME

(In thousands, except per share data)

	Year Ended October 31,		
	2013	2012	2011
Revenues			
Base rents	\$ 69,094	\$ 66,878	\$ 62,703
Recoveries from tenants	22,594	20,603	21,552
Lease termination income	214	89	3,196
Other income	2,343	2,160	2,008
Total Revenues	<u>94,245</u>	<u>89,730</u>	<u>89,459</u>
Expenses			
Property operating	17,471	14,200	14,750
Property taxes	15,524	15,114	14,522
Depreciation and amortization	17,769	16,637	15,212
General and administrative	8,211	7,545	7,521
Acquisition costs	857	296	89
Directors' fees and expenses	337	262	261
Total Operating Expenses	<u>60,169</u>	<u>54,054</u>	<u>52,355</u>
Operating Income	34,076	35,676	37,104
Non-Operating Income (Expense):			
Interest expense	(9,094)	(9,148)	(7,865)
Gain on sale of marketable securities	1,460	—	—
Equity in net income (loss) from unconsolidated joint ventures	1,318	(138)	393
Interest, dividends and other investment income	1,345	892	851
Income From Continuing Operations Before Discontinued Operations	29,105	27,282	30,483
Discontinued operations:			
Income from discontinued operations	1,308	1,478	1,466
Net Income	30,413	28,760	31,949
Noncontrolling interests:			
Net income attributable to noncontrolling interests	(618)	(500)	(306)
Net income attributable to Urstadt Biddle Properties Inc.	29,795	28,260	31,643
Preferred stock dividends	(14,949)	(13,267)	(13,094)
Redemption of preferred stock	(4,233)	(2,027)	—
Net Income Applicable to Common and Class A Common Stockholders	\$ 10,613	\$ 12,966	\$ 18,549
Basic Earnings Per Share:			
Per Common Share:			
Income from continuing operations	\$0.28	\$0.38	\$0.57
Income from discontinued operations	\$0.04	\$0.05	\$0.05
Net Income Applicable to Common Stockholders	\$0.32	\$0.43	\$0.62
Per Class A Common Share:			
Income from continuing operations	\$0.31	\$0.42	\$0.63
Income from discontinued operations	\$0.04	\$0.05	\$0.05
Net Income Applicable to Class A Common Stockholders	\$0.35	\$0.47	\$0.68
Diluted Earnings Per Share:			
Per Common Share:			
Income from continuing operations	\$0.27	\$0.36	\$0.55
Income from discontinued operations	\$0.04	\$0.05	\$0.05
Net Income Applicable to Common Stockholders	\$0.31	\$0.41	\$0.60
Per Class A Common Share:			
Income from continuing operations	\$0.30	\$0.41	\$0.61
Income from discontinued operations	\$0.04	\$0.05	\$0.05
Net Income Applicable to Class A Common Stockholders	\$0.34	\$0.46	\$0.66

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

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In thousands)

	Year Ended October 31,		
	2013	2012	2011
Net Income	\$30,413	\$28,760	\$31,949
Other comprehensive income:			
Change in unrealized gain in marketable equity securities	1,403	64	—
Change in unrealized loss on interest rate swaps	136	73	75
Unrealized (gains) in marketable securities reclassified into income	(1,460)	—	—
Total comprehensive income	30,492	28,897	32,024
Comprehensive income attributable to noncontrolling interests	(618)	(500)	(306)
Total comprehensive income attributable to Urstadt Biddle Properties Inc.	29,874	28,397	31,718
Preferred stock dividends	(14,949)	(13,267)	(13,094)
Redemption of preferred stock	(4,233)	(2,027)	—
Total comprehensive income applicable to Common and Class A Common Stockholders	\$10,692	\$13,103	\$18,624

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	Year Ended October 31,		
	2013	2012	2011
Cash Flows from Operating Activities:			
Net income	\$ 30,413	\$ 28,760	\$ 31,949
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	17,816	16,721	15,292
Straight-line rent adjustment	(291)	(832)	(634)
Provisions for tenant credit losses	958	665	1,009
Restricted stock compensation expense and other adjustments	4,069	3,812	3,881
Deferred compensation arrangement	(18)	6	(116)
Gain on sale of marketable securities	(1,460)	—	—
Equity in net loss/(income) of unconsolidated joint ventures	(1,318)	138	(393)
Lease termination income	—	—	(2,988)
Changes in operating assets and liabilities:			
Tenant receivables	(193)	1,335	(2,588)
Accounts payable and accrued expenses	(7)	812	(428)
Other assets and other liabilities, net	1,535	1,068	1,568
Restricted cash	(552)	19	(4)
Net Cash Flow Provided by Operating Activities	50,952	52,504	46,548
Cash Flows from Investing Activities:			
Acquisitions of real estate investments	(40,381)	(5,432)	(23,329)
Investments in and advances to unconsolidated joint ventures	(18,003)	(1,044)	(1,598)
Return of investments in and advances to unconsolidated joint ventures	13,170	—	—
Acquisitions of noncontrolling interests	—	—	(8,787)
Deposits on acquisition of real estate investments	(3,287)	(129)	(1,252)
Returns of deposits on real estate investments	400	843	—
Improvements to properties and deferred charges	(9,494)	(6,523)	(8,134)
Net proceeds from sale of properties	4,475	533	—
Distributions to noncontrolling interests	(618)	(500)	(306)
Distribution from unconsolidated joint ventures	789	412	165
Payments received on mortgage notes and other receivables	1,858	1,062	890
Proceeds on sale of securities available for sale	30,782	—	—
Purchases of securities available for sale	(29,322)	—	—
Net Cash Flow (Used in) Investing Activities	(49,631)	(10,778)	(42,351)
Cash Flows from Financing Activities:			
Dividends paid—Common and Class A Common Stock	(31,655)	(29,331)	(28,173)
Dividends paid—Preferred Stock	(14,949)	(13,267)	(13,094)
Principal repayments on mortgage notes payable	(6,623)	(15,049)	(6,589)
Proceeds from revolving credit line borrowings	38,350	58,000	30,250
Proceeds from loan financing	—	28,000	1,546
Sales of additional shares of Common and Class A Common Stock	244	47,799	717
Repayments on revolving credit line borrowings	(40,700)	(88,250)	—
Repurchase of shares of Class A Common Stock	(18)	—	—
Net proceeds from issuance of Series F Preferred Stock	—	125,281	—
Return of Escrow Deposit	1,286	—	—
Redemption of preferred stock including restricted cash	(22,403)	(81,346)	—
Net Cash Flow Provided by (Used in) Financing Activities	(76,468)	31,837	(15,343)
Net Increase/(Decrease) in Cash and Cash Equivalents	(75,147)	73,563	(11,146)
Cash and Cash Equivalents at Beginning of Year	78,092	4,529	15,675
Cash and Cash Equivalents at End of Year	\$ 2,945	\$ 78,092	\$ 4,529

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

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(In thousands, except shares and per share data)

	7.5% Series D Preferred Stock		7.125% Series F Preferred Stock	
	Issued	Amount	Issued	Amount
Balances—October 31, 2010	2,450,000	\$61,250	—	\$ —
Net income applicable to Common and Class A common stockholders	—	—	—	—
Change in unrealized loss on interest rate swap	—	—	—	—
Cash dividends paid:				
Common stock (\$0.89 per share)	—	—	—	—
Class A common stock (\$0.98 per share)	—	—	—	—
Issuance of shares under dividend reinvestment plan	—	—	—	—
Shares issued under restricted stock plan	—	—	—	—
Restricted stock compensation and other adjustment	—	—	—	—
Adjustments to redeemable noncontrolling interests	—	—	—	—
Balances—October 31, 2011	2,450,000	61,250	—	—
Net income applicable to Common and Class A common stockholders	—	—	—	—
Change in unrealized gains (losses) in marketable securities	—	—	—	—
Change in unrealized loss on interest rate swap	—	—	—	—
Cash dividends paid:				
Common stock (\$0.90 per share)	—	—	—	—
Class A common stock (\$0.99 per share)	—	—	—	—
Sale of Class A Common Shares	—	—	—	—
Issuance of Series F Preferred Stock	—	—	5,175,000	129,375
Issuance of shares under dividend reinvestment plan	—	—	—	—
Shares issued under restricted stock plan	—	—	—	—
Restricted stock compensation and other adjustment	—	—	—	—
Adjustments to redeemable noncontrolling interests	—	—	—	—
Balances—October 31, 2012	2,450,000	61,250	5,175,000	129,375
Net income applicable to Common and Class A common stockholders	—	—	—	—
Change in unrealized gains (losses) in marketable securities	—	—	—	—
Change in unrealized loss on interest rate swap	—	—	—	—
Cash dividends paid:				
Common stock (\$0.90 per share)	—	—	—	—
Class A common stock (\$1.00 per share)	—	—	—	—
Issuance of shares under dividend reinvestment plan	—	—	—	—
Shares issued under restricted stock plan	—	—	—	—
Repurchase of common stock	—	—	—	—
Forfeiture of restricted stock	—	—	—	—
Restricted stock compensation and other adjustment	—	—	—	—
Adjustments to redeemable noncontrolling interests	—	—	—	—
Balances—October 31, 2013	<u>2,450,000</u>	<u>\$61,250</u>	<u>5,175,000</u>	<u>\$129,375</u>

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

Common Stock		Class A Common Stock		Additional Paid In Capital	Cumulative Distributions In Excess of Net Income	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
Issued	Amount	Issued	Amount				
8,461,440	\$84	20,819,698	\$208	\$310,695	\$ (64,557)	\$(229)	\$307,451
—	—	—	—	—	18,549	—	18,549
—	—	—	—	—	—	75	75
—	—	—	—	—	(7,705)	—	(7,705)
—	—	—	—	—	(20,468)	—	(20,468)
34,498	1	8,532	—	715	—	—	716
175,950	2	63,100	1	(3)	—	—	—
—	—	—	—	3,881	—	—	3,881
—	—	—	—	—	(281)	—	(281)
8,671,888	87	20,891,330	209	315,288	(74,462)	(154)	302,218
—	—	—	—	—	12,966	—	12,966
—	—	—	—	—	—	64	64
—	—	—	—	—	—	73	73
—	—	—	—	—	(7,966)	—	(7,966)
—	—	—	—	—	(21,365)	—	(21,365)
—	—	2,500,000	25	47,504	—	—	47,529
—	—	—	—	(4,094)	—	—	125,281
6,627	—	7,950	—	270	—	—	270
175,950	2	61,600	1	(3)	—	—	—
—	—	—	—	3,812	—	—	3,812
—	—	—	—	—	126	—	126
8,854,465	89	23,460,880	235	362,777	(90,701)	(17)	463,008
—	—	—	—	—	10,613	—	10,613
—	—	—	—	—	—	(57)	(57)
—	—	—	—	—	—	136	136
—	—	—	—	—	(8,128)	—	(8,128)
—	—	—	—	—	(23,527)	—	(23,527)
5,797	—	6,724	—	244	—	—	244
175,950	1	64,100	—	(1)	—	—	—
(1,000)	—	—	—	(18)	—	—	(18)
—	—	(1,000)	—	—	—	—	—
—	—	—	—	4,068	—	—	4,068
—	—	—	—	—	(425)	—	(425)
<u>9,035,212</u>	<u>\$90</u>	<u>23,530,704</u>	<u>\$235</u>	<u>\$367,070</u>	<u>\$(112,168)</u>	<u>\$ 62</u>	<u>\$445,914</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) ORGANIZATION, BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business

Urstadt Biddle Properties Inc. ("Company"), a real estate investment trust ("REIT"), is engaged in the acquisition, ownership and management of commercial real estate, primarily neighborhood and community shopping centers in the northeastern part of the United States. The Company's major tenants include supermarket chains and other retailers who sell basic necessities. At October 31, 2013, the Company owned or had equity interests in 66 properties containing a total of 5.1 million square feet of gross leasable area ("GLA").

Principles of Consolidation and Use of Estimates

The accompanying consolidated financial statements include the accounts of the Company, its wholly owned subsidiaries, and joint ventures in which the Company meets certain criteria of a sole general partner in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 810, "Consolidation" and ASC Topic 970-810, "Real Estate-General-Consolidation." The Company has determined that such joint ventures should be consolidated into the consolidated financial statements of the Company. In accordance with ASC Topic 970-323, "Real Estate-General-Equity Method and Joint Ventures," joint ventures that the Company does not control but otherwise exercises significant influence in, are accounted for under the equity method of accounting. See Note 10 for further discussion of the unconsolidated joint ventures. All significant intercompany transactions and balances have been eliminated in consolidation.

The accompanying financial statements are prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the disclosure of contingent assets and liabilities, the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the periods covered by the financial statements. The most significant assumptions and estimates relate to the valuation of real estate, depreciable lives, revenue recognition, fair value measurements and the collectability of tenant and notes receivable and other assets. Actual results could differ from these estimates.

Federal Income Taxes

The Company has elected to be treated as a real estate investment trust under Sections 856-860 of the Internal Revenue Code (Code). Under those sections, a REIT that, among other things, distributes at least 90% of real estate trust taxable income and meets certain other qualifications prescribed by the Code will not be taxed on that portion of its taxable income that is distributed. The Company believes it qualifies as a REIT and intends to distribute all of its taxable income for fiscal 2013 in accordance with the provisions of the Code. Accordingly, no provision has been made for Federal income taxes in the accompanying consolidated financial statements.

The Company follows the provisions of ASC Topic 740, "Income Taxes," that, among other things, defines a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC Topic 740 also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. Based on its evaluation, the Company determined that it has no uncertain tax positions and no unrecognized tax benefits as of October 31, 2013. As of October 31, 2013, the fiscal tax years 2010 through and including 2013 remain open to examination by the Internal Revenue Service. There are currently no federal tax examinations in progress.

Real Estate Investments

All costs related to the improvement or replacement of real estate properties is capitalized. Additions, renovations and improvements that enhance and/or extend the useful life of a property are also capitalized. Expenditures for ordinary maintenance, repairs and improvements that do not materially prolong the normal useful life of an asset are charged to operations as incurred.

Upon the acquisition of real estate properties, the fair value of the real estate purchased is allocated to the acquired tangible assets (consisting of land, buildings and building improvements), and identified intangible assets and liabilities (consisting of above-market and below-market leases and in-place leases), in accordance with ASC Topic 805, "Business Combinations." The Company utilizes methods similar to those used by independent appraisers in estimating the fair value of acquired assets and liabilities. The fair value of the tangible assets of an acquired property considers the value of the property "as-if-vacant." The fair value reflects the depreciated replacement cost of the asset. In allocating purchase price to identified intangible assets and liabilities of an acquired property, the value of above-market and below-market leases are estimated based on the differences between (i) contractual rentals and the estimated market rents over the applicable lease term discounted back to the date of acquisition utilizing a discount rate adjusted for the credit risk associated with the respective tenants and (ii) the

estimated cost of acquiring such leases giving effect to the Company's history of providing tenant improvements and paying leasing commissions, offset by a vacancy period during which such space would be leased. The aggregate value of in-place leases is measured by the excess of (i) the purchase price paid for a property after adjusting existing in-place leases to market rental rates over (ii) the estimated fair value of the property "as-if-vacant," determined as set forth above.

Above and below-market leases acquired are recorded at their fair value. The capitalized above-market lease values are amortized as a reduction of rental revenue over the remaining term of the respective leases and the capitalized below-market lease values are amortized as an increase to rental revenue over the remaining term of the respective leases. The value of in-place leases is based on the Company's evaluation of the specific characteristics of each tenant's lease. Factors considered include estimates of carrying costs during expected lease-up periods, current market conditions, and costs to execute similar leases. The value of in-place leases are amortized over the remaining term of the respective leases. If a tenant vacates its space prior to its contractual expiration date, any unamortized balance of their related intangible asset is recorded in the consolidated statement of income.

Depreciation and Amortization

The Company uses the straight-line method for depreciation and amortization. Core and non-core properties are depreciated over the estimated useful lives of the properties, which range from 30 to 40 years. Property improvements are depreciated over the estimated useful lives that range from 10 to 20 years. Furniture and fixtures are depreciated over the estimated useful lives that range from 3 to 10 years. Tenant improvements are amortized over the shorter of the life of the related leases or their useful life.

Property Held for Sale and Discontinued Operations

The Company follows the provisions of ASC Topic 360, "Property, Plant, and Equipment," and ASC Topic 205, "Presentation of Financial Statements." ASC Topic 360 and ASC Topic 205 require, among other things, that the assets and liabilities and the results of operations of the Company's properties that have been sold or otherwise qualify as held for sale be classified as discontinued operations and presented separately in the Company's consolidated financial statements. If significant to financial statement presentation, the Company classifies properties as held for sale that are under contract for sale and are expected to be sold within the next 12 months.

Deferred Charges

Deferred charges consist principally of leasing commissions (which are amortized ratably over the life of the tenant leases) and financing fees (which are amortized over the terms of the respective agreements). Deferred charges in the accompanying consolidated balance sheets are shown at cost, net of accumulated amortization of \$3,043,000 and \$3,015,000 as of October 31, 2013 and 2012, respectively.

Asset Impairment

On a periodic basis, management assesses whether there are any indicators that the value of its real estate investments may be impaired. A property value is considered impaired when management's estimate of current and projected operating cash flows (undiscounted and without interest) of the property over its remaining useful life 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 loss is measured as the excess of the net carrying amount of the property over the fair value of the asset. Changes in estimated future cash flows due to changes in the Company's plans or market and economic conditions could result in recognition of impairment losses which could be substantial. Management does not believe that the value of any of its real estate investments is impaired at October 31, 2013.

Revenue Recognition

Revenues from operating leases include revenues from core properties and non-core properties. Rental income is generally recognized based on the terms of leases entered into with tenants. In those instances in which the Company funds tenant improvements and the improvements are deemed to be owned by the Company, revenue recognition will commence when the improvements are substantially completed and possession or control of the space is turned over to the tenant. When the Company determines that the tenant allowances are lease incentives, the Company commences revenue recognition when possession or control of the space is turned over to the tenant for tenant work to begin. Minimum rental income from leases with scheduled rent increases is recognized on a straight-line basis over the lease term. At October 31, 2013 and 2012, approximately \$13,719,000 and \$13,507,000, respectively, has been recognized as straight-line rents receivable (representing the current net cumulative rents recognized prior to when billed and collectible as provided by the terms of the leases), all of which is included in tenant receivables in the accompanying consolidated financial statements. Percentage rent is recognized when a specific tenant's sales breakpoint is achieved. Property operating

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

expense recoveries from tenants of common area maintenance, real estate taxes and other recoverable costs are recognized in the period the related expenses are incurred. Lease incentives are amortized as a reduction of rental revenue over the respective tenant lease terms. Lease termination amounts are recognized in operating revenues when there is a signed termination agreement, all of the conditions of the agreement have been met, the tenant is no longer occupying the property and the termination consideration is probable of collection. Lease termination amounts are paid by tenants who want to terminate their lease obligations before the end of the contractual term of the lease by agreement with the Company. There is no way of predicting or forecasting the timing or amounts of future lease termination fees. Interest income is recognized as it is earned. Gains or losses on disposition of properties are recorded when the criteria for recognizing such gains or losses under GAAP have been met.

The Company provides an allowance for doubtful accounts against the portion of tenant receivables (including an allowance for future tenant credit losses of approximately 10% of the deferred straight-line rents receivable) which is estimated to be uncollectible. Such allowances are reviewed periodically. At October 31, 2013 and 2012, tenant receivables in the accompanying consolidated balance sheets are shown net of allowances for doubtful accounts of \$3,604,000 and \$3,686,000, respectively. During the years ended October 31, 2013, 2012 and 2011, the Company provided \$958,000, \$665,000 and \$1,009,000, respectively, for uncollectible amounts, which is recorded in the accompanying consolidated statement of income as a reduction of base rental revenue.

Cash Equivalents

Cash and cash equivalents consist of cash in banks and short-term investments with original maturities of less than three months.

Restricted Cash

Restricted cash consists of those tenant security deposits and replacement and other reserves required by agreement with certain of the Company's mortgage lenders for property level capital requirements that are required to be held in separate bank accounts.

Marketable Securities

Marketable securities consist of short-term investments and marketable equity securities. Short-term investments (consisting of investments with original maturities of greater than three months when purchased) and marketable equity securities are carried at fair value. The Company has classified marketable securities as available for sale. Unrealized gains and (losses) on available for sale securities are recorded as other comprehensive income (loss) in stockholders' equity. In November 2012, the Company purchased approximately \$27 million of REIT and preferred security investment funds with a portion of the proceeds from its completed stock sales in October 2012. In May 2013, the Company sold a portion of the Company's marketable security investments. The shares sold represented the entire REIT and preferred security and investment funds and a portion of our REIT Preferred Stocks. In conjunction with this sale the Company realized a gain on sale of marketable securities of approximately \$1.5 million, which will be reclassified out of accumulated other comprehensive income and recorded in the consolidated statement of income for year ended October 31, 2013. There were no purchases or sales of marketable securities during the fiscal year ended October 31, 2012 and 2011.

The Company analyzes unrealized losses, if any, to determine if the unrealized losses are temporary. If and when the Company deems unrealized losses to be other than temporary, unrealized losses will be realized and reclassified into earnings. The net unrealized gain at October 31, 2013 and 2012 is detailed below (in thousands):

Description:	Fair Market Value	Cost Basis	Net Unrealized Gain/(Loss)	Gross Unrealized Gains	Gross Unrealized (Loss)
<u>October 31, 2013</u>					
REIT Common and Preferred Stocks	<u>\$ 96</u>	<u>\$115</u>	<u>\$(19)</u>	<u>\$—</u>	<u>\$(19)</u>
<u>October 31, 2012</u>					
REIT Common and Preferred Stocks	<u>\$994</u>	<u>\$956</u>	<u>\$ 38</u>	<u>\$38</u>	<u>\$ —</u>

Derivative Financial Instruments

The Company occasionally utilizes derivative financial instruments, such as interest rate swaps, to manage its exposure to fluctuations in interest rates. The Company has established policies and procedures for risk assessment and the approval, reporting and monitoring of derivative financial instruments. Derivative financial instruments must be effective in reducing the Company's interest rate risk exposure in order to qualify for hedge accounting. When the terms of an underlying transaction are modified, or when the underlying hedged item ceases to exist, all changes in the fair value of the instrument are marked-to-market with changes in value included in net income for each period until the derivative instrument matures or is settled. Any derivative instrument used for risk management that does not meet the hedging criteria is marked-to-market with the changes in value included in net income. The Company has not entered into, and does not plan to enter into, derivative financial instruments for trading or speculative purposes. Additionally, the Company has a policy of entering into derivative contracts only with major financial institutions.

As of October 31, 2013, the Company believes it has no significant risk associated with non-performance of the financial institution that is the counterparty to its derivative contracts. At October 31, 2013, the Company had approximately \$3.7 million in secured mortgage financings subject to interest rate swaps. Such interest rate swaps converted the LIBOR-based variable rates on the mortgage financings to a fixed annual rate of 3.95% per annum. As of October 31, 2013, the Company had a deferred asset of \$81,000 (included in prepaid expenses and other assets on the consolidated balance sheets) relating to the fair value of the Company's interest rate swaps applicable to secured mortgages. Charges and/or credits relating to the changes in fair values of such interest rate swaps are made to other comprehensive income as the swap is deemed effective and is classified as a cash flow hedge. There were no significant amounts recorded in the Company's financial statements for the above swaps in either fiscal 2012 or fiscal 2011.

Comprehensive Income

Comprehensive income is comprised of net income applicable to Common and Class A Common stockholders and other comprehensive income (loss). Other comprehensive income (loss) includes items that are otherwise recorded directly in stockholders' equity, such as unrealized gains or losses on marketable securities and unrealized gains and losses on interest rate swaps designated as cash flow hedges. At October 31, 2013, accumulated other comprehensive income (loss) consisted

of net unrealized losses on marketable securities of approximately \$19,000 and net unrealized gains on an interest rate swap agreement of approximately \$81,000. At October 31, 2012, accumulated other comprehensive income (loss) consisted of net unrealized gains on marketable securities of approximately \$38,000 and net unrealized losses on an interest rate swap agreement of approximately \$55,000. Unrealized gains and losses included in other comprehensive income (loss) will be reclassified into earnings as gains and losses are realized.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents, and tenant receivables. The Company places its cash and cash equivalents in excess of insured amounts with high quality financial institutions. The Company performs ongoing credit evaluations of its tenants and may require certain tenants to provide security deposits or letters of credit. Though these security deposits and letters of credit are insufficient to meet the terminal value of a tenant's lease obligation, they are a measure of good faith and a source of funds to offset the economic costs associated with lost rent and the costs associated with re-tenanting the space. There is no dependence upon any single tenant.

Earnings Per Share

The Company calculates basic and diluted earnings per share in accordance with the provisions of ASC Topic 260, "Earnings Per Share." Basic earnings per share ("EPS") excludes the impact of dilutive shares and is computed by dividing net income applicable to Common and Class A Common stockholders by the weighted average number of Common shares and Class A Common shares outstanding for the period. Diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue Common shares or Class A Common shares were exercised or converted into Common shares or Class A Common shares and then shared in the earnings of the Company. Since the cash dividends declared on the Company's Class A Common stock are higher than the dividends declared on the Common Stock, basic and diluted EPS have been calculated using the "two-class" method. The two-class method is an earnings allocation formula that determines earnings per share for each class of common stock according to the weighted average of the dividends declared, outstanding shares per class and participation rights in undistributed earnings.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following table sets forth the reconciliation between basic and diluted EPS (in thousands):

	Year Ended October 31,		
	2013	2012	2011
Numerator			
Net income applicable to common stockholders—basic	\$ 2,409	\$ 3,166	\$ 4,536
Effect of dilutive securities:			
Stock awards	<u>182</u>	<u>236</u>	<u>265</u>
Net income applicable to common stockholders—diluted	<u>\$ 2,591</u>	<u>\$ 3,402</u>	<u>\$ 4,801</u>
Denominator			
Denominator for basic EPS—weighted average common shares	7,543	7,370	7,306
Effect of dilutive securities:			
Restricted stock and other awards	<u>840</u>	<u>834</u>	<u>655</u>
Denominator for diluted EPS—weighted average common equivalent shares	<u>8,383</u>	<u>8,204</u>	<u>7,961</u>
Numerator			
Net income applicable to Class A common stockholders—basic	\$ 8,204	\$ 9,800	\$ 14,013
Effect of dilutive securities:			
Stock awards	<u>(182)</u>	<u>(236)</u>	<u>(265)</u>
Net income applicable to Class A common stockholders—diluted	<u>\$ 8,022</u>	<u>\$ 9,564</u>	<u>\$ 13,748</u>
Denominator			
Denominator for basic EPS—weighted average Class A common shares	23,122	20,740	20,496
Effect of dilutive securities:			
Restricted stock and other awards	<u>235</u>	<u>224</u>	<u>208</u>
Denominator for diluted EPS—weighted average Class A common equivalent shares	<u>23,357</u>	<u>20,964</u>	<u>20,704</u>

Stock-Based Compensation

The Company accounts for its stock-based compensation plans under the provisions of ASC Topic 718, “Stock Compensation,” which requires that compensation expense be recognized based on the fair value of the stock awards less estimated forfeitures. The fair value of stock awards is equal to the fair value of the Company’s stock on the grant date.

Segment Reporting

The Company operates in one industry segment, ownership of commercial real estate properties, which are located principally in the northeastern United States. The Company does not distinguish its property operations for purposes of measuring performance. Accordingly, the Company believes it has a single reportable segment for disclosure purposes.

Reclassification

Certain fiscal 2011 and 2012 amounts have been reclassified to conform to current period presentation.

New Accounting Standards

Adopted in Fiscal 2013

In June 2011, the FASB issued ASU 2011-05, “Comprehensive Income (ASC Topic 220): Presentation of Comprehensive Income.” ASU 2011-05 eliminates the option to present components of other comprehensive income as part of the statement of shareholders’ equity and requires the presentation of components of net income and components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. This pronouncement became effective for the Company in the first quarter of fiscal 2013 and as a result the Company has included a separate consolidated statement of comprehensive income immediately following the consolidated statement of income as required by the ASU.

In February 2013, the FASB issued ASU 2013-02, “Comprehensive Income (ASC Topic 220): Reporting of Amounts Reclassified out of Accumulated Other Comprehensive Income.” ASU 2013-02 requires the reporting of reclassifications out of accumulated other comprehensive income. The amendments in ASU 2013-02 seek to attain that objective by requiring an entity to report the effect of significant reclassifications out of accumulated other comprehensive income on the respective line items in net income if the amount being reclassified is required under US GAAP to be reclassified in its entirety to net income. The Company adopted this pronouncement in the second quarter of fiscal 2013. The effect of the adoption of this pronouncement did not have a significant impact on our consolidated financial statements.

(2) REAL ESTATE INVESTMENTS

The Company’s investments in real estate, net of depreciation, were composed of the following at October 31, 2013 and 2012 (in thousands):

	Core Properties	Non-Core Properties	Unconsolidated Joint Venture	2013 Totals	2012 Totals
Retail	\$562,835	\$ —	\$31,432	\$594,267	\$539,268
Office	13,521	—	—	13,521	7,649
Industrial	—	531	—	531	553
	<u>\$576,356</u>	<u>\$531</u>	<u>\$31,432</u>	<u>\$608,319</u>	<u>\$547,470</u>

The Company’s investments at October 31, 2013 consisted of equity interests in 66 properties, which are located in various regions throughout the United States. The Company’s primary investment focus is neighborhood and community shopping centers located in the northeastern

United States. These properties are considered core properties of the Company. The remaining properties are located outside of the northeastern United States and are considered non-core properties. Since a significant concentration of the Company's properties are in the northeast, market changes in this region could have an effect on the Company's leasing efforts and ultimately its overall results of operations. The following is a summary of the geographic locations of the Company's investments at October 31, 2013 and 2012 (in thousands):

	2013	2012
Northeast	\$607,788	\$546,019
Midwest	288	303
Southwest	243	1,148
	<u>\$608,319</u>	<u>\$547,470</u>

(3) CORE PROPERTIES

The components of the core properties consolidated in the financial statements are as follows (in thousands):

	2013	2012
Land	\$ 134,466	\$ 121,382
Buildings and improvements	597,098	538,398
	<u>731,564</u>	<u>659,780</u>
Accumulated depreciation	(155,208)	(140,469)
	<u>\$ 576,356</u>	<u>\$ 519,311</u>

Space at the Company's core properties is generally leased to various individual tenants under short and intermediate-term leases which are accounted for as operating leases.

Minimum rental payments on non-cancelable operating leases in the consolidated core properties totaling \$414,296,000 become due as follows: 2014—\$68,029,000; 2015—\$61,914,000; 2016—\$55,132,000; 2017—\$48,497,000; 2018—\$37,239,000 and thereafter—\$143,485,000.

Certain of the Company's leases provide for the payment of additional rent based on a percentage of the tenant's revenues. Such additional percentage rents are included in operating lease income and were less than 1% of consolidated revenues in each of the three years ended October 31, 2013.

Owned Properties and Properties Under Contract to Purchase

In October 2013, the Company entered into a contract to purchase, for \$9 million, a retail property located in the Company's core marketplace. In conjunction with entering into the contract, the Company made a \$450,000 deposit on the purchase that is included in prepaid expenses and other assets on the consolidated balance sheet at October 31, 2013. The Company will fund the remaining equity needed to complete the purchase of this property with available cash or borrowings under its unsecured revolving credit facility ("Facility") (see Note 7). The Company completed the purchase of this property in January 2014.

In the fourth quarter of fiscal 2013, the Company entered into an agreement to purchase a 50% undivided interest in two retail properties located in the Company's core marketplace. In conjunction with entering into the contract, the Company made a \$1.0 million deposit on the purchase that is included in prepaid expenses and other assets on the consolidated balance sheet at October 31, 2013. Subsequent to entering into the agreement, the Company and the prospective owner of the other 50% undivided interest in the property collectively entered into a commitment with a lender to place a first mortgage payable on the property in the amount of \$14 million. The closing of the mortgage is expected to occur simultaneously with the closing of the property sometime in fiscal 2014. The mortgage will be for a term of 10 years and will require payments of principal and interest based on a fixed interest rate. In conjunction with entering into the mortgage commitment, the Company placed a deposit with the lender in the amount of \$280,000 that is included in prepaid expenses and other assets on the consolidated balance sheet at October 31, 2013. The Company will fund the equity needed to complete the purchase with available cash or borrowings under its Facility. In addition, in September 2013, the Company made an unsecured loan to the other prospective owner in the amount of \$1.2 million. The entire unsecured loan along with interest at LIBOR plus 2.00% is due in March 2014.

In August 2013, the Company entered into a contract to purchase, for \$18.4 million a retail shopping center in the Company's core marketplace. The acquisition requires the assumption of an existing mortgage in the amount of \$7.8 million that requires payments of principal and interest at a fixed rate of 4.2% per annum. The mortgage matures in September 2022. In conjunction with entering into the contract, the Company placed a deposit of \$917,500 with the seller that is included in prepaid expenses and other assets on the consolidated balance sheet at October 31, 2013. The Company will fund the equity needed to complete the purchase with borrowings under its Facility. The Company completed the purchase of this property in December 2013.

In July 2013, the Company entered into a contract to purchase, for \$11.0 million, a retail shopping center in the Company's core marketplace. The acquisition is subject to the assumption of an existing first mortgage loan in the amount of \$7.7 million that requires payments of principal and interest at a fixed rate of 6.375% per annum. The mortgage matures in August 2016. In conjunction with entering into the contract, the Company placed a deposit of \$400,000 with the seller. The Company will fund its equity to complete the purchase with borrowings under its Facility. The Company has incurred acquisition costs totaling \$158,000, which have been expensed in the year ended October 31, 2013 consolidated statement of income. The Company completed the purchase of this property in December 2013.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

In May 2013, the Company, through a wholly owned subsidiary, purchased two retail properties located in Greenwich, CT, with a combined GLA totaling 24,000 square feet ("Greenwich Properties"), for \$18.0 million. In conjunction with the purchase, the Company assumed an existing first mortgage loan encumbering the properties at its estimated fair value of \$8.3 million. The assumption of the mortgage loan represents a non-cash financing activity and is therefore not included in the accompanying consolidated statement of cash flows for the year ended October 31, 2013. The mortgage loan requires monthly payments of principal and interest at a fixed rate of 4.0% per annum. The mortgage matures in August 2016. The Company funded its remaining equity needed to complete the purchase with proceeds from its Class A Common Stock and Series F Preferred Stock offerings completed in October 2012. In conjunction with the purchase, the Company incurred acquisition costs totaling \$78,000, which have been expensed in the year ended October 31, 2013 consolidated statement of income.

In May 2013, the Company, through a wholly owned subsidiary, purchased a 110,000 square foot retail shopping center located in New Providence, New Jersey ("New Providence") for \$34.9 million. In connection with the purchase, the Company assumed a first mortgage loan encumbering the property at its estimated fair value of \$21.3 million. The assumption of the mortgage loan represents a non-cash financing activity and is therefore not included in the accompanying consolidated statement of cash flows for the year ended October 31, 2013. The mortgage loan requires monthly payments of principal and interest at the fixed rate of 4.0% per annum. The mortgage matures in January 2022. The Company funded its remaining equity needed to complete the purchase with proceeds from its Class A Common Stock and Series F Preferred Stock offerings completed in October 2012. In conjunction with the purchase, the Company incurred acquisition costs totaling \$227,000, which have been expensed in the year ended October 31, 2013 consolidated statement of income.

In January and March 2013, the Company purchased six free standing net leased properties ("Net Leased Properties") located in the Company's core marketplace with a combined GLA of 20,200 square feet. The gross purchase price of the six properties was \$7.8 million. The Company funded its equity with proceeds from its Class A Common Stock and Series F Preferred Stock offerings completed in October 2012. In conjunction with the purchase, the Company incurred acquisition costs totaling \$73,000, which have been expensed in the year ended October 31, 2013 consolidated statement of income.

In December 2012, subsidiaries of the Company purchased two suburban office buildings ("NJ Office Buildings") located in the Company's core marketplace with a combined GLA of 23,500 square feet. The gross purchase price of the two properties was \$6.5 million. The Company funded its equity to complete the purchase with proceeds from its Class A Common Stock and Series F Preferred Stock offerings completed in October 2012. In conjunction with the purchase, the Company incurred acquisition costs totaling \$103,000, which have been expensed in the year ended October 31, 2013 consolidated statement of income.

On July 24, 2009 the state of Connecticut acquired certain areas of a property owned by two of the Company's wholly owned subsidiaries through a combination of condemnation and easement due to the re-construction of a bridge over the property and awarded the Company's subsidiaries a total of approximately \$2.0 million. In December 2012, the Company received an additional \$2.7 million award from the state of Connecticut for the condemnation and easement. Approximately \$4.27 million of the total award represents amounts paid to the Company for easements provided to the state of Connecticut for certain areas of the property through the end of the construction period, loss of rental income and property restoration costs. The Company will continue to amortize the original \$1.8 million easement and loss of rental income proceeds as an addition to income on a straight line basis evenly over the 10 year life of the easement and lost rent period and the newly awarded \$2.46 million easement and loss of rental income over the remaining 6.75 year life of the easement and loss of rent income.

The Company has accounted for the condemnation portion of the award in accordance with ASC Topic 605 – Revenue Recognition, Subtopic 40 – Gains and Losses which requires the Company to record a gain or loss on the excess or deficit of the proceeds received over the estimated net book value of the condemned non-monetary asset. As a result of the transaction the Company has recorded an additional gain on condemnation of approximately \$213,000 which is recorded in other income on the consolidated statement of income for the fiscal year ended October 31, 2013.

In December 2011, a subsidiary of the Company acquired the Eastchester Plaza Shopping Center ("Eastchester") in the Town of Eastchester, Westchester County, New York for a purchase price of \$9 million. In connection with the purchase, the Company assumed a first mortgage encumbering the property at its estimated fair value of \$3.6 million. The assumption of the mortgage loan represents a non-cash financing activity and is therefore not included in the accompanying consolidated statement of cash flows for the year ended October 31, 2012. The mortgage matured in April 2012 and was repaid. The remaining equity needed to complete the acquisition

was funded with available cash and borrowings on the Company's unsecured revolving credit facility. In conjunction with the purchase, the Company incurred acquisition costs totaling \$33,000, which have been expensed in the year ended October 31, 2012 consolidated statement of income.

In October 2011, the Company, through a wholly owned subsidiary, completed the purchase of the 63,000 square foot Fairfield Centre Shopping Center, in Fairfield, Connecticut ("Fairfield Centre"), for a purchase price of \$17.0 million. The Company financed its net investment in the property with available cash and a borrowing on its unsecured revolving credit facility. In conjunction with the purchase, the Company incurred acquisition costs totaling \$19,000 which have been expensed in the year ended October 31, 2011 consolidated statement of income.

In April 2011, the Company, through a wholly owned subsidiary, completed the purchase of the 72,000 square foot Fairfield Plaza Shopping Center, in New Milford, Connecticut ("Fairfield Plaza"), for a purchase price of \$10.8 million, subject to an existing first mortgage secured by the property at its estimated fair value of approximately \$5.0 million. The assumption of the mortgage loan represents a non-cash financing activity and is therefore not included in the accompanying consolidated statement of cash flows for the year ended October 31, 2011. The Company financed its net investment in the property with available cash and a borrowing on its unsecured revolving credit facility. In conjunction with the purchase, the Company incurred acquisition costs totaling \$53,000 which have been expensed in the year ended October 31, 2011 consolidated statement of income.

In fiscal 2013, the Company completed evaluating the fair value of the in-place leases for UB Orangeburg, LLC ("Orangeburg") (see Note 9), acquired in fiscal 2012 and has concluded that no value needs to be assigned to those leases. In addition, the Company completed evaluating the fair value of the in-place leases for the properties it acquired in fiscal 2013 and as a result of its evaluation the Company has allocated \$234,000 to an asset associated with the net fair value assigned to the acquired leases for the Greenwich Properties, a \$291,000 asset associated with the net fair value assigned to the acquired leases for the NJ Office Buildings and a \$402,000 liability associated with the net fair value assigned to the acquired leases for the Net Leased Properties. All of these amounts represent non-cash investing activities and are therefore not included in the accompanying consolidated statement of cash flows for the fiscal year ended October 31, 2013.

During fiscal 2012, the Company completed its evaluation of the acquired leases for Eastchester Plaza, which was acquired at the beginning of fiscal 2012, and its Fairfield Centre Property and Fairfield Plaza properties, which were acquired in fiscal 2011. As a result of its evaluation, the Company has allocated \$392,000 to a liability associated with the net fair value assigned to the acquired leases at

Eastchester and \$765,000 to a liability associated with the net fair value assigned to the acquired leases at Fairfield Centre. The Company determined that no purchase price adjustment was necessary in order to ascribe value to the in-place leases at Fairfield Plaza. These amounts represents a non-cash investing activity and are therefore not included in the accompanying consolidated statement of cash flows for the year ended October 31, 2012.

During fiscal 2011, the Company completed its evaluation of the acquired leases for its New Milford Plaza Property and its Katonah Property, which properties were acquired in fiscal 2010. As a result of its evaluation, the Company has allocated \$396,000 to a liability associated with the net fair value assigned to the acquired leases at the properties, which amounts represent a non-cash investing activity and are therefore not included in the accompanying consolidated statement of cash flows for the fiscal year ended October 31, 2011.

For the years ended October 31, 2013, 2012 and 2011, the net amortization of above-market and below-market leases amounted to \$419,000, \$515,000 and \$262,000, respectively, which amounts are included in base rents in the accompanying consolidated statements of income.

In fiscal 2013, the Company incurred costs of approximately \$9.5 million related to capital improvements to its properties and leasing costs.

(4) NON-CORE PROPERTIES

At October 31, 2013, the non-core properties consist of two industrial properties ("the St. Louis" property and "the Dallas" property) located outside of the Northeast region of the United States. The Board of Directors has authorized management, subject to its approval of any contract for sale, to sell the non-core properties of the Company over a period of several years in furtherance of the Company's objectives to focus on northeast properties.

The components of non-core properties were as follows (in thousands):

	<u>2013</u>	<u>2012</u>
Land	<u>\$450</u>	<u>\$450</u>
Buildings and improvements	<u>145</u>	<u>145</u>
	<u>595</u>	<u>595</u>
Accumulated depreciation	<u>(64)</u>	<u>(42)</u>
	<u>\$531</u>	<u>\$553</u>

(5) DISCONTINUED OPERATIONS

In December of 2013, the Company sold the St. Louis and Dallas properties. In accordance with ASC Topics 360 and 205 the operating results of the two properties will be shown as discontinued operations on the consolidated statement of income for the year ended October 31, 2013, 2012 and 2011. The net book value of the two properties is not significant and as such, will not be shown as assets held for sale on the October 31, 2013 and 2012 consolidated balance sheets.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The combined operating results for the St. Louis and Dallas properties have been reclassified as discontinued operations in the accompanying consolidated statements of income for all periods presented. The following table summarizes revenues and expenses for the Company's discontinued operations (amounts in thousands):

	October, 31,		
	2013	2012	2011
Revenues	<u>\$1,356</u>	<u>\$1,565</u>	<u>\$1,546</u>
Property operating expense	—	(3)	—
Depreciation and amortization	<u>(48)</u>	<u>(84)</u>	<u>(80)</u>
Income from discontinued operations	<u>\$1,308</u>	<u>\$1,478</u>	<u>\$1,466</u>

(6) MORTGAGE NOTE RECEIVABLE

In fiscal 2013, the Company's mortgage note receivable, consisting of one fixed rate mortgage with a contractual interest rate of 9% was repaid by the borrower.

(7) MORTGAGE NOTES PAYABLE, BANK LINES OF CREDIT AND OTHER LOANS

At October 31, 2013, mortgage notes payable and other loans are due in installments over various periods to fiscal 2027 at effective rates of interest ranging from 2.8% to 11.3% and are collateralized by real estate investments having a net carrying value of approximately \$260 million.

Combined aggregate principal maturities of mortgage notes payable during the next five years and thereafter are as follows (in thousands):

	Principal Repayments	Scheduled Amortization	Total
2014	\$ —	\$ 3,815	\$ 3,815
2015	4,480	3,989	8,469
2016	7,276	3,985	11,261
2017	49,524	3,802	53,326
2018	—	2,713	2,713
Thereafter	<u>64,375</u>	<u>22,287</u>	<u>86,662</u>
	<u>\$125,655</u>	<u>\$40,591</u>	<u>\$166,246</u>

The Company has an \$80 million Unsecured Revolving Credit Facility with a syndicate of four banks led by The Bank of New York Mellon, as administrative agent. The syndicate also includes Wells Fargo Bank N.A. (syndication agent), Bank of Montreal and Regions Bank (co-documentation agents). The Facility gives the Company the option, under certain conditions, to increase the Facility's borrowing capacity up to \$125 million. The maturity date of the Facility is September 21, 2016 with a one-year extension at the Company's option. Borrowings under the Facility can be used for, among other things,

acquisitions, working capital, capital expenditures, and repayment of other indebtedness and the issuance of letters of credit (up to \$10 million). Borrowings will bear interest at the Company's option of Eurodollar rate plus 1.5% to 2.0% or The Bank of New York Mellon's prime lending rate plus 0.50% based on consolidated indebtedness, as defined. The Company will pay an annual fee on the unused commitment amount of up to 0.25% to 0.35% based on outstanding borrowings during the year. The Facility contains certain representations and financial and other covenants typical for this type of facility. The Company's ability to borrow under the Facility is subject to its compliance with the covenants and other restrictions on an ongoing basis. The principal financial covenants limit the Company's level of secured and unsecured indebtedness and additionally require the Company to maintain certain debt coverage ratios. The Company was in compliance with such covenants at October 31, 2013.

At October 31, 2013, the Company had borrowed a total of \$9.25 million on its Facility to fund a portion of its equity for a property acquisitions and capital improvements to its properties. In a prior year, the Company had borrowed \$11.6 million on its Facility to loan to one of its unconsolidated joint ventures. In fiscal 2013 the loan was repaid and the Company in-turn repaid the \$11.6 million borrowed under the Facility.

During fiscal 2013, the Company, through a wholly owned subsidiary, assumed an existing first mortgage loan encumbering the Greenwich Properties at its estimated fair value of \$8.3 million. The mortgage loan requires monthly payments of principal and interest at a fixed rate of 4.0% per annum. The mortgage matures in August 2016.

During fiscal 2013, the Company, through a wholly owned subsidiary, assumed a first mortgage loan encumbering the New Providence Property at its estimated fair value of \$21.3 million. The mortgage loan requires monthly payments of principal and interest at the fixed rate of 4.0% per annum. The mortgage matures in January 2022.

In June of fiscal 2013, the Company repaid, at maturity, its first mortgage payable secured by its Veteran's Plaza property in the amount of \$3.2 million.

During fiscal 2012, the Company borrowed a total of \$8 million on its Facility to fund its equity for a property acquisition and to make an additional investment in one of its unconsolidated joint ventures; this amount was repaid in October 2012.

In December 2011 (fiscal 2012), the Company, through a wholly owned subsidiary, assumed a first mortgage payable secured by Eastchester Plaza with an estimated fair value of approximately of \$3.6 million. The mortgage matured in April 2012 and was repaid.

In March 2012, the Company assumed a first mortgage payable in the amount of \$7.4 million in conjunction with its investment in Orangeburg (see Note 9 below). The loan requires payments of principal and interest at a fair market value interest rate of 2.04% (6.19% contractual rate).

Subsequent to the assumption, Orangeburg extended the loan with the current lender for an additional five years, leaving all terms unchanged, except the interest rate that was adjusted to a fixed rate of 2.78%. The loan now matures in October 2017. The operating agreement for Orangeburg requires that the loan be refinanced and not repaid at maturity.

In February 2012, the Company borrowed \$28 million by placing a non-recourse first mortgage on one of its unencumbered properties. The loan is for a term of ten years and will require payments of principal and interest based on a thirty-year amortization schedule at the fixed interest rate of 4.85%. The proceeds of the loan were used to repay approximately \$28 million in borrowing on the Company's revolving credit facility.

In October 2012, the Company repaid, at maturity, its first mortgage payable secured by its New Milford property in the amount of \$8.3 million.

In August 2012, a wholly owned subsidiary of the Company completed the installation of a solar power system (the "Ferry System") at the Company's Ferry Plaza Shopping Center in Newark, New Jersey at a total cost of approximately \$1.7 million. The subsidiary financed a portion of the project with a loan in the amount of \$1.1 million from The Public Service Electric and Gas Company of New Jersey ("PSE&G"), through PSE&G's "Solar Loan Program II". The loan requires monthly payments of principal and interest at 11.3% per annum through its maturity date of August 31, 2027. The subsidiary has the option of repaying all or part of the PSE&G loan, including interest, with Solar Renewable Energy Credits ("SREC's") that are expected to be generated by the Ferry System. The remaining cost of the Ferry System was funded by a renewable energy grant from the federal government.

In fiscal 2011, the Company, through a wholly owned subsidiary, assumed a first mortgage payable with an estimated fair value of approximately \$5.0 million in conjunction with its purchase of Fairfield Plaza. The mortgage requires payments of principal and interest at a fixed rate of interest of 5.0% with a maturity of August 2015.

In October 2011, the Company repaid, at maturity, its first mortgage payable secured by its Carmel property in the amount of \$4.0 million.

In May 2011, a wholly owned subsidiary of the Company completed the installation of a solar power system (the "Emerson System") at the Company's Emerson Shopping Center in Emerson, New Jersey at a total cost of approximately \$1.2 million. The subsidiary financed a portion of the project with a loan in the amount of \$819,000 from PSE&G, through PSE&G's "Solar Loan Program II." The loan requires monthly payments of principal and interest at 11.3% per annum through its maturity date of

May 31, 2026. The subsidiary has the option of repaying all or part of the PSE&G loan, including interest, with SREC's that are expected to be generated by the Emerson System. The remaining cost of the Emerson System was funded by a renewable energy grant from the federal government.

In January 2011, a wholly owned subsidiary of the Company completed the installation of a solar power system (the "Valley Ridge System") at the Company's Valley Ridge Shopping Center in Wayne, New Jersey at a total cost of approximately \$1.1 million. In conjunction with the solar installation the subsidiary of the Company financed a portion of the project with a loan in the amount of \$726,000 from the PSE&G, through PSE&G's "Solar Loan Program I." The loan requires monthly payments of principal and interest at 11.11% per annum through its maturity date of January 31, 2026. The subsidiary of the Company has the option of repaying all or part of the PSE&G loan, including interest, with SREC's that are expected to be generated by the Valley Ridge System. The remaining cost of the Valley Ridge System was funded by a renewable energy grant from the federal government.

Interest paid in the years ended October 31, 2013, 2012 and 2011 was approximately \$8.5 million, \$8.6 million and \$7.6 million, respectively.

(8) REDEEMABLE PREFERRED STOCK

On March 21, 2013, the stockholders of the Company approved an amendment to the Company's Charter increasing the number of authorized shares of preferred stock to 50,000,000 from 20,000,000. At October 31, 2013, the Company had issued and outstanding 2,450,000 shares of Series D Senior Cumulative Preferred Stock (Series D Preferred Stock) (see Note 11), and 5,175,000 shares of Series F Cumulative Preferred Stock (see Note 11).

The following table sets forth the details of the Company's redeemable preferred stock as of October 31, 2013 and 2012 (amounts in thousands, except share data):

	October 31,	
	2013	2012
8.50% Series C Senior Cumulative Preferred Stock; liquidation preference of \$100 per share; issued and outstanding—and 224,027 shares	\$—	\$21,510

On October 22, 2012, the Company repurchased 175,973 shares of its Series C Preferred Stock for \$103.50 per share (\$18.2 million). As a result of the repurchase, the \$616,000 excess of the repurchase price of the preferred shares paid over the carrying amount of the shares is included as a reduction of income available to Common and Class A Common shareholders in the accompanying consolidated statement of income for the year ended October 31, 2012.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

On May 29, 2013, the Company redeemed the remaining 224,027 outstanding shares of its Series C Preferred Stock for \$22,403,000 (liquidation preference) plus all accrued and unpaid dividends. The difference between the redemption amount and the net book value of the Series C Preferred Stock was accreted from the date the redemption became probable through the redemption date on May 29, 2013. As a result the Company included \$892,000, and \$701,000 as a reduction of income available to Common and Class A Common shareholders in the accompanying consolidated statement of income for the fiscal years ended October 31, 2013 and 2012, respectively.

On November 21, 2012, the Company redeemed all of the 2,400,000 shares of its Series E Senior Cumulative Preferred Stock at a make-whole price of \$25.77 per share (liquidation value \$25.00 per share). As a result, the Company has included the \$1,848,000 difference between the make-whole price of \$25.77 per share and the liquidation value of \$25 per share as a reduction of income available to Common and Class A Common shareholders in the accompanying consolidated statement of income for the fiscal year ended October 31, 2013. The remaining difference between the liquidation value and the net book value of the Series E Preferred Stock in the amount of \$1,492,000 is recorded as a reduction of income available to Common and Class A Common shareholders in the accompanying consolidated statement of income for the fiscal year ended October 31, 2013.

(9) CONSOLIDATED JOINT VENTURES AND REDEEMABLE NONCONTROLLING INTERESTS

The Company has an investment in two joint ventures, UB Ironbound, LP ("Ironbound") and Orangeburg, each of which owns a commercial retail real estate property. The Company has evaluated its investment in these two joint ventures and has concluded that both ventures are not Variable Interest Entities ("VIE or VIE's"), however both joint venture investments meet certain criteria of a sole general partner (or limited liability member) in accordance with ASC Topic 970-810, "Real Estate-Consolidation." The Company has determined that such joint ventures are fully controlled by the Company and that the presumption of control is not offset by any rights of any of the limited partners or non-controlling members in either venture and that both joint ventures should be consolidated into the consolidated financial statements of the Company. The Company's investment in both consolidated joint ventures is more fully described below:

Ironbound (Ferry Plaza)

The Company, through a wholly owned subsidiary, is the general partner and owns 84% of one consolidated limited partnership, Ironbound, which owns a grocery anchored shopping center.

The Ironbound limited partnership has a defined termination date of December 31, 2097. The partners in Ironbound are entitled to receive an annual cash preference payable from available cash of the partnership. Any unpaid preferences accumulate and are paid from future cash, if any. The balance of available cash, if any, is distributed in accordance with the respective partner's interests. The limited partners in Ironbound currently have the right to require the Company to repurchase all or a portion of their remaining limited partner interests at prices as defined in the Ironbound partnership agreement. Upon liquidation of Ironbound, proceeds from the sale of partnership assets are to be distributed in accordance with the respective partnership interests. The limited partners are not obligated to make any additional capital contributions to the partnership. The Company retains an affiliate of one of the limited partners in Ironbound to provide management and leasing services to the property at an annual fee equal to 2.00% percent of rental income collected, as defined.

Orangeburg

The Company, through a wholly owned subsidiary, is the managing member and owns an approximate 10.9% interest in Orangeburg, which owns a grocery anchored shopping center in Orangeburg, NY. The other member (non-managing) of Orangeburg is the prior owner of the contributed property who, in exchange for contributing the net assets of the property, received units of Orangeburg equal to the value of the contributed property less the value of the assigned first mortgage payable. The Orangeburg operating agreement provides for the non-managing member to receive an annual cash distribution equal to the regular quarterly cash distribution declared by the Company for one share of the Company's Class A Common stock for each unit of Orangeburg ownership. The annual cash distribution will be paid from available cash, as defined, of Orangeburg. If there is an available cash shortfall, the managing member must contribute or loan additional capital to fund the non-managing member's required cash distribution. The balance of available cash, if any, is fully distributable to the Company. Upon liquidation, proceeds from the sale of Orangeburg assets are to be distributed in accordance with the operating agreement. The non-managing member is not obligated to make any additional capital contributions to the partnership. Orangeburg has a defined termination date of December 31, 2097. Since purchasing this property, the Company has made additional investments in the amount of \$881,000 in Orangeburg and as a result as of October 31, 2013 its ownership percentage has increased from to 10.9% from approximately 2% at inception.

Noncontrolling interests:

The Company accounts for noncontrolling interests in accordance with ASC Topic 810, "Consolidation." Because the limited partners or noncontrolling members in both Ironbound and Orangeburg have the right to require the Company to redeem all or a part of their limited partnership or limited liability company units at prices as defined in the governing agreements, the Company reports the noncontrolling interests in both consolidated joint ventures in the mezzanine section, outside of permanent equity, of the consolidated balance sheets at redemption value which approximates fair value. The value of the Orangeburg redemption is based solely on the price of the Company's Class A Common stock on the date of redemption. For the years ended October 31, 2013 and 2012, the Company adjusted the carrying value of the noncontrolling interests by \$422,000 and \$(127,000), respectively, with the corresponding adjustment recorded in stockholders' equity.

The following table sets forth the details of the Company's redeemable non-controlling interests at October 31, 2013 and 2012 (amounts in thousands):

	October 31,	
	2013	2012
Beginning balance	\$11,421	\$ 2,824
Initial Orangeburg noncontrolling interest	—	8,724
Change in redemption value	422	(127)
Ending balance	<u>\$11,843</u>	<u>\$11,421</u>

(10) INVESTMENTS IN AND ADVANCES TO UNCONSOLIDATED JOINT VENTURES

At October 31, 2013 and 2012, investments in and advances to unconsolidated joint ventures consisted of the following (with the Company's ownership percentage in parentheses) (amounts in thousands):

	October 31,	
	2013	2012
Chestnut Ridge and Plaza 59 Shopping Centers (50.0% in 2013 and 0% in 2012)	\$18,277	\$ —
Midway Shopping Center, L.P. (11.642%)	5,668	19,165
Putnam Plaza Shopping Center (66.67%)	6,764	6,820
81 Pondfield Road Company (20%)	723	723
Total	<u>\$31,432</u>	<u>\$26,708</u>

Chestnut Ridge and Plaza 59 Shopping Centers

In December 2012, the Company, through two wholly owned subsidiaries, purchased a 50% undivided equity interest in the 76,000 square foot Chestnut Ridge Shopping Center located in Montvale, New Jersey ("Chestnut") and the 24,000 square foot Plaza 59 Shopping Center located in Spring Valley, New York ("Plaza 59") for a combined investment of approximately \$18 million. The Company accounts for its investment in Chestnut and Plaza 59 under the equity method of accounting since it exercises significant influence, but does not control the ventures. The other venturer in both properties has substantial participation rights in the financial decisions and operation of each property, which preclude the Company from consolidating the investment. The Company has evaluated its investment in the two properties and has concluded that the ventures are not VIEs. Under the equity method of accounting the initial investment is recorded at cost as an investment in unconsolidated joint venture, and subsequently adjusted for equity in net income (loss) and cash contributions and distributions from the venture. Any difference between the carrying amount of the investment on the Company's balance sheet and the underlying equity in net assets of each venture is evaluated for impairment at each reporting period.

Midway Shopping Center, L.P.

The Company, through a wholly owned subsidiary, owns an 11.642% equity interest in Midway Shopping Center L.P. ("Midway"), which owns a 247,000 square foot shopping center in Westchester County, New York. In addition, the Company loaned Midway, in the form of an unsecured note, approximately \$13.2 million. The loan to Midway by the Company required monthly payments to the Company of interest only at 5.75% per annum. The loan matured on January 1, 2013 and was repaid. The Company has evaluated its investment in Midway and has concluded that the venture is not a VIE and should not be consolidated into the financial statements of the Company. Although the Company only has an approximate 12% equity interest in Midway, it controls 25% of the voting power of Midway and as such has determined that it exercises significant influence over the financial and operating decisions of Midway and accounts for its investment in Midway under the equity method of accounting. Under the equity method of accounting the initial investment is recorded at cost as an investment in unconsolidated joint venture, and subsequently adjusted for equity in net income (loss) and cash contributions and distributions from the venture. Any difference between the carrying amount of the investment on the Company's balance sheet and the underlying equity in net assets of the venture is evaluated for impairment at each reporting period.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Company has allocated the \$7.4 million excess of the carrying amount of its investment in and advances to Midway over the Company's share of Midway's net book value to real property and is amortizing the difference over the property's estimated useful life of 39 years.

Midway currently has a non-recourse first mortgage payable in the amount of \$32 million. The loan requires payments of principal and interest at the rate of 4.80% per annum and will mature in 2027.

Putnam Plaza Shopping Center

The Company, through a wholly owned subsidiary, owns a 66.67% undivided equity interest in the 189,000 square foot Putnam Plaza Shopping Center ("Putnam Plaza"). The Company accounts for its investment in the Putnam Plaza joint venture under the equity method of accounting since it exercises significant influence, but does not control the venture. The other venturer in Putnam Plaza has substantial participation rights in the financial decisions and operation of the property, which preclude the Company from consolidating the investment. The Company has evaluated its investment in Putnam Plaza and has concluded that the venture is not a VIE. Under the equity method of accounting the initial investment is recorded at cost as an investment in unconsolidated joint venture, and subsequently adjusted for equity in net income (loss) and cash contributions and distributions from the venture. Any difference between the carrying amount of the investment on the Company's balance sheet and the underlying equity in net assets of the venture is evaluated for impairment at each reporting period.

Putnam Plaza has a first mortgage payable in the amount of \$21 million. The mortgage requires monthly payments of principal and interest at a fixed rate of 4.17% and will mature in 2019.

81 Pondfield Road Company

The Company's other investment in an unconsolidated joint venture is a 20% economic interest in a partnership which owns a retail and office building in Westchester County, New York.

(11) STOCKHOLDERS' EQUITY

On March 21, 2013, the stockholders of the Company approved an amendment to the Company's Charter increasing the number of authorized shares of stock from 100,000,000 to 200,000,000. As amended, the total number of shares of authorized stock consists of 100,000,000 shares of Class A Common Stock, 30,000,000 shares of Common Stock, 50,000,000 shares of Preferred Stock, and 20,000,000 shares of Excess Stock.

The Series D Preferred Stock has no maturity and is not convertible into any other security of the Company. The Series D Preferred Stock is currently redeemable at the Company's option at a price of \$25 per share plus accrued and unpaid dividends. Underwriting commissions and costs incurred in connection with the sale of the Series D Preferred Stock are reflected as a reduction of additional paid in capital.

During fiscal 2012, the Company completed the public offering of 5,175,000 Series F Cumulative Preferred Stock (the "Series F Preferred Stock") at a price of \$25.00 per share for net proceeds of \$125.3 million after underwriting discounts but before offering expenses. These shares are nonvoting, have no stated maturity and are redeemable for cash at \$25.00 per share at the Company's option on or after October 24, 2017. Holders of these shares are entitled to cumulative dividends, payable quarterly in arrears. Dividends accrue from the date of issue at the annual rate of \$1.78125 per share per annum. The holders of our Series F Preferred Stock have general preference rights with respect to liquidation and quarterly distributions. Except under certain conditions holders of the Series F Preferred Stock will not be entitled to vote on most matters. In the event of a cumulative arrearage equal to six quarterly dividends, holders of Series F Preferred Stock, together with all of the Company's other Series of preferred stock (voting as a single class without regard to series) will have the right to elect two additional members to serve on the Company's Board of Directors until the arrearage has been cured. Upon the occurrence of a Change of Control, as defined in the Company's Articles of Incorporation, the holder of the Series F Preferred Stock will have the right to convert all or part of the shares of Series F Preferred Stock held by such holder on the applicable conversion date into a number of the Company's shares of Class A common stock. Underwriting commissions and costs incurred in connection with the sale of the Series F Preferred Stock are reflected as a reduction of additional paid in capital.

During fiscal 2012, the Company sold 2,500,000 shares of Class A Common Stock in an underwritten follow-on common stock offering for \$19.16 per share and raised net proceeds of \$47.5 million. The Company used the proceeds of the offering to repay an \$8 million existing draw on its Facility and to repay an existing \$8.3 million mortgage on one its properties when it matured. The balance of the proceeds was used for the Company's equity needed for property acquisitions in fiscal 2013.

The Class A Common Stock entitles the holder to 1/20 of one vote per share. The Common Stock entitles the holder to one vote per share. Each share of Common Stock and Class A Common Stock have identical rights with respect to dividends except that each share of Class A Common Stock will receive not less than 110% of the regular quarterly dividends paid on each share of Common Stock.

The Company has a Dividend Reinvestment and Share Purchase Plan (as amended, the “DRIP”), that permits stockholders to acquire additional shares of Common Stock and Class A Common Stock by automatically reinvesting dividends. During fiscal 2013, the Company issued 5,797 shares of Common Stock and 6,724 shares of Class A Common Stock (6,627 shares of Common Stock and 7,950 shares of Class A Common Stock in fiscal 2012) through the DRIP. As of October 31, 2013, there remained 364,300 shares of Common Stock and 423,084 shares of Class A Common Stock available for issuance under the DRIP.

The Company has a stockholder rights agreement that expires on November 11, 2018. The rights are not currently exercisable. When they are exercisable, the holder will be entitled to purchase from the Company one one hundredth of a share of a newly established Series A Participating Preferred Stock at a price of \$65 per one one hundredth of a preferred share, subject to certain adjustments. The distribution date for the rights will occur 10 days after a person or group either acquires or obtains the right to acquire 10% (“Acquiring Person”) or more of the combined voting power of the Company’s Common Shares, or announces an offer, the consummation of which would result in such person or group owning 30% or more of the then outstanding Common Shares. Thereafter, shareholders other than the Acquiring Person will be entitled to purchase original common shares of the Company having a value equal to two times the exercise price of the right.

If the Company is involved in a merger or other business combination at any time after the rights become exercisable, and the Company is not the surviving corporation or 50% or more of the Company assets are sold or transferred, the rights agreement provides that the holder other than the Acquiring Person will be entitled to purchase a number of shares of common stock of the acquiring company having a value equal to two times the exercise price of each right.

The Company’s articles of incorporation provide that if any person acquires more than 7.5% of the aggregate value of all outstanding stock, except, among other reasons, as approved by the Board of Directors, such shares in excess of this limit automatically will be exchanged for an equal number of shares of Excess Stock. Excess Stock has limited rights, may not be voted and is not entitled to any dividends.

In a prior year, the Board of Directors of the Company approved a share repurchase program (“Program”) for the repurchase of up to 1,500,000 shares of Common Stock and Class A Common Stock in the aggregate. In addition the Board of Directors amended the Program to allow the Company to repurchase shares of the Company’s Series C and Series D Senior Cumulative Preferred Stock (Preferred

Stock) in open market transactions. During the fiscal year ended October 31, 2013, the Company repurchased 1,000 shares of Common Stock under the plan. The Company did not purchase any shares under the plan in the fiscal year ended October 31, 2012. As of October 31, 2013, the Company had repurchased 4,600 shares of Common Stock and 724,578 shares of Class A Common Stock under the program. The Company had not yet repurchased any Preferred Stock under the Program. On December 12, 2013, the Board of Directors approved a new share repurchase program to repurchase up to 2,000,000 shares, in the aggregate, of the Company’s Common Stock, Class A Common Stock, Series D Cumulative Preferred Stock and Series F Cumulative Preferred Stock. The new authorization supersedes and replaces the prior Program.

(12) STOCK COMPENSATION AND OTHER BENEFIT PLANS

Restricted Stock Plan

The Company accounts for its Restricted Stock Plan in accordance with ASC Topic 718, “Stock Compensation.” On March 21, 2013, the stockholders of the Company approved an amendment to the Company’s restricted stock plan (the “Plan”) to provide for an additional 600,000 Common Shares or Class A Common shares to be available for issuance under the Plan. As amended, the Plan authorizes grants of up to an aggregate of 3,750,000 shares of the Company’s common equity consisting of 350,000 Common shares, 350,000 Class A Common shares and 3,050,000 shares, which at the discretion of the Company’s compensation committee, may be awarded in any combination of Class A Common shares or Common shares.

In January 2013, the Company awarded 175,950 shares of Common Stock and 64,100 shares of Class A Common Stock to participants in the Plan. The grant date fair value of restricted stock grants awarded to participants in 2013 was approximately \$4.5 million. As of October 31, 2013, there was \$13.0 million of unamortized restricted stock compensation related to non-vested restricted stock grants awarded under the Plan. The remaining unamortized expense is expected to be recognized over a weighted average period of 4.71 years. For the years ended October 31, 2013, 2012 and 2011, amounts charged to compensation expense totaled \$4,073,000, \$3,824,000 and \$3,822,000, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

A summary of the status of the Company's non-vested restricted stock awards as of October 31, 2013, and changes during the year ended October 31, 2013 is presented below:

	Common Shares		Class A Common Shares	
	Shares	Weighted-Average Grant Date Fair Value	Shares	Weighted-Average Grant Date Fair Value
Non-vested at October 31, 2012	1,473,400	\$15.33	399,900	\$16.62
Granted	175,950	\$18.30	64,100	\$19.74
Vested	(169,650)	\$14.87	(58,850)	\$18.08
Forfeited	—	—	(1,000)	\$19.05
Non-vested at October 31, 2013	<u>1,479,700</u>	<u>\$15.88</u>	<u>404,150</u>	<u>\$17.39</u>

Profit Sharing and Savings Plan

The Company has a profit sharing and savings plan (the "401K Plan"), which permits eligible employees to defer a portion of their compensation in accordance with the Internal Revenue Code. Under the 401K Plan, the Company made contributions on behalf of eligible employees. The Company made contributions to the 401K Plan of approximately \$145,000 in each of the three years ended October 31, 2013, 2012 and 2011. The Company also has an Excess Benefit and Deferred Compensation Plan that allows eligible employees to defer benefits in excess of amounts provided under the Company's 401K Plan and a portion of the employee's current compensation.

(13) FAIR VALUE MEASUREMENTS

ASC Topic 820, "Fair Value Measurements and Disclosures," defines fair value as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants.

ASC Topic 820's valuation techniques are based on observable or unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1—Quoted prices for identical instruments in active markets
- Level 2—Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which significant value drivers are observable
- Level 3—Valuations derived from valuation techniques in which significant value drivers are unobservable

Marketable debt and equity securities are valued based on quoted market prices on national exchanges.

The Company calculates the fair value of the redeemable noncontrolling interests based on either quoted market prices on national exchanges or unobservable inputs considering the assumptions that market participants would make in pricing the obligations. The inputs used include an estimate of the fair value of the cash flow generated by the limited partnership in which the investor owns the partnership units.

The fair values of interest rate swaps are determined using widely accepted valuation techniques, including discounted cash flow analysis, on the expected cash flows of each derivative. The analysis reflects the contractual terms of the swaps, including the period to maturity, and uses observable market-based inputs, including interest rate curves ("significant other observable inputs.") The fair value calculation also includes an amount for risk of non-performance using "significant unobservable inputs" such as estimates of current credit spreads to evaluate the likelihood of default. The Company has concluded, as of October 31, 2013, that the fair value associated with the "significant unobservable inputs" relating to the Company's risk of non-performance was insignificant to the overall fair value of the interest rate swap agreements and, as a result, the Company has determined that the relevant inputs for purposes of calculating the fair value of the interest rate swap agreements, in their entirety, were based upon "significant other observable inputs."

The Company measures its redeemable noncontrolling interests, marketable equity and debt securities classified as available for sale securities and interest rate swap derivative at fair value on a recurring basis. The fair value of these financial assets and liabilities was determined using the following inputs at October 31, 2013 and 2012 (amounts in thousands):

	Fair Value Measurements at Reporting Date Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Total				
Fiscal Year Ended October 31, 2013				
Assets:				
Available for Sale Securities	\$ 96	\$ 96	\$—	\$ —
Interest Rate Swap Agreement	\$ 81	\$ —	\$81	\$ —
Liabilities:				
Redeemable noncontrolling interests	\$11,843	\$8,946	\$—	\$2,897
Fiscal Year Ended October 31, 2012				
Assets:				
Available for Sale Securities	\$ 994	\$ 994	\$—	\$ —
Liabilities:				
Interest Rate Swap Agreement	\$ 55	\$ —	\$55	\$ —
Redeemable noncontrolling interests	\$11,421	\$8,584	\$—	\$2,837

Fair market value measurements based upon Level 3 inputs changed from \$2,824 at November 1, 2011 to \$2,837 at October 31, 2012 as a result of a \$13 increase in the redemption value of the Company's noncontrolling interest in Ironbound in accordance with the application of ASC Topic 810. Fair market value measurements based upon Level 3 inputs changed from \$2,837 at November 1, 2012 to \$2,897 at October 31, 2013 as a result of a \$60 increase in the redemption value of the Company's noncontrolling interest in Ironbound in accordance with the application of ASC Topic 810 (see Note 9).

Fair Value of Financial Instruments

The carrying values of cash and cash equivalents, restricted cash, tenant receivables, prepaid expenses, other assets, accounts payable and accrued expenses are reasonable estimates of their fair values because of the short-term nature of these instruments. The carrying value of the revolving credit facility is deemed to be at fair value since the outstanding debt is directly tied to monthly LIBOR contracts. Mortgage notes payable that were assumed in property acquisitions were recorded at their fair value at the time they were assumed. Mortgage notes payable are estimated to have a fair value of approximately \$155 million and \$139 million at October 31, 2013 and October 31, 2012, respectively. The estimated fair value of mortgage notes payable is based on discounting the

future cash flows at a year-end risk adjusted borrowing rate currently available to the Company for issuance of debt with similar terms and remaining maturities. These fair value measurements fall within level 2 of the fair value hierarchy. When the Company acquires a property it is required to fair value all of the assets and liabilities, including intangible assets and liabilities, relating to the properties in-place leases (see Note 3). Those fair value measurements fall within level 3 of the fair value hierarchy.

Although management is not aware of any factors that would significantly affect the estimated fair value amounts, such amounts have not been comprehensively revalued for purposes of these financial statements since that date and current estimates of fair value may differ significantly from the amounts presented herein.

(14) COMMITMENTS AND CONTINGENCIES

In the normal course of business, from time to time, the Company is involved in legal actions relating to the ownership and operations of its properties. In management's opinion, the liabilities, if any, that ultimately may result from such legal actions are not expected to have a material adverse effect on the consolidated financial position, results of operations or liquidity of the Company.

At October 31, 2013, the Company had commitments of approximately \$7.5 million for tenant-related obligations.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(15) PRO FORMA FINANCIAL INFORMATION (UNAUDITED)

The unaudited pro forma financial information set forth below is based upon the Company's historical consolidated statements of income for the years ended October 31, 2013 and 2012 adjusted to give effect to the property acquisitions completed in fiscal 2013 and fiscal 2014 (see Note 3), the issuance of 2.5 million Class A Common shares in fiscal 2012 and the issuance of Series F Preferred Stock in fiscal 2012 as though these transactions were completed on November 1, 2011. In addition the pro forma information removes dividend income and gain on marketable securities in fiscal 2013, as these amounts would not have been earned by the Company had the properties described in Note 3 been purchased as of November 1, 2011.

The pro forma financial information is presented for informational purposes only and may not be indicative of what the actual results of operations would have been had the transactions occurred as of the beginning of the year or does it purport to represent the results of future operations (amounts in thousands).

	Years Ended October 31,	
	2013	2012
Pro forma revenues	<u>\$102,168</u>	<u>\$100,791</u>
Pro forma income from continuing operations	<u>\$ 28,942</u>	<u>\$ 29,254</u>
Pro forma income from continuing operations applicable to Common and Class A Common stockholders:	<u>\$ 9,142</u>	<u>\$ 11,367</u>

The following table summarizes the revenues and income from continuing operating that is included in the Company's historical consolidated statement of income for the year ended October 31, 2013 for the properties acquired in fiscal 2013 as more fully described in Note 3 (amounts in thousands).

Revenues	<u>\$2,708</u>
Income from continuing operations	<u>\$1,225</u>

(16) QUARTERLY RESULTS OF OPERATIONS (UNAUDITED)

The unaudited quarterly results of operations for the years ended October 31, 2013 and 2012 are as follows (in thousands, except per share data):

	Year Ended October 31, 2013				Year Ended October 31, 2012			
	Quarter Ended				Quarter Ended			
	Jan 31	Apr 30	July 31	Oct 31	Jan 31	Apr 30	July 31	Oct 31
Revenues	<u>\$23,737</u>	<u>\$22,834</u>	<u>\$23,613</u>	<u>\$24,061</u>	<u>\$22,298</u>	<u>\$22,100</u>	<u>\$22,672</u>	<u>\$22,660</u>
Income from Continuing Operations	<u>\$ 6,814</u>	<u>\$ 7,173</u>	<u>\$ 7,840</u>	<u>\$ 7,278</u>	<u>\$ 6,752</u>	<u>\$ 6,408</u>	<u>\$ 7,287</u>	<u>\$ 6,835</u>
Net Income Attributable to								
Urstadt Biddle Properties Inc.	\$ 7,014	\$ 7,421	\$ 7,915	\$ 7,445	\$ 7,037	\$ 6,674	\$ 7,495	\$ 7,054
Preferred Stock Dividends	(3,961)	(3,929)	(3,606)	(3,453)	(3,273)	(3,274)	(3,273)	(3,447)
Redemption of Preferred Stock	(3,759)	(406)	(68)	—	—	—	—	(2,027)
Net Income Applicable to Common and Class A Common Stockholders	<u>\$ (706)</u>	<u>\$ 3,086</u>	<u>\$ 4,241</u>	<u>\$ 3,992</u>	<u>\$ 3,764</u>	<u>\$ 3,400</u>	<u>\$ 4,222</u>	<u>\$ 1,580</u>
Per Share Data:								
Net Income from Continuing Operations—Basic:								
Class A Common Stock	\$(.04)	\$.09	\$.13	\$.12	\$.12	\$.11	\$.14	\$.04
Common Stock	\$(.03)	\$.08	\$.12	\$.11	\$.11	\$.10	\$.13	\$.04
Net Income from Continuing Operations—Diluted:								
Class A Common Stock	\$(.04)	\$.09	\$.13	\$.12	\$.12	\$.11	\$.14	\$.04
Common Stock	\$(.03)	\$.08	\$.11	\$.11	\$.11	\$.10	\$.13	\$.04

Amounts may not equal previously reported results due to reclassification between income from continuing operations and income from discontinued operations.

Amounts may not equal full year results due to rounding.

(17) SUBSEQUENT EVENTS

On December 12, 2013, the Board of Directors of the Company declared cash dividends of \$.225 for each share of Common Stock and \$.2525 for each share of Class A Common Stock. The dividends are payable on January 17, 2014 to stockholders of record on January 3, 2014. The Board of Directors also ratified the actions of the Company's compensation committee authorizing awards of 152,000 shares of Common Stock and 78,900 shares of Class A Common Stock to certain key officers and directors of the Company on January 2, 2014 pursuant to the Company's restricted stock plan. The fair value of the shares awarded totaling \$3.8 million will be charged to expense over the respective vesting periods.

In November 2013, a wholly owned subsidiary of the Company entered into contracts with an unaffiliated solar power development company to install seven solar power systems on portions of the roofs of five shopping center properties that the Company owns in Connecticut. The total cost of the project will be approximately \$2.5 million. These systems will produce a portion of the power used in the common areas of these shopping centers. In addition, the Company's wholly owned subsidiary will receive cash payments for power produced by the systems under a program sponsored by the state of Connecticut. The installations will be funded with a combination of available cash, federal tax grants and vendor financing.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders of Urstadt Biddle Properties Inc.

We have audited the accompanying consolidated balance sheets of Urstadt Biddle Properties Inc. (the “Company”) as of October 31, 2013 and 2012 and the related consolidated statements of income, comprehensive income, stockholders’ equity, and cash flows for each of the three years in the period ended October 31, 2013. These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements based on our 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Urstadt Biddle Properties Inc. at October 31, 2013 and 2012, and the consolidated results of its operations and its cash flows for each of the three years in the period ended October 31, 2013, in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company’s internal control over financial reporting as of October 31, 2013 based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (1992) and our report dated January 10, 2014 expressed an unqualified opinion thereon.

New York, New York
January 10, 2014

PKF O’Connor Davies
A division of O’Connor Davies, LLP

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 of the Company and the notes thereto included elsewhere in this report.

FORWARD-LOOKING STATEMENTS

This report includes certain statements that may be deemed to be "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. All statements, other than statements of historical facts, included in this report that address activities, events or developments that the Company expects, believes or anticipates will or may occur in the future, including such matters as future capital expenditures, dividends and acquisitions (including the amount and nature thereof), business strategies, expansion and growth of the Company's operations and other such matters, are forward-looking statements. These statements are based on certain assumptions and analyses made by the Company in light of its experience and its perception of historical trends, current conditions, expected future developments and other factors it believes are appropriate. Such statements are subject to a number of assumptions, risks and uncertainties, including, among other things, general economic and business conditions, the business opportunities that may be presented to and pursued by the Company, changes in laws or regulations and other factors, many of which are beyond the control of the Company. Any forward-looking statements are not guarantees of future performance and actual results or developments may differ materially from those anticipated in the forward-looking statements.

EXECUTIVE SUMMARY AND OVERVIEW

The Company, a REIT, is a fully integrated, self-administered real estate company, engaged in the acquisition, ownership and management of commercial real estate, primarily neighborhood and community shopping centers in the northeastern part of the United States. Other real estate assets include office and industrial properties. The Company's major tenants include supermarket chains and other retailers who sell basic necessities. At October 31, 2013, the Company owned or had equity interests in 66 properties containing a total of 5.1 million square feet of GLA of which approximately 92% was leased. Included in the 66 properties are equity interests in five unconsolidated joint ventures at October 31, 2013. These joint ventures were approximately 96% leased. The Company has paid quarterly dividends to its shareholders continuously since its founding in 1969 and has increased the level of dividend payments to its shareholders for 20 consecutive years.

The Company derives substantially all of its revenues from rents and operating expense reimbursements received pursuant to long-term leases and focuses its investment activities on community and neighborhood shopping centers, anchored principally by regional supermarket chains. The Company believes, because of the need of consumers to purchase food and other staple goods and services generally available at supermarket-anchored shopping centers, that the nature of its investments provide for relatively stable revenue flows even during difficult economic times. The Company is experiencing and in fiscal 2014, expects that it may continue to experience a higher level of vacancies, relative to the Company's historical norm, at some of its shopping centers and a lengthening in the time required for re-leasing of vacant space, as the current economic climate continues to negatively affect retail companies. However, the Company believes it is well positioned to weather any difficulties it might encounter. The Company currently has 411,000 square feet of vacant space in its core property portfolio. Of this vacant space, 176,000 square feet, or 43% of the Company's vacant space in its core property portfolio, is located in two properties that have been more difficult to lease or are in various stages of redevelopment. One of the properties is an 189,000 sf property with 66,000 sf vacant and we are in the process of obtaining a zoning change on the property to allow for a higher and better use that we feel will increase the value of the property. We expect to have the new zoning approved in fiscal 2014. The second property is a 200,000 sf shopping center with 110,000 sf vacant. Of this vacant space, 84,000 sf is below-grade space. The Company is in the process of converting this space to a self-storage use and expects the lease-up of the self-storage to take between 24-48 months from completion of the conversion.

The Company has a strong capital structure and does not have any secured debt maturing until August 2015. Consistent with its business strategy, the Company expects to continue to explore acquisition opportunities that may arise.

Primarily as a result of property acquisitions in fiscal 2012 and 2013, the Company's financial data, excluding the one-time lease termination income in fiscal 2011, shows increases in total revenues and expenses from period to period.

The Company focuses on increasing cash flow, and consequently the value of its properties, and seeks continued growth through strategic re-leasing, renovations and expansion of its existing properties and selective acquisition of income-producing properties, primarily neighborhood and community shopping centers in the northeastern part of the United States.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Key elements of the Company's growth strategies and operating policies are to:

- Acquire neighborhood and community shopping centers in the northeastern part of the United States with a concentration in Fairfield County, Connecticut, Westchester and Putnam Counties, New York and Bergen County, New Jersey
- Hold core properties for long-term investment and enhance their value through regular maintenance, periodic renovation and capital improvement
- Selectively dispose of underperforming properties and re-deploy the proceeds into properties located in the northeast region
- Increase property values by aggressively marketing available GLA and renewing existing leases
- Renovate, reconfigure or expand existing properties to meet the needs of existing or new tenants
- Negotiate and sign leases which provide for regular or fixed contractual increases to minimum rents
- Control property operating and administrative costs

CRITICAL ACCOUNTING POLICIES

Critical accounting policies are those that are both important to the presentation of the Company's financial condition and results of operations and require management's most difficult, complex or subjective judgments. Set forth below is a summary of the accounting policies that management believes are critical to the preparation of the consolidated financial statements. This summary should be read in conjunction with the more complete discussion of the Company's accounting policies included in Note 1 to the consolidated financial statements of the Company.

Revenue Recognition

Revenues from operating leases include revenues from core properties and non-core properties. Rental income is generally recognized based on the terms of leases entered into with tenants. In those instances in which the Company funds tenant improvements and the improvements are deemed to be owned by the Company, revenue recognition will commence when the improvements are substantially completed and possession or control of the space is turned over to the tenant. When the Company determines that the tenant allowances are lease incentives, the Company commences revenue recognition when possession or control of the space is turned over to the tenant for tenant work to begin. Minimum rental income from leases with scheduled rent increases is recognized on a straight-line basis over the lease term. Percentage rent is recognized when a specific tenant's sales breakpoint is achieved. Property operating expense recoveries from tenants of common area maintenance, real estate taxes and other recoverable costs are recognized in the period the related

expenses are incurred. Lease incentives are amortized as a reduction of rental revenue over the respective tenant lease terms. Lease termination amounts are recognized in operating revenues when there is a signed termination agreement, all of the conditions of the agreement have been met, the tenant is no longer occupying the property and the termination consideration is probable of collection. Lease termination amounts are paid by tenants who want to terminate their lease obligations before the end of the contractual term of the lease by agreement with the Company. There is no way of predicting or forecasting the timing or amounts of future lease termination fees. Interest income is recognized as it is earned. Gains or losses on disposition of properties are recorded when the criteria for recognizing such gains or losses under accounting principles generally accepted in the United States of America ("GAAP") have been met.

Allowance for Doubtful Accounts

The allowance for doubtful accounts is established based on a quarterly analysis of the risk of loss on specific accounts. The analysis places particular emphasis on past-due accounts and considers information such as the nature and age of the receivables, the payment history of the tenants or other debtors, the financial condition of the tenants and any guarantors and management's assessment of their ability to meet their lease obligations, the basis for any disputes and the status of related negotiations, among other things. Management's estimates of the required allowance are subject to revision as these factors change and are sensitive to the effects of economic and market conditions on tenants, particularly those at retail properties. Estimates are used to establish reimbursements from tenants for common area maintenance, real estate tax and insurance costs. The Company analyzes the balance of its estimated accounts receivable for real estate taxes, common area maintenance and insurance for each of its properties by comparing actual recoveries versus actual expenses and any actual write-offs. Based on its analysis, the Company may record an additional amount in its allowance for doubtful accounts related to these items. It is also the Company's policy to maintain an allowance of approximately 10% of the deferred straight-line rents receivable balance for future tenant credit losses.

Real Estate

Land, buildings, property improvements, furniture/ fixtures and tenant improvements are recorded at cost. Expenditures for maintenance and repairs are charged to operations as incurred. Renovations and/or replacements, which improve or extend the life of the asset, are capitalized and depreciated over their estimated useful lives.

The amounts to be capitalized as a result of an acquisition and the periods over which the assets are depreciated or amortized are determined based on

estimates as to fair value and the allocation of various costs to the individual assets. The Company allocates the cost of an acquisition based upon the estimated fair value of the net assets acquired. The Company also estimates the fair value of intangibles related to its acquisitions. The valuation of the fair value of intangibles involves estimates related to market conditions, probability of lease renewals and the current market value of in-place leases. This market value is determined by considering factors such as the tenant's industry, location within the property and competition in the specific region in which the property operates. Differences in the amount attributed to the intangible assets can be significant based upon the assumptions made in calculating these estimates.

The Company is required to make subjective assessments as to the useful life of its properties for purposes of determining the amount of depreciation. These assessments have a direct impact on the Company's net income.

Properties are depreciated using the straight-line method over the estimated useful lives of the assets. The estimated useful lives are as follows:

Buildings	30-40 years
Property Improvements	10-20 years
Furniture/Fixtures	3-10 years
Tenant Improvements	Shorter of lease term or their useful life

Asset Impairment

On a periodic basis, management assesses whether there are any indicators that the value of the real estate properties may be impaired. A property value is considered impaired when management's estimate of current and projected operating cash flows (undiscounted and without interest) of the property over its remaining useful life 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 loss is measured as the excess of the net carrying amount of the property over the fair value of the asset. Changes in estimated future cash flows due to changes in the Company's plans or market and economic conditions could result in recognition of impairment losses which could be substantial. Management does not believe that the value of any of its rental properties is impaired at October 31, 2013.

LIQUIDITY AND CAPITAL RESOURCES

In October 2012, the Company completed two equity offerings and raised approximately \$173 million in capital.

Through October 31, 2013, the Company has used the proceeds in connection with the following:

- \$16.3 million to repay outstanding variable rate and fixed rate mortgage debt that matured
- \$40.6 million in connection with the repurchase of a portion of the Company's Series C Senior Cumulative Preferred Stock
- \$63 million for the redemption of all of its outstanding Series E Senior Cumulative Preferred Stock
- \$58.4 million to purchase income producing commercial real estate.

See Notes 3, 7, 8, 10 and 11 included in the Company's financial statements included in this report for more information.

At October 31, 2013, the Company had unrestricted cash and cash equivalents of \$2.9 million compared to \$78.1 million at October 31, 2012. The Company's sources of liquidity and capital resources include its cash and cash equivalents, proceeds from bank borrowings and long-term mortgage debt, capital financings and sales of real estate investments. Payments of expenses related to real estate operations, debt service, management and professional fees, and dividend requirements place demands on the Company's short-term liquidity.

The Company maintains a very conservative capital structure with low leverage levels by commercial real estate standards. As a result of this low leverage level, the Company has been able to avoid the balance sheet recapitalizations that many other commercial real estate companies have had to undertake during the recent downturn in the economy. The Company maintains a ratio of total debt to total assets below 27% and a very strong fixed charge coverage ratio of over 2.2 to 1, which we believe will allow the Company to obtain additional secured mortgage borrowings if necessary. The Company does not have any fixed rate debt coming due until fiscal 2015 and has 44 properties in its consolidated core portfolio that are not encumbered by secured mortgage debt. At October 31, 2013, the Company had loan availability of \$70.75 million on its unsecured revolving line of credit.

The Company is currently experiencing a reduction of rental revenues at some of the Company's properties because of tenant vacancies. Until these vacancies are released and new tenants begin to pay rent, the Company's cash flow will continue to be negatively affected. Although the Company does not anticipate having to reduce its dividend on common stock, and has no plans to do so, a further significant decline in rental revenue, without a corresponding reduction in expenses, could lead the Company to conclude that it should reduce its common stock dividend until the dividend payout ratio returns to more conservative levels.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Cash Flows

The Company expects to meet its short-term liquidity requirements primarily by generating net cash from the operations of its properties. The Company believes that its net cash provided by operations will be sufficient to fund its short-term liquidity requirements for fiscal 2014 and to meet its dividend requirements necessary to maintain its REIT status. In fiscal 2013, 2012 and 2011, net cash flow provided by operations amounted to \$51.0 million, \$52.5 million and \$46.5 million, respectively. Cash dividends paid on common and preferred shares increased to \$46.6 million in fiscal 2013 compared to \$42.6 million in fiscal 2012 and \$41.3 million in fiscal 2011.

The Company expects to continue paying regular dividends to its stockholders. These dividends will be paid from operating cash flows which are expected to increase due to property acquisitions and growth in operating income in the existing portfolio and from other sources. The Company derives substantially all of its revenues from rents under existing leases at its properties. The Company's operating cash flow therefore depends on the rents that it is able to charge to its tenants, and the ability of its tenants to make rental payments. The Company believes that the nature of the properties in which it typically invests, primarily grocery-anchored neighborhood and community shopping centers, provides a more stable revenue flow in uncertain economic times, in that consumers still need to purchase basic staples and convenience items. However, even in the geographic areas in which the Company owns properties, general economic downturns may adversely impact the ability of the Company's tenants to make lease payments and the Company's ability to re-lease space as leases expire. In either of these cases, the Company's cash flow could be adversely affected. Over the last several years, the entire retail commercial real estate industry has seen increased competition from Internet commerce, which has made it more difficult for certain types of "brick and mortar" businesses to compete, the result of which has been to reduce the tenant pool for retail commercial real estate owners like us. The Company is aware of this threat and at this point does not believe it is material, but continues to monitor it. If Internet commerce continues to erode the need for traditional retail stores it could make it more difficult for the Company to lease available space and the Company's future cash flow could be adversely affected.

Net cash flows from:

Operating Activities

Net cash flows provided by operating activities amounted to \$51.0 million in fiscal 2013, compared to \$52.5 million in fiscal 2012, and \$46.5 million in fiscal 2011. The changes in operating cash flows were primarily the result of:

Decrease from fiscal 2012 to fiscal 2013:

Predominantly caused by a decrease in accounts receivable collected and an increase in restricted cash related to new escrow accounts related to mortgages assumed with new property acquisitions in fiscal 2013 offset by the addition of the net operating results of the Company's acquired properties in fiscal 2012 and fiscal 2013.

Increase from fiscal 2011 to fiscal 2012:

The addition of the net operating results of the Company's acquired properties in fiscal 2011 and fiscal 2012 and the collection of tenant receivables related to common area maintenance and real estate tax reimbursements by tenants.

Investing Activities

Net cash flows used in investing activities was \$49.6 million in fiscal 2013, \$10.8 million in fiscal 2012 and \$42.4 million in fiscal 2011. The change in investing cash flows was primarily the result of:

Increase in cash used from fiscal 2012 to fiscal 2013:

The Company acquiring 11 properties in fiscal 2013 requiring \$58.4 million in equity versus acquiring two properties in fiscal 2012 that required only \$5.4 million in equity. In addition, the Company has deposits of \$3.3 million in fiscal 2013 to purchase additional commercial real estate. The Company also is in the process of re-tenanting two shopping centers. As a result, the Company has expended \$10.1 million on improvements to its properties in fiscal 2013 versus only \$6.5 million in fiscal 2012. This increase in cash used by investing activities was partially offset by proceeds in the amount of \$4.5 million from the sale of one of the Company's properties and by the proceeds from the sale of marketable securities at a gain in fiscal 2013.

Decrease in cash used from fiscal 2011 to fiscal 2012:

The Company acquiring only two properties requiring \$5.4 million in equity in fiscal 2012 versus acquisitions requiring \$33.7 million in equity (including the purchase of noncontrolling interests) in fiscal 2011.

The Company regularly makes capital investments in its properties for property improvements, tenant improvements costs and leasing commissions.

Financing Activities

Net cash flows used by financing activities amounted to \$76.5 million in fiscal 2013 as compared with net cash provided by financing activities in the amount of \$31.8 million in fiscal 2012 and net cash used by financing activities of \$15.3 million in fiscal 2011. The change in net cash provided (used) by financing activities was primarily attributable to:

Cash generated:

Fiscal 2013: (Total \$39.9 million)

- Proceeds from revolving credit line borrowings of \$38.4 million.
- Return of escrow deposit of \$1.3 million.

Fiscal 2012: (Total \$259.1 million)

- Proceeds from revolving credit line borrowings for property acquisitions in the amount of \$58.0 million.
- Proceeds from mortgaging a previously unencumbered property in amount of \$28.0 million.
- Proceeds from the sale of 2.5 million shares of Class A Common stock in a follow-on public offering.
- Proceeds from the sale of 5.175 million shares of a new series of redeemable Preferred Stock (Series F) in a public offering.

Fiscal 2011: (Total \$32.5 million)

- Proceeds from revolving credit line borrowings for property acquisitions in the amount of \$30.3 million.

Cash used:

Fiscal 2013: (Total \$116.3 million)

- Dividends to shareholders in the amount of \$46.6 million.
- Repayment of mortgage notes payable in the amount of \$6.6 million.
- Repayment of revolving credit line borrowings in the amount of \$40.7 million.
- Repurchase of shares of the Company's Series C Senior Cumulative Preferred Stock in the amount of \$22.4 million.

Fiscal 2012: (Total \$227.2 million)

- Dividends to shareholders in the amount of \$42.6 million.
- Repayment of mortgage notes payable in the amount of \$15.0 million.
- Repayment of revolving credit line borrowings in the amount of \$88.3 million.
- Repurchase of shares of the Company's Series C and redemption of all of the Series E Senior Cumulative Preferred Stock in the combined amount of \$81 million.

Fiscal 2011: (Total \$47.9 million)

- Dividends to shareholders in the amount of \$41.3 million.
- Repayment of mortgage notes payable in the amount of \$6.6 million.

Capital Resources

The Company expects to fund its long-term liquidity requirements such as property acquisitions, repayment of indebtedness and capital expenditures through other long-term indebtedness (including indebtedness assumed in acquisitions), proceeds from sales of properties and/or the issuance of equity securities. The Company believes that these sources of capital will continue to be available to it in the future to fund its long-term capital needs; however, there are certain factors that may have a material adverse effect on its access to capital sources. The Company's ability to incur additional debt is dependent upon its existing leverage, the value of its unencumbered assets and borrowing limitations imposed by existing lenders. The Company's ability to raise funds through sales of equity securities is dependent on, among other things, general market conditions for REITs, market perceptions about the Company and its stock price in the market. The Company's ability to sell properties in the future to raise cash will be dependent upon market conditions at the time of sale.

Financings and Debt

The Company has an \$80 million Unsecured Revolving Credit Facility (the "Facility") with a syndicate of four banks led by The Bank of New York Mellon, as administrative agent. The syndicate also includes Wells Fargo Bank N.A. (syndication agent), Bank of Montreal and Regions Bank (co-documentation agents). The Facility gives the Company the option, under certain conditions, to increase the Facility's borrowing capacity up to \$125 million. The maturity date of the Facility is September 21, 2016 with a one-year extension at the Company's option. Borrowings under the Facility can be used for, among other things, acquisitions, working capital, capital expenditures, and repayment of other indebtedness and the issuance of letters of credit (up to \$10 million). Borrowings will bear interest at the Company's option of Eurodollar rate plus 1.5% to 2.0% or The Bank of New York Mellon's prime lending rate plus 0.50% based on consolidated indebtedness, as defined. The Company will pay an annual fee on the unused commitment amount of up to 0.25% to 0.35% based on outstanding borrowings during the year. The Facility contains certain representations, financial and other covenants typical for this type of facility. The Company's ability to borrow under the Facility is subject to its compliance with the covenants and other restrictions

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

on an ongoing basis. The principal financial covenants limit the Company's level of secured and unsecured indebtedness and additionally require the Company to maintain certain debt coverage ratios. The Company was in compliance with such covenants at October 31, 2013.

During fiscal 2013, the Company borrowed a total of \$9.25 million on its Facility to fund a portion of its equity for property acquisitions and capital improvements to its properties. In a prior year, the Company had borrowed \$11.6 million on its Facility to loan to one of its unconsolidated joint ventures. In fiscal 2013 the loan was repaid and the Company in-turn repaid the \$11.6 million borrowed under the Facility.

During fiscal 2013, the Company, through a wholly owned subsidiary assumed an existing first mortgage loan encumbering two properties recently acquired in Greenwich, CT ("the Greenwich Properties") at its estimated fair value of \$8.3 million. The mortgage loan requires monthly payments of principal and interest at a fixed rate of 4.0% per annum. The mortgage matures in August 2016.

During fiscal 2013, the Company, through a wholly owned subsidiary, assumed a first mortgage loan encumbering a property located in New Providence, NJ ("the New Providence Property") at its estimated fair value of \$21.3 million. The mortgage loan requires monthly payments of principal and interest at the fixed rate of 4.0% per annum. The mortgage matures in January 2022.

In June of fiscal 2013, the Company repaid, at maturity its first mortgage payable secured by its Veteran's Plaza property in the amount of \$3.2 million.

In October 2012, the Company repaid its first mortgage payable secured by its New Milford property in the amount of \$8.3 million.

In August 2012, a wholly owned subsidiary of the Company completed the installation of a solar power system (the "Ferry System") at the Company's Ferry Plaza Shopping Center in Newark, New Jersey at a total cost of approximately \$1.7 million. The subsidiary of the Company financed a portion of the project with a loan in the amount of \$1.1 million from The Public Service Electric and Gas Company of New Jersey ("PSE&G"), through PSE&G's "Solar Loan Program II." The loan requires monthly payments of principal and interest at 11.3% per annum through its maturity date of August 31, 2027. The subsidiary of the Company has the option of repaying all or part of the PSE&G loan, including interest, with Solar Renewable Energy Credits ("SREC's") that are expected to be generated by the Ferry System. The remaining cost of the Ferry System was funded by a renewable energy grant from the federal government.

In March 2012, the Company assumed a first mortgage payable in the amount of \$7.4 million in conjunction with its investment in UB Orangeburg, LLC ("Orangeburg"). Subsequent to the assumption, Orangeburg extended the loan with the current lender for an additional five years at an interest rate of 2.78%. The loan now matures in October 2017. The operating agreement for Orangeburg requires that the loan be refinanced and not repaid at maturity.

In February 2012, the Company borrowed \$28 million by placing a non-recourse first mortgage on one of its unencumbered properties. The loan is for a term of ten years and will require payments of principal and interest based on a thirty-year amortization schedule at the fixed interest rate of 4.85%. The proceeds of the loan were used to repay approximately \$28 million in borrowing on the Company's Facility.

In December 2011 (fiscal 2012), the Company, through a wholly owned subsidiary, assumed a first mortgage payable secured by its Eastchester Plaza property with an estimated fair value of approximately of \$3.6 million. The mortgage matured in April 2012 and was repaid.

In fiscal 2011, the Company borrowed a total of \$25.5 million on its Facility to fund its equity in two property acquisitions, its additional investment in UB Ironbound, L.P., and capital and tenant improvements relating to some of its properties.

In fiscal 2011, the Company borrowed \$800,000 on the Facility to fund an additional debt investment in the Midway Shopping Center L.P., which the partnership used to fund tenant improvements.

In fiscal 2011, the Company, through a wholly owned subsidiary, assumed a first mortgage payable with an estimated fair value of approximately \$5.0 million in conjunction with its purchase of the Fairfield Plaza Shopping Center. The mortgage requires payments of principal and interest at a fixed rate of interest of 5.0% with a maturity of August 2015.

In fiscal 2011, the Company repaid, at maturity, its first mortgage payable secured by its Carmel, New York property in the amount of \$4.0 million.

During fiscal 2011, a wholly owned subsidiary of the Company completed the installation of a solar power system (the "Emerson System") at the Company's Emerson Shopping Center in Emerson, New Jersey at a total cost of approximately \$1.2 million. The subsidiary of the Company financed a portion of the project with a loan in the amount of \$819,000 from PSE&G, through PSE&G's "Solar Loan Program II." The loan requires monthly payments of principal and interest at 11.3% per annum through its maturity date of May 31, 2026. The subsidiary of the Company has the option of repaying all or part of the PSE&G loan, including interest, with SREC's that are expected to be generated by the Emerson System. Most of the remaining cost of the Emerson System was funded by a renewable energy grant from the federal government.

During fiscal 2011, a wholly owned subsidiary of the Company completed the installation of a solar power system (the “Valley Ridge System”) at the Company’s Valley Ridge Shopping Center in Wayne, New Jersey at a total cost of approximately \$1.1 million. In conjunction with the solar installation the subsidiary of the Company financed a portion of the project with a loan in the amount of \$726,000 from PSE&G, through PSE&G’s “Solar Loan Program I”. The loan requires monthly payments of principal and interest at 11.11% per annum through its maturity date of January 31, 2026. The subsidiary of the Company has the option of repaying all or part of the PSE&G loan, including interest, with SREC’s that are expected to be generated by the Valley Ridge System. Most of the remaining cost of the Valley Ridge System was funded by a renewable energy grant from the federal government.

The Company is exposed to interest rate risk primarily through its borrowing activities. There is inherent rollover risk for borrowings as they mature and are renewed at current market rates. The extent of this risk is not quantifiable or predictable because of the variability of

future interest rates and the Company’s future financing requirements. Mortgage notes payable and other loans in the amount of \$166.2 million consist of fixed rate mortgage loan indebtedness with a weighted average interest rate of 5.3% at October 31, 2013. The mortgage loans are secured by 14 properties with a net book value of \$260 million and have fixed rates of interest ranging from 2.8% to 11.3%. The Company made principal payments of \$6.6 million (including the repayment of \$3.2 million in mortgages that matured) in fiscal 2013 compared to \$15.0 million (including the repayment of \$11.8 million in mortgages that matured) in fiscal 2012 and \$6.6 million (including the repayment of \$4.0 million in mortgages that matured) in fiscal 2011. The Company may refinance its mortgage loans, at or prior to scheduled maturity, through replacement mortgage loans. The ability to do so, however, is dependent upon various factors, including the income level of the properties, interest rates and credit conditions within the commercial real estate market. Accordingly, there can be no assurance that such refinancings can be achieved.

Contractual Obligations

The Company’s contractual payment obligations as of October 31, 2013 were as follows (amounts in thousands):

	Payments Due by Period						
	Total	2014	2015	2016	2017	2018	There- after
Mortgage notes payable	\$166,246	\$ 3,815	\$ 8,469	\$11,261	\$53,326	\$2,713	\$86,662
Interest on mortgage notes payable	46,177	8,830	8,598	8,253	5,871	4,933	9,692
Revolving Credit Lines	9,250	—	—	—	9,250	—	—
Tenant obligations*	7,534	7,473	61	—	—	—	—
Total Contractual Obligations	<u>\$229,207</u>	<u>\$20,118</u>	<u>\$17,128</u>	<u>\$19,514</u>	<u>\$68,447</u>	<u>\$7,646</u>	<u>\$96,354</u>

*Committed tenant-related obligations based on executed leases as of October 31, 2013.

The Company has various standing or renewable service contracts with vendors related to its property management. In addition, the Company also has certain other utility contracts entered into in the ordinary course of business which may extend beyond one year, which vary based on usage. These contracts include terms that provide for cancellation with insignificant or no cancellation penalties. Contract terms are generally one year or less.

Off-Balance Sheet Arrangements

The Company has five off-balance sheet investments in real estate property including a 66.67% equity interest in the Putnam Plaza shopping center, an 11.642% equity interest in the Midway Shopping Center L.P., a 50% equity interest in the Chestnut Ridge Shopping Center (“Chestnut”) and Plaza 59 Shopping Centers (“Plaza 59”)

and a 20% economic interest in a partnership that owns a retail real estate investment. These unconsolidated joint ventures are accounted for under the equity method of accounting as we have the ability to exercise significant influence over, but not control, the operating and financial decisions of these investments. Our off-balance sheet arrangements are more fully discussed in Note 10, “Investments in and Advances to Unconsolidated Joint Ventures” in the Company’s financial statements in this report.

Capital Expenditures

The Company invests in its existing properties and regularly incurs capital expenditures in the ordinary course of business to maintain its properties. The Company believes that such expenditures enhance the competitiveness of its properties. In fiscal 2013,

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the Company paid approximately \$9.5 million for property improvements, tenant improvement and leasing commission costs. The amounts of these expenditures can vary significantly depending on tenant negotiations, market conditions and rental rates. The Company expects to incur approximately \$7.5 million for anticipated capital and tenant improvements and leasing costs in fiscal 2014. These expenditures are expected to be funded from operating cash flows or bank borrowings.

Acquisitions and Significant Property Transactions

The Company seeks to acquire properties which are primarily shopping centers located in the northeastern part of the United States with a concentration in Fairfield County, Connecticut, Westchester and Putnam Counties, New York and Bergen County, New Jersey.

Properties under contract to purchase

In October 2013, the Company entered into a contract to purchase, for \$9 million, a retail property located in the Company's core marketplace. In conjunction with entering into the contract, the Company made a \$450,000 deposit on the purchase. The Company completed the purchase of this property in January 2014.

In the fourth quarter of fiscal 2013, the Company entered into an agreement to purchase a 50% undivided interest in two retail properties located in the Company's core marketplace. In conjunction with entering into the contract, the Company made a \$1.0 million deposit on the purchase. Subsequent to entering into the agreement, the Company and the prospective owner of the other 50% undivided interest in the property collectively entered into a commitment with a lender to place a first mortgage payable on the property in the amount of \$14 million. The closing of the mortgage is expected to occur simultaneously with the closing of the property sometime in fiscal 2014. In addition, in September 2013, the Company made an unsecured loan to the other prospective owner in the amount of \$1.2 million. The entire unsecured loan along with interest at LIBOR plus 2.00% is due in March 2014.

In August 2013, the Company entered into a contract to purchase, for \$18.4 million, a retail shopping center in the Company's core marketplace. The acquisition requires the assumption of an existing mortgage in the amount of \$7.8 million. The mortgage matures in September 2022. In conjunction with entering into the contract, the Company placed a deposit of \$917,500 with the seller. The Company completed the purchase of this property in December 2013.

In July 2013, the Company entered into a contract to purchase, for \$11.0 million, a retail shopping center in the Company's core marketplace. The acquisition is subject to the assumption of an existing first mortgage loan in the amount of \$7.7 million. The mortgage matures in August

2016. In conjunction with entering into the contract, the Company placed a deposit of \$400,000 with the seller. The Company completed the purchase of this property in December of 2013.

The Company plans on funding its equity needed to close the above transactions with available cash, borrowings on its Facility, or proceeds from the sale of its two non-core properties that were sold in December 2013.

Completed acquisitions

In May 2013, the Company, through a wholly owned subsidiary, purchased two retail properties located in Greenwich, Connecticut for \$18.0 million. In conjunction with the purchase, the Company assumed an existing first mortgage loan encumbering the properties at its estimated fair value of \$8.3 million. The mortgage matures in August 2016.

In May 2013, the Company, through a wholly owned subsidiary, purchased a retail shopping center located in New Providence, New Jersey for \$34.9 million. In connection with the purchase, the Company assumed a first mortgage loan encumbering the property at its estimated fair value of \$21.3 million. The mortgage matures in January 2022.

In January and March 2013, the Company purchased six free standing net leased properties located in the Company's core marketplace with a combined GLA of 20,200 square feet. The gross purchase price of the six properties was \$7.8 million.

In December 2012, subsidiaries of the Company purchased two suburban office buildings located in the Company's core marketplace with a combined GLA of 23,500 square feet. The gross purchase price of the two properties was \$6.5 million.

In December 2012, the Company, through two wholly owned subsidiaries, purchased a 50% undivided equity interest in the Chestnut Ridge Shopping Center located in Montvale, New Jersey and the Plaza 59 Shopping Center located in Spring Valley, New York for a combined investment of approximately \$18 million. The Company accounts for its investment in Chestnut and Plaza 59 under the equity method of accounting since it exercises significant influence, but does not control the ventures. The other venturer in both properties has substantial participation rights in the financial decisions and operation of the property, which preclude the Company from consolidating the investment.

In March 2012, the Company acquired an approximate 2% interest in Orangeburg, a newly formed limited liability company in which the Company is the sole managing member. Orangeburg acquired, by contribution, a 74,000 square foot shopping center in Orangeburg, New York, at its estimated fair value of \$16.0 million and the assumption of an existing first mortgage loan on the property at its

estimated fair value of \$7.4 million bearing interest at a fixed rate of 2.04% (6.19% contractual rate). The Company's net investment in Orangeburg amounted to \$186,000. The other member (non-managing) of Orangeburg is the prior owner of the contributed property who, in exchange for contributing the net assets of the property, received units of Orangeburg equal to the value of the contributed property less the value of the assigned first mortgage payable. The Orangeburg operating agreement provides for the non-managing member to receive an annual cash distribution equal to the regular quarterly cash distribution declared by the Company for one share of the Company's Class A Common stock, which amount is attributable to each unit of Orangeburg ownership. The annual cash distribution will be paid from available cash, as defined, of Orangeburg. If there is an available cash shortfall, the managing member must contribute or loan additional capital to fund the non-managing member's required cash distribution. The balance of available cash, if any, is fully distributable to the Company. Upon liquidation, proceeds from the sale of Orangeburg assets are to be distributed in accordance with operating agreement. The non-managing member is not obligated to make any additional capital contributions to the partnership. Orangeburg has a defined termination date of December 31, 2097. Since the purchase of this investment the Company has made additional investments in the amount of \$881,000 in Orangeburg, and as a result, as of October 31, 2013 its ownership percentage has increased from 2% to 10.9%.

In December 2011, a subsidiary of the Company acquired the Eastchester Plaza Shopping Center in the Town of Eastchester, Westchester County, New York for a purchase price of \$9 million. In connection with the purchase, the Company assumed a first mortgage encumbering the property at its estimated fair value of \$3.6 million. The mortgage matured in April 2012 and was repaid.

In October 2011, a wholly owned subsidiary of the Company purchased an additional 82,081 limited partnership units (of the 224,257 outstanding limited partnership units prior to the purchase) or 9.23% of the total outstanding partnership units of the limited partnership that owns the Ferry Plaza property. As a result of the purchase, the Company or wholly owned subsidiaries of the Company now owns 84.02% of the Partnership.

In October 2011, the Company, through a wholly owned subsidiary, completed the purchase of the Fairfield Centre Shopping Center in Fairfield, Connecticut for a purchase price of \$17.0 million.

In April 2011, the Company, through a wholly owned subsidiary, completed the purchase of the Fairfield Plaza Shopping Center, in New Milford, Connecticut for a purchase price of \$10.8 million, subject to an existing first mortgage secured by the property at its estimated fair value of approximately \$5.0 million.

In December 2010 and January 2011, the Company and a wholly owned subsidiary purchased the remaining 10% limited partner interests in the limited partnership that owns the Stamford property for \$7.4 million. As a result of this transaction, the Company now has a 100% ownership interest in the property.

In December 2010, the Company reached a lease termination settlement ("Settlement") with a former tenant in its Meriden shopping center in Meriden, Connecticut. In accordance with the Settlement agreement, the prior tenant was released from all its obligations under the aforementioned lease in exchange for a settlement payment to the Company. The Settlement agreement provides that the former tenant will pay the Company \$3.3 million in 41 equal monthly payments of \$80,000 and one final monthly payment of \$20,000 without interest beginning on January 1, 2011. The Company has recorded the lease termination in the consolidated statement of income for the fiscal year ended October 31, 2011 in the amount of \$2,988,000, which amount represents the present value of the 42 payments due to the Company under the Settlement agreement at a discount rate of 5.75% per annum. The Company will record the remaining \$312,000 as interest income over the remaining payment term through June 1, 2014 in accordance with the effective yield method.

NON-CORE PROPERTIES

In a prior year, the Company's Board of Directors expanded and refined the strategic objectives of the Company to refocus its real estate portfolio into one of self-managed retail properties located in the northeast and authorized the sale of the Company's non-core properties in the normal course of business over a period of years. At October 31, 2013, the Company's current non-core properties consisted of two distribution service facilities (both of which are located outside of the northeast region of the United States) with a net book value of approximately \$530,000.

In June 2013, the Company extended the leases on both non-core properties ten years through January 2023. Net rents on the St. Louis property (192,000 sf) were decreased to \$3.00 per square foot in year one of the extension versus \$3.41 per square foot previously. The extended lease provides for 2% annual rent increases in years two through ten. Net rents on the Dallas property (255,000 sf) were decreased to \$2.75 per square foot in year one of the extension versus \$3.70 per square foot previously. The extended lease provides for 2% annual rent increases in years two through ten. The effective date of both extensions was February 1, 2013. Currently the properties are used as parts distribution facilities for the parts and service division of Chrysler Group LLC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

In August 2013, the Company entered into a contract to sell both distribution service facilities. The sale of the properties, in the amount of \$14.75 million, closed on December 11, 2013. The Company plans on reinvesting the proceeds from the sale in commercial real estate located in its core marketplace.

FUNDS FROM OPERATIONS

The Company considers Funds from Operations ("FFO") to be an additional measure of an equity REIT's operating performance. The Company reports FFO in addition to its net income applicable to common stockholders and net cash provided by operating activities. Management has adopted the definition suggested by The National Association of Real Estate Investment Trusts ("NAREIT") and defines FFO to mean net income (computed in accordance with GAAP) excluding gains or losses from sales of property, plus real estate-related depreciation and amortization and after adjustments for unconsolidated joint ventures.

Management considers FFO a meaningful, additional measure of operating performance because it primarily excludes the assumption that the value of its real estate assets diminishes predictably over time and industry analysts have accepted it as a performance measure. FFO is presented to assist investors in analyzing the performance of the Company. It is helpful as it excludes various items included in net income that are not indicative of the Company's operating performance, such as gains (or losses) from sales of property and depreciation and amortization.

However, FFO:

- does not represent cash flows from operating activities in accordance with GAAP (which, unlike FFO, generally reflects all cash effects of transactions and other events in the determination of net income); and
- should not be considered an alternative to net income as an indication of the Company's performance.

FFO as defined by us may not be comparable to similarly titled items reported by other real estate investment trusts due to possible differences in the application of the NAREIT definition used by such REITs. The table below provides a reconciliation of net income applicable to Common and Class A Common

Stockholders in accordance with GAAP to FFO for each of the three years in the period ended October 31, 2013 (amounts in thousands):

	Year Ended October 31,		
	2013	2012	2011
Net Income Applicable to Common and Class A Common Stockholders	\$ 10,613	\$ 12,966	\$ 18,549
Real property depreciation	14,147	13,277	12,258
Amortization of tenant improvements and allowances	2,957	2,875	2,440
Amortization of deferred leasing costs	593	426	471
Depreciation and amortization on discontinued operations	47	84	80
Depreciation and amortization on unconsolidated joint ventures	974	911	655
Loss on sale of asset	175	88	—
Funds from Operations Applicable to Common and Class A Common Stockholders	<u>\$ 29,506</u>	<u>\$ 30,627</u>	<u>\$ 34,453</u>
Net Cash Provided by (Used in):			
Operating Activities	<u>\$ 50,952</u>	<u>\$ 52,504</u>	<u>\$ 46,548</u>
Investing Activities	<u>\$(49,631)</u>	<u>\$(10,778)</u>	<u>\$(42,351)</u>
Financing Activities	<u>\$(76,468)</u>	<u>\$ 31,837</u>	<u>\$(15,343)</u>

FFO amounted to \$29.51 million in fiscal 2013 compared to \$30.63 million in fiscal 2012 and \$34.45 million in fiscal 2011.

The net decrease in FFO in fiscal 2013, when compared with fiscal 2012 is predominantly attributable, among other things, to a) the Company incurring \$4.2 million in one-time preferred stock redemption charges in fiscal 2013 versus only \$2.0 million in fiscal 2012; b) an increase of \$1.1 million in preferred stock dividends mainly the result of the Company issuing a new preferred stock series in October 2012 in advance of being able to redeem its Series C Preferred Stock series; and c) a \$666,000 increase in general and administration expense primarily the result of increased compensation and benefits related to additional staffing, and an increase in restricted stock amortization as a result of new tranches of shares being valued at a considerably higher stock price than fully amortized tranches, and an increase in legal fees relating to its redemption of its Series C Cumulative Preferred Stock in May of 2013; offset by: d) an increase from the net operating income (including investments accounted for by the equity method of accounting) relating to property acquisitions in the second half of fiscal 2012 and fiscal 2013; e) an increase in interest, dividends and other investment income as a result of the Company investing, at the beginning of fiscal 2013, approximately \$27 million of proceeds from its completed stock offerings in October 2012 in fixed income marketable securities; and f) the Company recording a gain on sale of marketable securities in the amount of \$1.5 million that was realized

when the Company sold the above mentioned marketable securities in fiscal 2013.

The net decrease in FFO in fiscal 2012, when compared with fiscal 2011 is predominantly attributable, among other things, to: a) the Company recording a one-time \$2.99 million lease termination income relating to one tenant in the Company's Meriden, Connecticut shopping

center in fiscal 2011; b) the Company incurring preferred stock redemption charges in fiscal 2012 of \$2.0 million; offset by c) an increase from the net operating income relating to property acquisitions in fiscal 2011 and 2012 and d) an increase in net operating income provided by normal base rent increases for leases in the Company's portfolio.

RESULTS OF OPERATIONS

Fiscal 2013 vs. Fiscal 2012

The following information summarizes the Company's results of operations for the years ended October 31, 2013 and 2012 (amounts in thousands):

	Year Ended October 31,		Increase (Decrease)	%	Change Attributable to:	
	2013	2012			Property Acquisitions	Properties Held In Both Periods
Revenues						
Base rents	\$69,094	\$66,878	\$2,216	3.3%	\$2,623	\$ (407)
Recoveries from tenants	22,594	20,603	1,991	9.7%	595	1,396
Mortgage interest and other	2,343	2,160	183	8.5%	(134)	317
Operating Expenses						
Property operating	17,471	14,200	3,271	23.0%	488	2,783
Property taxes	15,524	15,114	410	2.7%	513	(103)
Depreciation and amortization	17,769	16,637	1,132	6.8%	801	331
General and administrative	8,211	7,545	666	8.8%	n/a	n/a
Non-Operating Income/Expense						
Interest expense	9,094	9,148	(54)	(0.6)%	620	(674)
Interest, dividends, and other investment income	1,345	892	453	50.8%	n/a	n/a

Revenues:

Base rents increased by 3.3% to \$69.1 million in fiscal 2013 as compared with \$66.9 million in the comparable period of 2012. The increase in base rents and the changes in other income statement line items were attributable to:

Property Acquisitions:

In fiscal 2012 and fiscal 2013, the Company purchased eleven properties totaling approximately 177,000 square feet of GLA. These properties accounted for all of the revenue and expense changes attributable to property acquisitions during fiscal 2013. In addition, the Company purchased a 50% equity interest in two other properties that it accounts for under the equity method of accounting. These two properties are not included in any of the variance analysis presented above.

Properties Held in Both Periods:

The net decrease in base rents for properties held during fiscal 2013 when compared to the same period in fiscal 2012 was a result of an increase in bad debt expense of \$293,000 and a decrease in straight-line rent in the amount of \$593,000, both of which is included in base rent in the consolidated statement of income; actual base

rents billed to tenants for properties held in the fiscal year ended 2013 when compared with the corresponding prior period increased by \$430,000 as result of normal rent increases in the portfolio and the base rent additions caused by new leasing in excess of tenant vacancies.

In fiscal 2013, the Company leased or renewed approximately 1.23 million square feet (or approximately 26.7% of total consolidated property leasable area) at a combined average per square foot increase of 0.79%. At October 31, 2013, the Company's core properties were approximately 90.1% leased, an increase of 0.97% from the end of fiscal 2012.

For the fiscal year ended October 31, 2013, recoveries from tenants for properties owned in both periods (which represent reimbursements from tenants for operating expenses and property taxes) increased by a net \$1.4 million. This net increase was a result of higher operating expenses at its properties held in both periods due predominantly to an increase in expenses relating to parking lots, building roofs and building repairs.

Interest, dividends and other investment income increased in the fiscal year ended October 31, 2013 when compared to the corresponding period in the prior year by \$453,000, predominantly as a result of the Company investing approximately \$27 million of the proceeds from

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

its two equity offerings completed in October 2012 in income producing securities for the first six months of fiscal 2013.

Expenses:

Property operating expenses for properties held in both fiscal year 2013 and 2012 increased by \$2.78 million as a result of an increase in expenses relating to the parking lots, building roofs and building repairs.

Real estate taxes for properties held in both periods were relatively unchanged.

Interest expense for properties held in the fiscal year ended October 31, 2013 when compared to the corresponding prior period decreased by \$674,000 as a result of the Company having \$22 million outstanding on its unsecured line of credit in last year's second and third quarter and no borrowings in this year's first and second quarter and only \$4 million outstanding through three

quarters and \$9.25 million outstanding at October 31, 2013; coupled with the Company repaying one mortgage in fiscal 2013 when that mortgage matured.

Depreciation and amortization expense from properties held in the fiscal year ended October 31, 2013 when compared to the corresponding prior period increased by \$331,000 as a result of some tenant improvement write-offs for tenants that vacated their spaces before lease expiration.

General and administrative expenses increased by \$666,000 in fiscal 2013 when compared to fiscal 2012 primarily due to an increase in compensation costs related to an increase in staffing and restricted stock amortization relating to new tranches of stock grants being valued at higher stock prices than fully amortized tranches of stock grants and an increase in legal costs related to the Company redeeming its Series C Cumulative Preferred Stock in May of fiscal 2013.

Fiscal 2012 vs. Fiscal 2011

The following information summarizes the Company's results of operations for the years ended October 31, 2012 and 2011 (amounts in thousands):

	Year Ended October 31,		Increase (Decrease)	%	Change Attributable to:	
	2012	2011			Property Acquisitions	Properties Held In Both Periods
Revenues						
Base rents	\$66,878	\$62,703	\$4,175	6.7%	\$3,146	\$ 1,029
Recoveries from tenants	20,603	21,552	(949)	(4.4)%	778	(1,727)
Mortgage interest and other	2,160	2,008	152	7.6%	3	149
Operating Expenses						
Property operating	14,200	14,750	(550)	(3.7)%	592	(1,142)
Property taxes	15,114	14,522	592	4.1%	627	(35)
Depreciation and amortization	16,637	15,212	1,425	9.4%	861	564
General and administrative	7,545	7,521	24	0.3%	n/a	n/a
Non-Operating Income/Expense						
Interest expense	9,148	7,865	1,283	16.3%	291	992
Interest, dividends, and other investment income	892	851	41	4.8%	n/a	n/a

Revenues:

Base rents increased by 6.7% to \$66.9 million in fiscal 2012 as compared with \$62.7 million in the comparable period of 2011. The increase in base rents and the changes in other income statement line items were attributable to:

Property Acquisitions:

In fiscal 2011 and 2012, the Company purchased three properties and formed a joint venture that it consolidates totaling approximately 231,500 square feet of GLA. These properties accounted for all of the revenue and expense changes attributable to property acquisitions during fiscal year ended October 31, 2012.

Properties Held in Both Periods:

The net increase in base rents for properties held during the fiscal year ended October 31, 2012 compared to the same periods in fiscal 2011 was a result of increases in rental rates on in-place leases and new leases entered into in the last quarter of fiscal 2011 and fiscal 2012. In addition, the positive variance in base rents for the year ended October 31, 2012 when compared to fiscal 2011 was further increased as a result of an increase in straight-line rents in the amount of \$202,000 and a decrease in bad debt expense in the amount of \$344,000, both of which are included in base rent income on the consolidated statement of income. In fiscal 2012, the Company leased or renewed

approximately 661,000 square feet (or approximately 14.92% of total consolidated property leasable area). At October 31, 2012, the Company's core properties were 89% leased, a decrease of 1.2% from the end of fiscal 2011.

For the year ended October 31, 2012 recoveries from tenants for properties owned in both periods (which represent reimbursements from tenants for operating expenses and property taxes) decreased by a net \$1,727,000. This net decrease was a result of lower operating expenses at properties held in both periods and some credits negotiated with tenants at some properties in settlements of prior period billing disputes.

Expenses:

Property operating expenses for properties held in both periods decreased by \$1,142,000 in fiscal 2012 when compared with the same period of fiscal 2011 caused by a reduction of snow removal costs of \$1,527,000. This decrease was offset by an increase in parking lot, building roof and building repair costs.

Real estate taxes for properties held in both periods were relatively unchanged in fiscal 2012 when compared with the prior year.

Interest expense for properties held in both fiscal 2012 and 2011 increased by \$992,000 when compared with the prior year; this increase was a result of the Company placing a \$28 million mortgage on a formerly unencumbered property in February 2012 and assumption of two mortgages relating to property acquisitions in fiscal 2012.

Depreciation and amortization expense from properties held in both periods increased by \$564,000. The increase was predominantly the result of tenant improvements completed in fiscal 2012 and an increase in tenant improvement costs written off for tenants that vacated the portfolio in fiscal 2012.

General and administrative expenses were relatively unchanged.

Assets Held for Sale and Discontinued Operations:

In August 2013, the Company entered into a contract to sell its two industrial facilities. In accordance with U.S. GAAP the operating results of the two properties will be shown as discontinued operations on the consolidated statements of income for the year ended October 31, 2013, 2012 and 2011. The net book value of the two properties is not significant and as such, will not be shown as assets held for sale on the October 31, 2013 and 2012 consolidated balance sheets.

The following table summarizes revenues and expenses for the Company's discontinued operations (amounts in thousands):

	October, 31,		
	2013	2012	2011
Revenues	<u>\$1,356</u>	<u>\$1,565</u>	<u>\$1,546</u>
Property operating expense	<u>—</u>	<u>(3)</u>	<u>—</u>
Depreciation and amortization	<u>(48)</u>	<u>(84)</u>	<u>(80)</u>
Income from discontinued operations	<u>\$1,308</u>	<u>\$1,478</u>	<u>\$1,466</u>

INFLATION

The Company's long-term leases contain provisions to mitigate the adverse impact of inflation on its operating results. Such provisions include clauses entitling the Company to receive (a) scheduled base rent increases and (b) percentage rents based upon tenants' gross sales, which generally increase as prices rise. In addition, many of the Company's non-anchor leases are for terms of less than ten years, which permits the Company to seek increases in rents upon renewal at then current market rates if rents provided in the expiring leases are below then existing market rates. Most of the Company's leases require tenants to pay a share of operating expenses, including common area maintenance, real estate taxes, insurance and utilities, thereby reducing the Company's exposure to increases in costs and operating expenses resulting from inflation.

ENVIRONMENTAL MATTERS

Based upon management's ongoing review of its properties, management is not aware of any environmental condition with respect to any of the Company's properties that would be reasonably likely to have a material adverse effect on the Company. There can be no assurance, however, that (a) the discovery of environmental conditions, which were previously unknown, (b) changes in law, (c) the conduct of tenants or (d) activities relating to properties in the vicinity of the Company's properties, will not expose the Company to material liability in the future. Changes in laws increasing the potential liability for environmental conditions existing on properties or increasing the restrictions on discharges or other conditions may result in significant unanticipated expenditures or may otherwise adversely affect the operations of the Company's tenants, which could adversely affect the Company's financial condition and results of operations.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. The Company's internal control over financial reporting is a process designed by, or under the supervision of, the Company's Chief Executive Officer and Chief Financial Officer and effected by the Company's Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles.

The Company's internal control over financial reporting includes policies and procedures that: relate to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of assets of the Company; provide reasonable assurance of the recording of all transactions necessary to permit the preparation of the Company's consolidated financial statements in accordance with generally accepted accounting principles and the proper authorization of receipts and expenditures in accordance with authorization of the Company's management and directors; and 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 Company's consolidated financial statements.

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

Management assessed the effectiveness of the Company's internal control over financial reporting as of October 31, 2013. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in Internal Control—Integrated Framework (1992). Based on its assessment, management determined that the Company's internal control over financial reporting was effective as of October 31, 2013. The Company's independent registered public accounting firm, PKF O'Connor Davies, a division of O'Connor Davies, LLP, has audited the effectiveness of the Company's internal control over financial reporting, as indicated in their attestation report which is included on the following page.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders of Urstadt Biddle Properties Inc.

We have audited Urstadt Biddle Properties Inc.'s internal control over financial reporting as of October 31, 2013, based on criteria established in Internal Control—Integrated Framework (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission (the "COSO 1992 criteria"). Urstadt Biddle Properties Inc.'s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) 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 (3) 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.

In our opinion, Urstadt Biddle Properties Inc. maintained, in all material respects, effective internal control over financial reporting as of October 31, 2013 based on the COSO 1992 criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Urstadt Biddle Properties Inc. as of October 31, 2013 and 2012, and the related consolidated statements of income, comprehensive income, stockholders' equity, and cash flows for each of the three years in the period ended October 31, 2013 and our report dated January 10, 2014 expressed an unqualified opinion thereon.

New York, New York
January 10, 2014

PKF O'Connor Davies
a division of O'Connor Davies, LLP

TAX STATUS

The following tables set forth the dividends declared per Common share and Class A Common share and tax status for Federal income tax purposes of the dividends paid during the fiscal years ended October 31, 2013 and 2012:

Dividend Payment Date	Common Shares				Class A Common Shares			
	Gross Dividend Paid Per Share	Ordinary Income	Capital Gain	Non-Taxable Portion	Gross Dividend Paid Per Share	Ordinary Income	Capital Gain	Non-Taxable Portion
January 18, 2013	\$.225	\$.108	\$.014	\$.103	\$.25	\$.12	\$.016	\$.114
April 19, 2013	\$.225	\$.108	\$.014	\$.103	\$.25	\$.12	\$.016	\$.114
July 19, 2013	\$.225	\$.108	\$.014	\$.103	\$.25	\$.12	\$.016	\$.114
October 18, 2013	\$.225	\$.108	\$.014	\$.103	\$.25	\$.12	\$.016	\$.114
	<u>\$.90</u>	<u>\$.432</u>	<u>\$.056</u>	<u>\$.412</u>	<u>\$ 1.00</u>	<u>\$.48</u>	<u>\$.064</u>	<u>\$.456</u>

Dividend Payment Date	Common Shares			Class A Common Shares		
	Gross Dividend Paid Per Share	Ordinary Income	Non-Taxable Portion	Gross Dividend Paid Per Share	Ordinary Income	Non-Taxable Portion
January 20, 2012	\$.225	\$.124	\$.101	\$.2475	\$.137	\$.1105
April 20, 2012	\$.225	\$.124	\$.101	\$.2475	\$.137	\$.1105
July 20, 2012	\$.225	\$.124	\$.101	\$.2475	\$.137	\$.1105
October 19, 2012	\$.225	\$.124	\$.101	\$.2475	\$.137	\$.1105
	<u>\$.90</u>	<u>\$.496</u>	<u>\$.404</u>	<u>\$.99</u>	<u>\$.548</u>	<u>\$.442</u>

The Company has paid quarterly dividends since it commenced operations as a real estate investment trust in 1969. During the fiscal year ended October 31, 2013, the Company made distributions to stockholders aggregating \$0.90 per Common share and \$1.00 per Class A Common share. On December 12, 2013, the Company's Board of Directors approved the payment of a quarterly dividend payable January 17, 2014 to stockholders of record on January 3, 2014. The quarterly dividend rates were declared in the amounts of \$0.2250 per Common share and \$0.2525 per Class A Common share.

MARKET PRICE RANGES

Shares of Common Stock and Class A Common Stock of the Company are traded on the New York Stock Exchange under the symbols “UBP” and “UBA,” respectively. The following table sets forth the high and low closing sales prices for the Company’s Common Stock and Class A Common Stock during the fiscal years ended October 31, 2013 and 2012 as reported on the New York Stock Exchange:

	Fiscal Year Ended October 31, 2013		Fiscal Year Ended October 31, 2012	
	Low	High	Low	High
<u>Common shares:</u>				
First Quarter	\$17.48	\$18.72	\$15.50	\$19.06
Second Quarter	\$18.29	\$19.60	\$17.76	\$19.90
Third Quarter	\$17.52	\$20.13	\$16.99	\$19.39
Fourth Quarter	\$16.27	\$19.00	\$17.79	\$19.81
<u>Class A Common shares:</u>				
First Quarter	\$18.12	\$20.25	\$15.61	\$19.75
Second Quarter	\$20.24	\$22.27	\$18.44	\$20.15
Third Quarter	\$19.75	\$23.05	\$17.45	\$19.98
Fourth Quarter	\$18.91	\$21.46	\$18.88	\$20.78

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company is exposed to interest rate risk primarily through its borrowing activities. There is inherent rollover risk for borrowings as they mature and are renewed at current market rates. The extent of this risk is not quantifiable or predictable because of the variability of future interest rates and the Company’s future financing requirements.

The following table sets forth the Company’s long term debt obligations by principal cash payments and maturity dates, weighted average fixed interest rates and estimated fair value at October 31, 2013 (amounts in thousands, except weighted average interest rate):

	For the years ended October 31,						Total	Estimated Fair Value
	2014	2015	2016	2017	2018	Thereafter		
Mortgage notes payable	\$3,815	\$8,469	\$11,261	\$53,326	\$2,713	\$86,662	\$166,246	\$154,698
Weighted average interest rate for debt maturing	n/a	5.0%	4.0%	5.17%	n/a	5.52%		

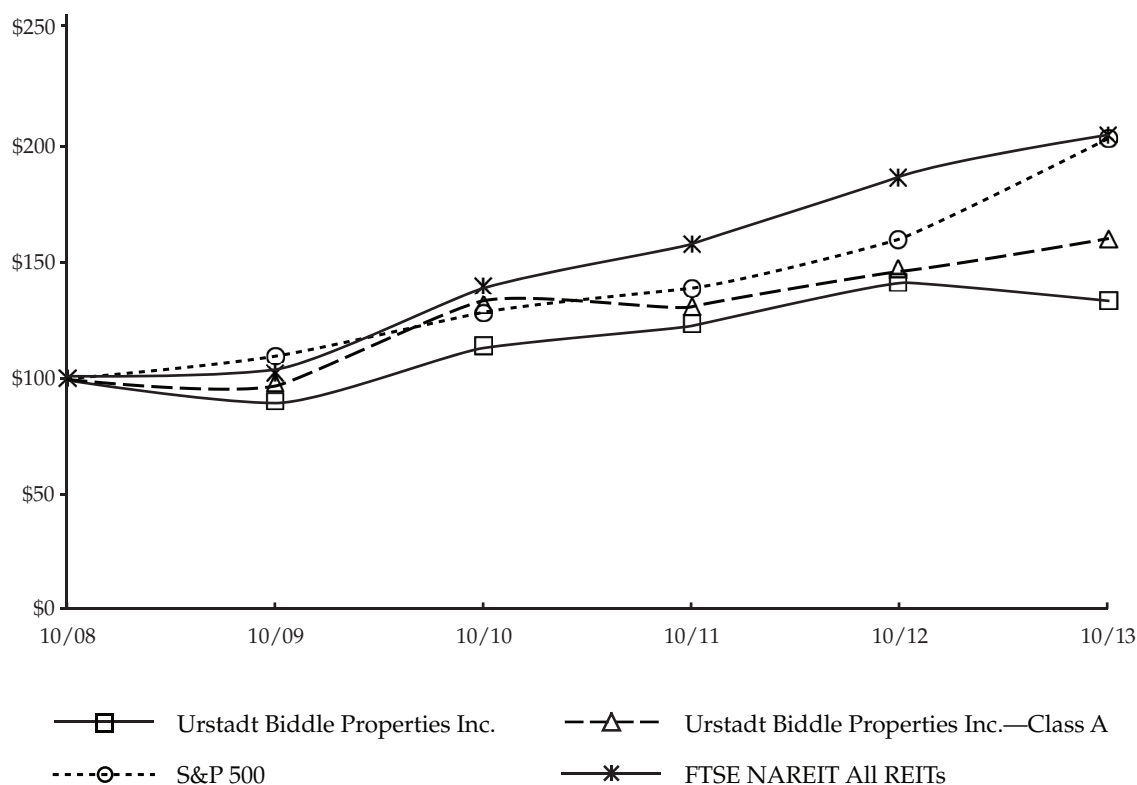
At October 31, 2013, the Company had \$9.25 million in outstanding variable rate debt. The Company believes that its weighted average fixed interest rate of 5.3% on its debt is not materially different from current market interest rates for debt instruments with similar risks and maturities. The Company may enter into certain types of derivative financial instruments to reduce exposure to interest rate risk. The Company uses interest rate swap agreements, for example, to convert some of our variable rate debt to a fixed-rate basis. As of October 31, 2013, the Company has three open derivative financial instruments. These interest rate swaps expire in October of 2019 and are cross collateralized with three mortgages on properties in Rye, NY.

PERFORMANCE GRAPH

The following graph compares, for the five-year period beginning October 31, 2008 and ended October 31, 2013, the Company's cumulative total return to holders of the Company's Class A Common Shares and Common Shares with the returns for the NAREIT All—REITs Total Return Index (a peer group index) published by the National Association of Real Estate Investment Trusts (NAREIT) and for the S&P 500 Index for the same period.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN*

Among Urstadt Biddle Properties Inc., the S&P 500 Index
and the FTSE NAREIT All REITs Index



*\$100 invested on 10/31/08 in stock or index, including reinvestment of dividends. Fiscal year ending October 31.

	10/08	10/09	10/10	10/11	10/12	10/13
Urstadt Biddle Properties Inc.	100.00	90.17	113.76	123.25	141.03	132.81
Urstadt Biddle Properties Inc.—Class A	100.00	96.33	132.91	130.32	145.67	159.44
S&P 500	100.00	109.80	127.94	138.29	159.32	202.61
FTSE NAREIT All REITs	100.00	101.93	143.60	157.28	185.88	204.06

The stock price performance shown on the graph is not necessarily indicative of future price performance.

DIRECTORS

CHARLES J. URSTADT
Chairman
Urstadt Biddle Properties Inc.

ROBERT R. DOUGLASS
Vice Chairman
Urstadt Biddle Properties Inc.
Of Counsel, Milbank, Tweed,
Hadley and McCloy

KEVIN J. BANNON
Managing Director
Highmount Capital LLC

CATHERINE U. BIDDLE
Vice President
Urstadt Property Company, Inc.

WILLING L. BIDDLE
President and
Chief Executive Officer
Urstadt Biddle Properties Inc.

E. VIRGIL CONWAY
Retired Chairman
New York State Metropolitan
Transportation Authority

RICHARD GRELLIER
Managing Director
Deutsche Bank Securities Inc.

GEORGE H.C. LAWRENCE
Chairman and
Chief Executive Officer
Lawrence Properties

ROBERT J. MUELLER
Retired Senior Executive
Vice President
The Bank of New York

CHARLES D. URSTADT
President
Urstadt Property Company, Inc.

Officers

CHARLES J. URSTADT
Chairman

WILLING L. BIDDLE
President and
Chief Executive Officer

THOMAS D. MYERS
Executive Vice President,
Chief Legal Officer and Secretary

JOHN T. HAYES
Senior Vice President,
Chief Financial Officer,
and Treasurer

STEPHAN A. RAPAGLIA
Senior Vice President,
Chief Operating Officer,
Real Estate Counsel and
Assistant Secretary

JAMES M. ARIES
Senior Vice President
Acquisitions

JOHN CANNON
Senior Vice President
Management and Construction

LINDA LACEY
Senior Vice President
Leasing

NICHOLAS CAPUANO
Vice President and
Real Estate Counsel

DIANE MIDOLLO
Vice President
Controller

ANDREW ALBRECHT
Assistant Vice President
Management and Construction

HEIDI BRAMANTE
Assistant Vice President
Assistant Controller

JANINE IAROSSI
Assistant Vice President
Insurance and Benefit
Administrator

DANIEL LOGUE
Assistant Vice President
Management and Construction

SUZANNE MOORE
Assistant Vice President
Billing Manager

ROBERT WEEKS
Assistant Vice President
Leasing

Corporate Information

Securities Traded

New York Stock Exchange
Symbols: UBA, UBP, UBPPRD and
UBPPRF
Stockholders of Record as of
December 31, 2013:
Common Stock: 773 and
Class A Common Stock: 768

Annual Meeting

The annual meeting of stockholders
will be held at 2:00 P.M. on March 26,
2014 at Six Landmark Square, 9th Floor,
Stamford, CT 06901.

Form 10-K

A copy of the company's 2013 Annual
Report on Form 10-K filed with the
Securities and Exchange Commission,
without exhibits, may be obtained by
stockholders without charge by writing
to the Secretary of the company at its
executive office.

Shareholder Information and Dividend Reinvestment Plan

Inquiries regarding stock ownership,
dividends or the transfer of shares can
be made by writing to our Transfer
Agent, Computershare Inc., Shareowner
Services Department, P.O. Box 30170,
College Station, TX 77842-3170 or by
calling toll-free at 1-866-203-6250. The
company has a dividend reinvestment
plan that provides stockholders with a
convenient means of increasing their
holdings without incurring commissions
or fees. For information about the plan,
stockholders should contact the Transfer
Agent. Other shareholder inquiries
should be directed to Thomas D. Myers,
Secretary, telephone (203) 863-8200.

Investor Relations

Investors desiring information about the
company can contact Alina Smolitsky,
Investor Relations, telephone
(203) 863-8200. Investors are also
encouraged to visit our website at:
www.ubproperties.com

Independent Registered Public Accounting Firm

PKF O'Connor Davies
a Division of O'Connor Davies, LLP

General Counsel

Baker & McKenzie LLP

Internal Audit

Berdon LLP, CPAs and Advisors

Executive Office of the Company

321 Railroad Avenue
Greenwich, CT 06830
Tel: (203) 863-8200
Fax: (203) 861-6755
Website: www.ubproperties.com

Memberships

National Association of Real Estate
Investment Trusts, Inc. (NAREIT)
International Council of Shopping
Centers (ICSC)

We have always believed—
We are the RIGHT Company.
In the RIGHT Business.
In the RIGHT Place.
At the RIGHT Time.



From left to right: Danbury Square, Danbury, Connecticut; Village Shopping Center, New Providence, New Jersey; and Ridgeway Shopping Center, Stamford, Connecticut



URSTADT BIDDLE
PROPERTIES INC.

321 RAILROAD AVENUE
GREENWICH, CONNECTICUT 06830