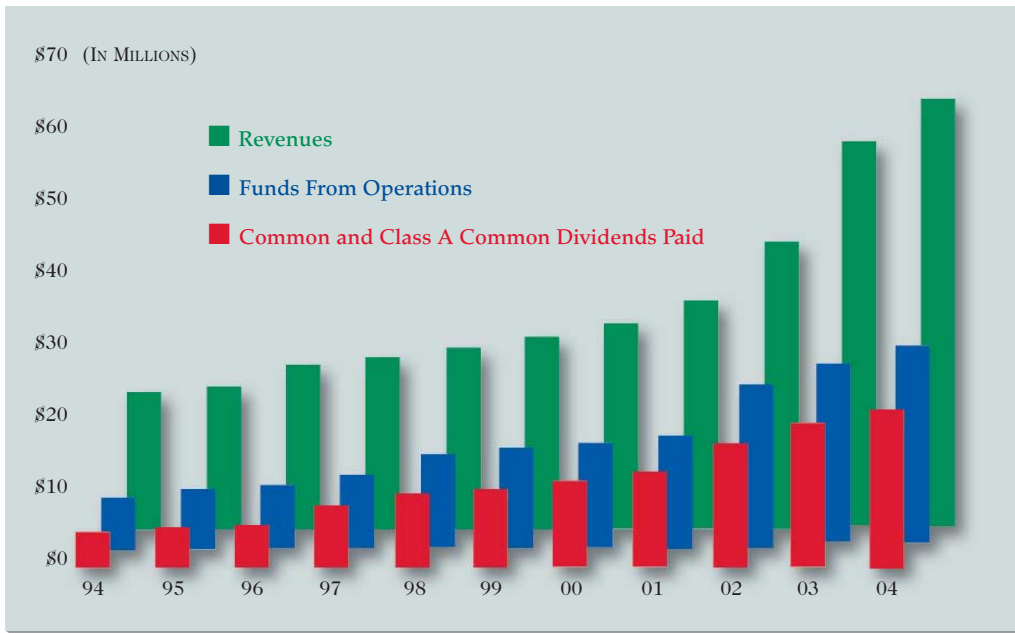




URSTADT BIDDLE PROPERTIES INC.

2004 ANNUAL REPORT

only STOCK PRICES ARE [^]OPINIONS — BUT DIVIDENDS ARE [^]*always* FACTS



35 YEARS OF
UNINTERRUPTED
DIVIDENDS



URSTADT BIDDLE PROPERTIES INC.

Urstadt Biddle Properties Inc. (UBP) is a self-administered publicly held real estate investment trust providing investors with a means of participating in the ownership of income-producing properties. UBPs core properties consist of neighborhood and community shopping centers in the suburban areas of the northeastern United States with a primary concentration in Fairfield County, Connecticut and Westchester and Putnam Counties, New York. Non-core assets consist of office and retail buildings, industrial properties and mortgages.

Class A Common Shares, Common Shares and Series C Preferred Shares of the Company trade on the New York Stock Exchange under the symbols "UBA," "UBP" and "UBP.C."

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SELECTED FINANCIAL DATA

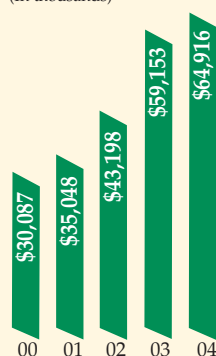
(In thousands, except per share data)

Year Ended October 31,	2004	2003	2002	2001	2000
Balance Sheet Data:					
Total Assets	\$394,917	\$392,639	\$353,562	\$218,292	\$180,727
Mortgage Notes Payable	\$107,443	\$104,588	\$106,429	\$ 47,115	\$ 49,928
Preferred Stock	\$ 52,747	\$ 52,747	\$ 14,341	\$ 33,462	\$ 33,462
Net Cash Provided by (Used in):					
Operating Activities	\$ 30,744	\$ 31,176	\$ 18,532	\$ 21,308	\$ 14,262
Investing Activities	\$ (2,416)	\$(69,818)	\$(64,960)	\$(11,394)	\$ (3,713)
Financing Activities	\$(24,837)	\$ 14,749	\$ 59,023	\$ 22,040	\$(11,436)
Operating Data:					
Total Revenues	\$64,916	\$59,153	\$43,198	\$35,048	\$30,087
Total Operating Expenses and Minority Interests	\$41,962	\$39,353	\$29,227	\$25,974	\$22,943
Income From Continuing Operations	\$22,954	\$19,800	\$13,971	\$ 9,074	\$ 7,144
Net Income Applicable to Common and Class A Common Stockholders	\$18,566	\$17,576	\$16,080	\$10,540	\$5,442
Per Share Data:					
Net Income – Diluted:					
Class A Common Stock	\$.76	\$.73	\$.87	\$.97	\$.55
Common Stock	\$.69	\$.66	\$.78	\$.88	\$.49
Cash Dividends on:					
Class A Common Stock	\$.86	\$.84	\$.82	\$.80	\$.78
Common Stock	\$.78	\$.76	\$.74	\$.72	\$.70
	<u>\$1.64</u>	<u>\$1.60</u>	<u>\$1.56</u>	<u>\$1.52</u>	<u>\$1.48</u>
Other Data:					
Funds from Operations (<i>Note</i>)	<u>\$29,813</u>	<u>\$27,964</u>	<u>\$24,144</u>	<u>\$14,611</u>	<u>\$11,914</u>
Cash Dividends (as a Percentage of Funds from Operations)	<u>72%</u>	<u>74%</u>	<u>62%</u>	<u>60%</u>	<u>64%</u>

Note: The Company considers Funds from Operations (FFO) to be an additional financial measure of operating performance of an equity REIT. The Company reports FFO in addition to net income applicable to common shareholders and net cash provided by operating activities. Although FFO is a non-GAAP financial measure, the Company believes it provides useful information to shareholders, potential investors and management because it primarily excludes the assumption that the value of real estate assets diminishes predictably over time and industry analysts have accepted it as a performance measure. FFO 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. The Company computes FFO in accordance with standards established by the National Association of Real Estate Investment Trusts ("NAREIT"). FFO is defined by NAREIT as net income or loss, excluding gains (or losses) from debt restructuring and sales of properties plus depreciation and amortization, and after adjustments for unconsolidated joint ventures. FFO does not represent cash generated from operating activities in accordance with GAAP and is not indicative of cash available to fund cash needs. FFO should not be considered as an alternative to net income as an indicator of the Company's operating performance or as an alternative to cash flow as a measure of liquidity. Since all companies do not calculate FFO in a similar fashion, the Company's calculation of FFO presented herein may not be comparable to similarly titled measures as reported by other companies.

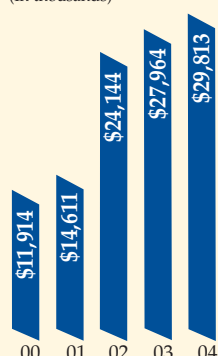
Total Revenues

(In thousands)



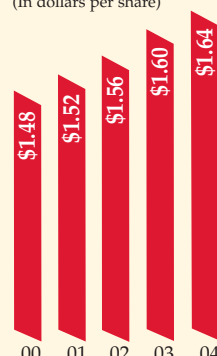
Funds From Operations

(In thousands)



Combined Dividends Paid on Common and Class A Common Shares

(In dollars per share)



To Our STOCKHOLDERS

Since our founding in 1969, we have paid an uninterrupted string of 140 consecutive quarterly dividends.... This is a record matched by very few publicly traded companies or REITs....

Charles J. Urstadt
Chairman

2004 was a milestone year for **Urstadt Biddle Properties**. We celebrated our **35th** year as a publicly traded real estate investment trust listed on the New York Stock Exchange and to commemorate this event, our Board of Directors "*rang the closing bell*" at the New York Stock Exchange. It was an honor to have this celebration at the center of the world's financial capital. On a personal note, your Chairman also celebrated his 30th year as a Director of UBP and 15th year as its Chief Executive Officer.

We are one of the oldest publicly traded REITs in the country. Since our founding in 1969, we have paid an uninterrupted string of 140 consecutive quarterly dividends.... *This is a record matched by very few publicly traded companies or REITs....* and for the eleventh consecutive year....we increased the annual rate of dividends paid.

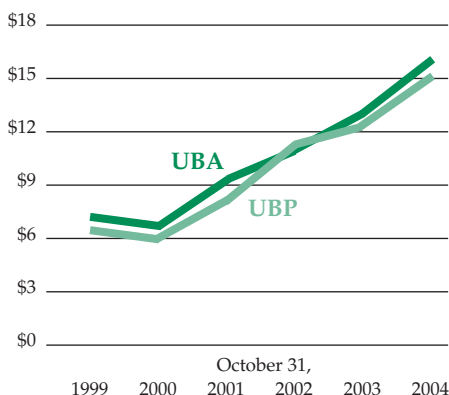
We've often said that "*dividends are facts*" and their safety is our top priority. In 2004, Wall Street rewarded the Company's dependable dividend record as our stock prices rose for the fourth consecutive year. (See chart.)

The Company has certainly undergone a dramatic transformation since its founding in the late '60s. In the early days, the Company was managed by an outside advisor, invested in different property types, in widely disparate regions of the country. This formula utilized by many REITs at the time, proved to have significant limitations. It was a formula that hampered the Company's ability to grow and limited stockholder values.

In 1989, working with our Board of Directors, we adopted a business plan based on the following principles that we have steadfastly followed ever since:

1. *Specialize in one property type*
2. *Buy properties in one market area*
3. *Manage our properties directly*
4. *Keep debt levels low*
5. *Avoid partnerships whenever possible*

UBA and UBP Year End Stock Prices
(In dollars)



The Urstadt Biddle Properties Board of Directors “rang the closing bell” at the New York Stock Exchange on December 15, 2004.



The Company’s success is the result of more than a solid dividend policy. It is the result of owning outstanding retail properties in one of the country’s most affluent regions; a quality tenant base of national and local retailers; and an excellent team of real estate professionals....

Willing L. Biddle
President

The Company’s success is the result of more than a solid dividend policy. It is the result of owning outstanding retail properties in one of the country’s most affluent regions; a quality tenant base of national and local retailers who do well at the centers; the more than 20 million visits we estimate made by customers to our properties each year; and an excellent team of real estate professionals led by an experienced and knowledgeable Board of Directors.

Our outstanding staff includes experienced professionals in acquisitions who are adept at finding properties in a difficult “seller’s” market; a leasing team who keep the properties leased

and strive to achieve higher rents; and our property management personnel who maintain the physical condition of our properties and oversee space renovations, expansion and construction projects. These individuals are supported by our highly capable legal and finance staff.

At this point you may ask.....
“What are our challenges in the year ahead?”

We face competition from investors who have aggressively bid-up purchase prices to the highest levels in years. We will only buy properties at prices which we can realize a positive return on our cost of capital. We will not compete for an

**TO OUR
STOCKHOLDERS**

acquisition that we believe is overvalued. We met this challenge as witnessed by our acquisition of the **Rye Portfolio** of four retail properties and the most recent addition of **The Dock Shopping Center** in Stratford Connecticut. These acquisitions are described in more detail in the Portfolio Review of this annual report.

Our largest leasing challenge is in our Southfield, Michigan office building which was 30% vacant at year end. Southfield has one of the country's highest office vacancy rates. We will continue to seek creative solutions to this leasing problem and are confident that it will be favorably resolved.

We are also adjusting to the increased regulations brought about by the recent Sarbanes-

Oxley legislation which has greatly increased the compliance burden on public companies. In 2005, we anticipate that the costs to comply with the new regulations may be substantial and will increase the demands on our legal and finance staff as well as our Board of Directors.

2004 was a good year and with your continued support we'll have many more to come. Our personal thanks to you, the stockholders, our directors, officers and staff. I, as Chairman, especially want to thank our President, Wing Biddle, who has been so effective in overseeing our recent acquisition, leasing and management efforts.

Lastly, we want to thank our tenants and their customers, who have greatly contributed to our success.

Sincerely yours,

Charles J. Urstadt



Chairman

Willing L. Biddle



President

January 14, 2005

Our strategy is to concentrate our portfolio of properties in the northeast and primarily in one property type — grocery-anchored shopping centers. Our focus is on well-located neighborhood shopping centers leased to retailers who deliver basic services and products to consumers.

HIGHLIGHTS FROM 35 YEARS

- 2003**
- Named to the Forbes Small Business 100 Fastest Growing Small Companies
 - Sells \$40 million Series C Preferred stock issue

- 2002**
- Acquires largest real estate investment (Ridgeway Shopping Center)
 - Sells 8 million shares of Class A common stock
 - Named to the Russell 2000 Index

- 2001**
- Sells 4.8 million shares of Class A common stock

- 1998**
- HRE changes name to Urstadt Biddle Properties to reflect leadership of the Company
 - Sells \$35 million Series B Preferred stock issue
 - Issues stock dividend in form of new issue of Class A common stock

- 1992**
- Acquires first Westchester County retail property in Somers, New York

- 1989**
- Charles J. Urstadt becomes CEO and announces plan to focus on northeast retail and sell off properties that are outside northeast region

- 1986**
- HREI breaks with Adviser, becomes self-advised and changes name to HRE Properties

- 1983**
- HREI sells \$33 million in common shares

- 1969**
- Founded as Hubbard Real Estate Investments (HREI)—\$100 million IPO
 - Listed on NYSE

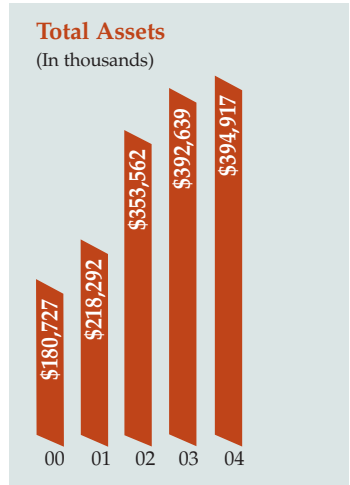
PORTFOLIO REVIEW

ACQUISITIONS

2004 was a tough year for retail property acquisitions. This was not due to lack of appetite for this property type but rather to a combination of reluctant sellers considering a property sale versus refinancing to meet their liquidity needs and historically high prices for quality retail properties. Our acquisition market of Westchester and Putnam Counties in New York and Fairfield County in Connecticut is one of the most highly competitive markets in the country. During this period of intense

buying pressure we have remained disciplined in our efforts to buy property only when it makes economic sense and furthers our strategic goal to be the dominant shopping center owner in our regional market.

Shortly after the close of our year end and, after more than a year of negotiations, we completed the purchase of **The Dock**, a 269,000 sf shopping center in Stratford, Connecticut located in the southeast corner of Fairfield County. We plan to complete a redevelopment of the property over the next 24 months to add greater leaseable area to the



The Dock, Stratford, Connecticut





property and lease currently vacant space in the property. The property is unique in that it also contains a 192 slip marina. The property is our type of property — a quality, grocer anchored shopping center with a stable income stream that has upside potential from renovation, leasing and expansion.

During the year, we purchased a portfolio of four retail properties in the affluent city of

Rye, New York. Three of the properties are traditional “street retail” properties and contain regional and local tenants. The fourth property known as “**The Biltmore Shopping Center**” will be renovated in 2005 and should be a great addition to our portfolio.

We are in discussions with a number of other potential sellers of property in our market and are confident that 2005 will be a strong year for acquisitions. As part of our acquisitions program, we hope to be able to judiciously sell our remaining non-core properties in tax efficient exchange transactions and thus complete the repositioning of the portfolio into primarily one property type in our market.

Three “street retail” properties acquired in 2004. Rye, New York (left).

Renovation plans for **The Biltmore Shopping Center**, Rye Brook, New York



PORTFOLIO REVIEW

SALES

In November 2004, we sold the Bi-County Shopping Center in Farmingdale, New York. When we received an unsolicited offer to sell the property, we saw an opportunity to realize the full value of the property and achieve higher returns over the long term through a reinvestment of the proceeds into The Dock.

LEASING

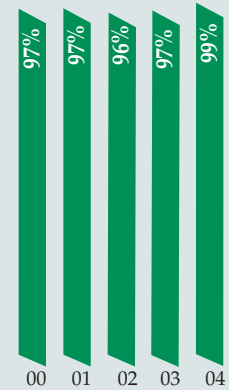
Our core portfolio and tenant base is strong!

Over the year, we increased the leased percentage of our core portfolio from 97% in 2003 to a nearly full 99%. In 2004, we leased or renewed over 280,000 sf of space in our core portfolio —

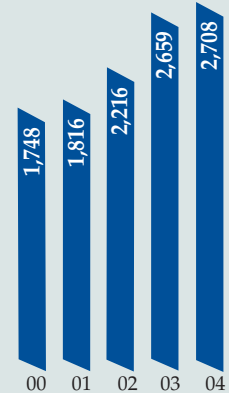
over 10% of the total core portfolio GLA. We experienced strong internal growth — and increased our lease renewal contract rental rates by an average of 11% over the expiring rates. For new leases on previously vacant space, rental rates on average were 15% higher than current in-place lease rates.

At two of our larger shopping centers, our supermarket anchor tenants — Stop & Shop in Briarcliff Manor, NY and Shaw's in Darien, CT have agreed to construct larger, more modern supermarkets at our centers and at their cost. Shaw's is under construction now and expects to reopen in the Fall 2005. Stop & Shop is currently seeking approvals and expects to commence construction in 2006. We anticipate that the redevelopment

Core Property Portfolio Leased Rate
(Percent)



Core Property Portfolio Total Gross Leasable Square Footage
(In thousands)



Renovation plans for the **Arcadian Shopping Center**, Briarcliff, New York



Renovation plans for the **Airport Plaza**, *Danbury, Connecticut*



of these anchor spaces will benefit the properties and their tenants for decades to come. On the opposite page and below are renderings showing the properties after completion of these projects. At the Ridgeway Shopping Center in Stamford Connecticut, we obtained the necessary zoning approvals for our new tenant — LA Fitness — (who signed a lease for 42,700 sf last year) to begin construction of their space later this winter. LA Fitness expects to open in early 2006.

Our single significant and continuing leasing problem in the portfolio is in the Southfield, Michigan office building where we now have more than 100,000 sf vacant. We are aggressively marketing the vacancy but have been hampered by a weak office market where the office vacancy rate is more than 25%.

Our other non-core properties are leased to Chrysler Corporation and Mervyn's under medium term leases.

OUTLOOK

We expect demand for space at our shopping centers in 2005 to remain strong. We know that competition to purchase quality shopping centers in our acquisition market will remain fierce. We will remain disciplined in our search for properties. We believe that maintaining good relationships with shopping center owners in our market combined with our direct marketing approach to locate potential acquisitions gives us a competitive advantage to fill our acquisition pipeline.

Renovation plans for **Shaw's** at the **Goodwives Shopping Center**, *Darien, Connecticut*



URSTADT BIDDLE PROPERTIES INC.

*Carmel ShopRite Center
Carmel, New York*



*Towne Centre Shopping Center
Somers, New York*



*Heritage 202 Center
Somers, New York*



*Arcadian Shopping Center
Briarcliff Manor, New York*



*Somers Commons
Somers, New York*



*25 Valley Drive
Greenwich, Connecticut*



*Chilmark Shopping Center
Briarcliff Manor, New York*

*7 Riversville Road
Greenwich, Connecticut*



*530 Old Post Road
Greenwich, Connecticut*

*Westchester Pavilion
White Plains, New York*



*Biltmore Shopping Center
Rye Brook, New York*



*3 "Street Retail" Properties
Rye, New York*



*Eastchester Mall
Eastchester, New York*



*Valley Ridge Shopping Center
Wayne, New Jersey*



**URSTADT
BIDDLE
PROPERTIES**
Greenwich,
Connecticut



*Five Town Plaza
Springfield, Massachusetts*



*Newington Park
Newington, New Hampshire*

*Danbury Square
Danbury, Connecticut*



*Townline Square
Meriden, Connecticut*



*Airport Plaza
Danbury, Connecticut*



*Ridgefield Center
Ridgefield, Connecticut*



*Orange Meadows Shopping Center
Orange, Connecticut*



*The Dock
Stratford, Connecticut*

*Goodwives Shopping Center
Darien, Connecticut*



*Greens Farms Plaza
Westport, Connecticut*



*Ridgeway
Shopping Center
Stamford, Connecticut*



CORE PROPERTIES



INVESTMENT PORTFOLIO

(As of January 7, 2005)

URSTADT BIDDLE PROPERTIES INC.

CORE PROPERTIES

UBP owns or has interests in twenty five retail properties and five office buildings which total 2,907,000 square feet.

Location	Square Feet	Principal Tenants	Property Type
Stamford, Connecticut	369,000	Stop & Shop, Bed Bath & Beyond	Shopping center
Springfield, Massachusetts	323,000	Big Y, Burlington Coat, World Gym	Shopping center
Meriden, Connecticut	313,000	ShopRite, Old Navy, Linens 'N Things	Shopping center
Stratford, Connecticut (1)	269,000	Stop & Shop, Staples, Petco	Shopping center
Danbury, Connecticut	194,000	Barnes & Noble, Christmas Tree Shops	Shopping center
White Plains, New York	185,000	Toys R Us, The Sports Authority	Shopping center
Briarcliff Manor, New York	161,000	Stop & Shop, Mandeess	Shopping center
Somers, New York	135,000	Home Goods, New York Sports Club	Shopping center
Carmel, New York	126,000	ShopRite, Eckerd Drugs	Shopping center
Wayne, New Jersey	102,000	A&P, PNC Bank	Shopping center
Newington, New Hampshire	102,000	Linens 'N Things, Outback Restaurant	Shopping center
Darien, Connecticut	95,000	Shaw's Supermarket	Shopping center
Somers, New York	78,000	Gristede's, US Post Office	Shopping center
Orange, Connecticut	78,000	Trader Joe's, Seamans Furniture	Shopping center
Eastchester, New York	70,000	Food Emporium (A&P)	Shopping center
Ridgefield, Connecticut	51,000	Chico's	Street retail
Rye, New York (4 buildings)	40,000	Cosi	Street retail
Westport, Connecticut	38,000	Pier One Imports	Shopping center
Briarcliff Manor, New York	38,000	Dress Barn, Radio Shack	Shopping center
Danbury, Connecticut	33,000	Boston Billards, Sleepy's	Shopping center
Briarcliff Manor, New York	29,000	Party Plus Warehouse	Shopping center
Somers, New York	19,000	Putnam County Savings Bank	Shopping center
Greenwich, Connecticut	59,000	Greenwich Hospital, Urstadt Biddle Properties (Executive Offices)	5 Office buildings

(1) Property acquired on January 7, 2005

NON-CORE PROPERTIES

UBP owns one office building containing 202,000 square feet, one retail property containing 126,000 square feet and two industrial properties with a total of 447,000 square feet. The Company also holds long-term mortgages.

Location	Square Feet	Principal Tenant	Property Type
Southfield, Michigan	202,000	Arcadis	Office building
Tempe, Arizona	126,000	Mervyn's	Shopping center
Dallas, Texas	255,000	DaimlerChrysler	Parts distribution facility
St. Louis, Missouri	192,000	DaimlerChrysler	Parts distribution facility

FINANCIALS

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CONSOLIDATED BALANCE SHEETS

(In thousands, except share data)	October 31,	
	<u>2004</u>	<u>2003</u>
ASSETS		
Real Estate Investments:		
Core properties — at cost	\$381,937	\$369,390
Non-core properties — at cost	20,621	21,376
Less: accumulated depreciation	<u>(61,389)</u>	<u>(52,544)</u>
	341,169	338,222
Mortgage notes receivable	<u>2,109</u>	<u>2,184</u>
	343,278	340,406
Property held for sale	4,002	4,265
Cash and cash equivalents	25,940	22,449
Restricted cash	1,184	1,098
Marketable securities	2,681	9,532
Tenant receivables, net of allowances of \$2,047 and \$1,369, respectively	11,249	8,434
Prepaid expenses and other assets	3,303	3,245
Deferred charges, net of accumulated amortization	<u>3,280</u>	<u>3,210</u>
Total Assets	<u>\$394,917</u>	<u>\$392,639</u>
 LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Mortgage notes payable	\$107,443	\$104,588
Accounts payable and accrued expenses	1,515	2,741
Deferred officers' compensation	501	401
Other liabilities	<u>3,617</u>	<u>5,166</u>
Total Liabilities	<u>113,076</u>	<u>112,896</u>
Minority Interests	<u>7,320</u>	<u>7,320</u>
Preferred Stock, par value \$.01 per share; 20,000,000 shares authorized;		
8.99% Series B Senior Cumulative Preferred stock, (liquidation preference of \$100 per share); 150,000 shares issued and outstanding	14,341	14,341
8.50% Series C Senior Cumulative Preferred stock, (liquidation preference of \$100 per share); 400,000 shares issued and outstanding	<u>38,406</u>	<u>38,406</u>
Total Preferred Stock	<u>52,747</u>	<u>52,747</u>
Commitments and Contingencies		
Stockholders' Equity:		
Excess stock, par value \$.01 per share; 10,000,000 shares authorized; none issued and outstanding	—	—
Common stock, par value \$.01 per share; 30,000,000 shares authorized; 7,189,991 and 6,817,771 shares issued and outstanding shares at October 31, 2004 and 2003	72	68
Class A Common stock, par value \$.01 per share; 40,000,000 shares authorized; 18,649,008 and 18,548,453 issued and outstanding shares at October 31, 2004 and 2003	186	185
Additional paid in capital	264,680	258,296
Cumulative distributions in excess of net income	(36,581)	(33,611)
Accumulated other comprehensive income	472	—
Unamortized restricted stock compensation and officers notes receivable	<u>(7,055)</u>	<u>(5,262)</u>
Total Stockholders' Equity	<u>221,774</u>	<u>219,676</u>
Total Liabilities and Stockholders' Equity	<u>\$394,917</u>	<u>\$392,639</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,		
	<u>2004</u>	<u>2003</u>	<u>2002</u>
Revenues			
Base rents	\$49,704	\$45,896	\$33,537
Recoveries from tenants	13,810	12,143	7,527
Lease termination income	577	80	765
Interest and other	825	1,034	1,369
	<u>64,916</u>	<u>59,153</u>	<u>43,198</u>
Operating Expenses			
Property operating	10,194	9,970	7,274
Property taxes	8,571	7,354	5,061
Interest	8,113	8,094	5,584
Depreciation and amortization	11,094	10,231	7,904
General and administrative expenses	3,416	3,154	2,836
Director's fees and expenses	207	185	173
	<u>41,595</u>	<u>38,988</u>	<u>28,832</u>
Operating Income	<u>23,321</u>	<u>20,165</u>	<u>14,366</u>
Minority Interests	<u>(367)</u>	<u>(365)</u>	<u>(395)</u>
Income from Continuing Operations	<u>22,954</u>	<u>19,800</u>	<u>13,971</u>
Income from Discontinued Operations	<u>361</u>	<u>570</u>	<u>536</u>
Net Income	<u>23,315</u>	<u>20,370</u>	<u>14,507</u>
Preferred Stock Dividends	(4,749)	(2,794)	(1,498)
Excess of Carrying Value over Cost to Repurchase Preferred Shares	—	—	3,071
Net Income Applicable to Common and Class A Common Stockholders	<u>\$18,566</u>	<u>\$17,576</u>	<u>\$16,080</u>
Basic Earnings Per Share:			
Per Common Share:			
Income from Continuing operations	\$.69	\$.65	\$.77
Income from Discontinued operations	\$.01	\$.02	\$.03
Net Income Applicable to Common Stockholders	<u>\$.70</u>	<u>\$.67</u>	<u>\$.80</u>
Per Class A Common Share:			
Income from Continuing operations	\$.75	\$.72	\$.86
Income from Discontinued operations	\$.02	\$.02	\$.03
Net Income Applicable to Class A Common Stockholders	<u>\$.77</u>	<u>\$.74</u>	<u>\$.89</u>
Diluted Earnings Per Share:			
Per Common Share:			
Income from Continuing operations	\$.68	\$.64	\$.75
Income from Discontinued operations	\$.01	\$.02	\$.03
Net Income Applicable to Common Stockholders	<u>\$.69</u>	<u>\$.66</u>	<u>\$.78</u>
Per Class A Common Share:			
Income from Continuing operations	\$.75	\$.71	\$.84
Income from Discontinued operations	\$.01	\$.02	\$.03
Net Income Applicable to Class A Common Stockholders	<u>\$.76</u>	<u>\$.73</u>	<u>\$.87</u>
Dividends Per Share:			
Common	\$.78	\$.76	\$.74
Class A Common	<u>\$.86</u>	<u>\$.84</u>	<u>\$.82</u>

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,		
	2004	2003	2002
Operating Activities:			
Net income	\$23,315	\$20,370	\$14,507
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	11,241	10,388	8,064
Amortization of restricted stock	1,322	1,105	942
Minority interests	367	365	395
Increase in restricted cash	(86)	(2)	(181)
Increase in tenant receivables	(2,708)	(3,120)	(1,871)
(Decrease) increase in accounts payable and accrued expenses	(1,226)	243	(1,649)
(Decrease) increase in other assets and other liabilities, net	(1,481)	1,827	(1,675)
Net Cash Provided by Operating Activities	30,744	31,176	18,532
Investing Activities:			
Sales (purchases) of marketable securities	7,323	15,613	(25,145)
Acquisitions of properties	(6,625)	(83,485)	(34,785)
Acquisition of minority interests	—	—	(1,258)
Improvements to properties and deferred charges	(2,822)	(2,844)	(2,814)
Net proceeds from sales of properties	—	—	275
Distributions to limited partners of consolidated joint ventures	(367)	(365)	(395)
Payments to limited partners of unconsolidated joint venture	—	—	(600)
Payments received on mortgage notes and other receivables	75	1,263	62
Deposits on acquisitions of properties	—	—	(300)
Net Cash Used in Investing Activities	(2,416)	(69,818)	(64,960)
Financing Activities:			
Sales of Series C Preferred Stock	—	38,406	—
Sales of additional Common and Class A Common shares	3,141	1,366	88,523
Proceeds from bank loans	—	—	17,200
Payments on mortgage notes payable and bank loans	(1,826)	(1,841)	(17,256)
Dividends paid — Common and Class A Common shares	(21,536)	(20,700)	(14,913)
Dividends paid — Preferred Stock	(4,749)	(2,794)	(1,498)
Repurchase of preferred shares	—	—	(16,050)
Repayments of notes receivable from officers	133	312	3,017
Net Cash (Used In) Provided by Financing Activities	(24,837)	14,749	59,023
Net Increase (Decrease) In Cash and Cash Equivalents	3,491	(23,893)	12,595
Cash and Cash Equivalents at Beginning of Year	22,449	46,342	33,747
Cash and Cash Equivalents at End of Year	\$25,940	\$22,449	\$46,342

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

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(In thousands, except shares and per share data)

	Common Stock		Class A Common Stock		Additional Paid In Capital	(Cumulative Distributions In Excess of Net Income)	Accumulated Other Comprehensive Income	Unamortized Restricted Stock Compensation and Notes Receivable	Total
	Outstanding Number of Shares	Par Value	Outstanding Number of Shares	Par Value					
Balances — October 31, 2001	6,242,139	\$62	9,600,019	\$96	\$162,763	\$(31,654)	\$ —	\$(4,899)	\$126,368
Net Income applicable to Common and Class A Common stockholders	—	—	—	—	—	16,080	—	—	16,080
Cash dividends paid:									
Common stock (\$.74 per share)	—	—	—	—	—	(4,750)	—	—	(4,750)
Class A common stock (\$.82 per share)	—	—	—	—	—	(10,163)	—	—	(10,163)
Sales of Class A common shares	—	—	8,749,222	88	87,835	—	—	—	87,923
Sale of additional shares under dividend reinvestment plan	14,296	—	19,494	—	364	—	—	—	364
Shares issued under restricted stock plan	110,375	2	43,425	1	1,577	—	—	(1,580)	—
Amortization of restricted stock compensation	—	—	—	—	—	—	—	942	942
Exercises of stock options	211,762	2	37,312	—	1,727	—	—	—	1,729
Notes from officers upon exercises of stock options	—	—	—	—	—	—	—	(1,493)	(1,493)
Repayment of notes receivable from officers	—	—	—	—	—	—	—	3,017	3,017
Balances — October 31, 2002	6,578,572	66	18,449,472	185	254,266	(30,487)	—	(4,013)	220,017
Comprehensive Income:									
Net income applicable to Common and Class A common stockholders	—	—	—	—	—	17,576	—	—	17,576
Cash dividends paid:									
Common stock (\$.76 per share)	—	—	—	—	—	(5,135)	—	—	(5,135)
Class A common stock (\$.84 per share)	—	—	—	—	—	(15,565)	—	—	(15,565)
Sales of shares under dividend reinvestment plan	61,699	1	18,704	—	1,051	—	—	—	1,052
Shares issued under restricted stock plan	159,500	1	56,200	—	2,665	—	—	(2,666)	—
Amortization of restricted stock compensation	—	—	—	—	—	—	—	1,105	1,105
Exercises of stock options	18,000	—	24,077	—	314	—	—	—	314
Repayment of notes receivable from officers	—	—	—	—	—	—	—	312	312
Balances — October 31, 2003	6,817,771	68	18,548,453	185	258,296	(33,611)	—	(5,262)	219,676
Comprehensive Income:									
Net income applicable to Common and Class A common stockholders	—	—	—	—	—	18,566	—	—	18,566
Unrealized gains on marketable securities	—	—	—	—	—	—	472	—	472
Total Comprehensive Income									19,038
Cash dividends paid:									
Common stock (\$.78 per share)	—	—	—	—	—	(5,516)	—	—	(5,516)
Class A common stock (\$.86 per share)	—	—	—	—	—	(16,020)	—	—	(16,020)
Sales of additional shares under dividend reinvestment plan	181,720	2	18,306	—	2,843	—	—	—	2,845
Shares issued under restricted stock plan	175,500	2	58,625	1	3,245	—	—	(3,248)	—
Amortization of restricted stock compensation	—	—	—	—	—	—	—	1,322	1,322
Exercises of stock options	15,000	—	23,624	—	296	—	—	—	296
Repayment of note receivable from officer	—	—	—	—	—	—	—	133	133
Balances — October 31, 2004	<u>7,189,991</u>	<u>\$72</u>	<u>18,649,008</u>	<u>\$186</u>	<u>\$264,680</u>	<u>\$(36,581)</u>	<u>\$472</u>	<u>\$(7,055)</u>	<u>\$221,774</u>

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) 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. Other assets include office and retail buildings and industrial properties. The Company's major tenants include supermarket chains and other retailers who sell basic necessities. At October 31, 2004, the Company owned or had interests in 34 properties containing a total of 3.5 million square feet of leasable area.

Principles of Consolidation and Use of Estimates

The consolidated financial statements include the accounts of the Company, its wholly owned subsidiaries, and joint ventures in which the Company has the ability to control the affairs of the venture. The Company believes it has the ability to control the affairs of its consolidated joint ventures because as the sole general partner, the Company has the exclusive right to exercise all management powers over the business and affairs of the respective joint ventures. In addition, the limited partners have no important rights as defined in the AICPA's Statement of Position ("SOP") 78-9 "Accounting for Investments in Real Estate Ventures." The joint ventures are consolidated into the consolidated financial statements of the Company. All significant intercompany transactions and balances have been eliminated in consolidation.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make use of estimates and assumptions that affect amounts reported in the financial statements as well as certain disclosures. Actual results could differ from those estimates.

Reclassifications

Certain prior period amounts have been reclassified (including the presentation of the consolidated statements of income required by SFAS #144) to conform to the current year presentation.

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 has distributed all of its taxable income for the fiscal years through 2004 in accordance with the provisions of the Code. Accordingly, no provision has been made for Federal income taxes in the accompanying consolidated financial statements.

Real Estate Investments

All capitalizable costs related to the improvement or replacement of real estate properties are 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, the Company assesses the fair value of acquired tangible assets such as land, buildings and tenant improvements, intangible assets such as above and below market leases, acquired-in place leases and other identified intangible assets and assumed liabilities in accordance with Statement of Financial Accounting Standards ("SFAS") No. 141. The Company allocates the purchase price to the acquired assets and assumed liabilities based on their relative fair values. The Company assesses and considers fair value based on estimated cash flow projections that utilize appropriate discount and/or capitalization rates, as well as available market information. The fair value of the tangible assets of an acquired property considers the value of the property as if it were vacant.

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 hypothetical expected lease-up periods, current market conditions, and cost to execute similar leases. The value of in-place leases are amortized to depreciation and amortization expense 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 expensed.

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 useful life.

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 \$1,886,000 and \$1,712,000 as of October 31, 2004 and 2003, respectively.

Asset Impairment

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the asset to aggregate future net cash flows, (undiscounted and without interest), expected to be generated by the asset. If such assets are considered impaired, the impairment to be recognized is measured by the amount by which the carrying amounts of the assets exceed the fair value less costs to sell. It is the Company's policy to reclassify properties as assets to be disposed of upon determination that such properties will be sold within one year.

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. Minimum rental income from leases with scheduled rent increases is recognized on a straight-line basis over the lease term. At October 31, 2004 and 2003, approximately \$7,199,000 and \$5,735,000 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 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 termination amounts received by the Company from its tenants are recognized as income in the period received. 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 generally accepted accounting principles 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, 2004 and 2003, tenant receivables in the accompanying consolidated balance sheets are shown net of allowances for doubtful accounts of \$2,047,000 and \$1,369,000, respectively.

Cash and Cash Equivalents

The Company considers highly liquid investments with original maturities of 90 days or less when purchased to be cash equivalents.

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 which 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 in Stockholders Equity. At October 31, 2004, other comprehensive income consists of net unrealized gains of \$472,000. Unrealized gains included in other comprehensive income will be reclassified into earnings as gains are realized.

Fair Value of Financial Instruments

The carrying values of cash and cash equivalents, restricted cash, tenant receivables, prepaid expenses and other assets, accounts payable and accrued expenses and other liabilities are reasonable estimates of their fair values because of the short maturities of these instruments.

The estimated fair value of mortgage notes receivable collateralized by real property is based on discounting the future cash flows at a year-end risk adjusted lending rate that the Company would utilize for loans of similar risk and duration. At October 31, 2004 and 2003, the estimated aggregate fair value of the mortgage notes receivable was \$2,016,000 and \$2,161,000 respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The estimated fair value of mortgage notes payable was \$115,000,000 and \$114,000,000 at October 31, 2004 and 2003, respectively. The estimated fair value of mortgage notes payable is based on discounting the future cash flows at a year-end risk adjusted lending rate currently available to the Company for issuance of debt with similar terms and remaining maturities.

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.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents, mortgage notes receivable 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 SFAS No. 128, "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 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.

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

	2004	2003	2002
Numerator			
Net income applicable to common stockholders – basic	\$4,488	\$4,171	\$4,880
Effect of dilutive securities:			
Operating partnership units	<u>192</u>	<u>151</u>	<u>160</u>
Net income applicable to common stockholders – diluted	<u>\$4,680</u>	<u>\$4,322</u>	<u>\$5,040</u>
Denominator			
Denominator for basic EPS – weighted average common shares	6,414	6,259	6,089
Effect of dilutive securities:			
Stock options and awards	351	252	288
Operating partnership units	<u>55</u>	<u>55</u>	<u>55</u>
Denominator for diluted EPS – weighted average common equivalent shares	<u>6,820</u>	<u>6,566</u>	<u>6,432</u>
Numerator			
Net income applicable to Class A common stockholders – basic	\$14,078	\$13,405	\$11,200
Effect of dilutive securities:			
Operating partnership units	<u>175</u>	<u>215</u>	<u>202</u>
Net income applicable to Class A common stockholders – diluted	<u>\$14,253</u>	<u>\$13,620</u>	<u>\$11,402</u>
Denominator			
Denominator for basic EPS – weighted average Class A common shares	18,248	18,200	12,615
Effect of dilutive securities:			
Stock options and awards	278	210	211
Operating partnership units	<u>310</u>	<u>310</u>	<u>310</u>
Denominator for diluted EPS – weighted average Class A common equivalent shares	<u>18,836</u>	<u>18,720</u>	<u>13,136</u>

Segment Reporting

The Company operates in one industry segment, ownership of commercial real estate properties which are located principally in the northeastern United States. Management reviews operating and financial data for each property separately and independently from all other properties when making resource allocation decisions and measuring performance.

Recently Issued Accounting Pronouncements

In January 2003, the FASB issued FASB Interpretation No. 46, "Consolidation of Variable Interest Entities," which explains how to identify variable interest entities ("VIE") and assess whether to consolidate such entities. The provisions of this interpretation are effective immediately for VIE's formed after January 31, 2003. For VIE's formed prior to January 31, 2003, the provisions of this interpretation apply to the first fiscal year or interim period beginning after December 15, 2003. The adoption of this pronouncement in fiscal 2004 did not have any effect on the Company's operations or financial position as the Company does not have any VIE's.

In May 2003, the FASB issued SFAS No. 150 "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity" ("Statement"). The Statement establishes standards for classifying and measuring as liabilities certain financial instruments that embody obligations of the issuer and have characteristics of both liabilities and equity. In November 2003, the FASB deferred the classification and measurement provisions of the Statement which apply to certain mandatory redeemable non-controlling interests. This deferral is expected to remain in effect while these provisions are further evaluated by the FASB. The Company has one finite life joint venture which contains a mandatory redeemable non-controlling interest. At October 31, 2004 the estimated fair value of the minority interest was approximately \$3.3 million. The joint venture has a termination date of December 31, 2007.

In December 2004, the FASB issued SFAS No. 123R "Accounting for Stock-Based Compensation." The Statement supersedes APB Opinion No. 25 "Accounting for Stock Issued to Employees." The Statement establishes standards for the accounting for transactions in which an entity exchanges its equity instruments for goods or services. It also addresses transactions in which an entity incurs liabilities in exchange for goods or services that are based on the fair value of the entity's equity instruments or that may be settled by the issuance of those equity instruments. The Statement is effective as of the beginning of the third fiscal quarter of 2005. Management does not believe that the adoption of this pronouncement will have a material effect on its operations or financial position.

(2) REAL ESTATE INVESTMENTS

The Company's investments in real estate, net of depreciation, were composed of the following at October 31, 2004 and 2003 (in thousands):

	Core Properties	Non-core Properties	Mortgage Notes Receivable	2004 Totals	2003 Totals
Retail	\$322,459	\$2,039	\$2,109	\$326,607	\$322,835
Office	7,723	7,300	—	15,023	15,703
Industrial	—	1,344	—	1,344	1,564
Undeveloped Land	304	—	—	304	304
	<u>\$330,486</u>	<u>\$10,683</u>	<u>\$2,109</u>	<u>\$343,278</u>	<u>\$340,406</u>

The Company's investments at October 31, 2004, consisted of equity interests in 34 properties, which are located in various regions throughout the United States and mortgage notes. 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. As 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, 2004 and 2003 (in thousands):

	2004	2003
Northeast	\$331,139	\$327,695
Midwest	8,089	8,704
Southwest	4,050	4,007
	<u>\$343,278</u>	<u>\$340,406</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(3) CORE PROPERTIES

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

	2004	2003
Land	\$ 70,983	\$ 68,729
Buildings and improvements	310,954	300,661
	<u>381,937</u>	<u>369,390</u>
Accumulated depreciation	(51,451)	(42,384)
	<u>\$330,486</u>	<u>\$327,006</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 become due as follows: 2005 – \$42,991,000; 2006 – \$41,021,000; 2007 – \$38,432,000; 2008 – \$35,416,000; 2009 – \$30,514,000 and thereafter – \$133,337,000.

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, 2004.

Owned Properties

In fiscal 2004, the company purchased four retail properties ("Rye Properties") totaling 40,000 square feet of leasable space for total consideration of \$11.0 million subject to mortgage loans totaling \$4.7 million which encumbered three of the properties (with fixed interest rates ranging from 7.0% to 7.82%). The assumption of the mortgage loans represent non-cash financing activities and are therefore not included in the accompanying 2004 consolidated statement of cash flows. The Company has evaluated the carrying amount of the mortgage loans assumed and adjusted such amounts by \$218,000 to reflect their estimated fair values at the date of acquisition.

In fiscal 2003, the Company acquired four properties for cash consisting of the Westchester Pavilion in White Plains, New York, for \$39.9 million, seven retail building units in The Somers Commons in Somers, New York, for \$21.65 million, the Orange Meadows Shopping Center in Orange, Connecticut, for \$11.3 million, and the Greens Farms Plaza, in Westport, Connecticut, for \$10.1 million.

In fiscal 2002, the Company acquired the Airport Plaza shopping center in Danbury, Connecticut for \$7.0 million subject to a first mortgage loan of \$2.0 million at a fixed interest rate of 8.375%. The assumption of the first mortgage represents a non-cash financing activity and is therefore not included in the accompanying 2002 consolidated statement of cash flows.

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 SFAS No. 141 "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.

The Company is currently in the process of analyzing the fair value of in-place leases for the acquisitions of the Rye Properties in fiscal 2004, and consequently, no value has yet been assigned to the leases. Accordingly, the purchase price allocation is preliminary and may be subject to change.

Property Held for Sale and Discontinued Operations

The Company has adopted the provisions of Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" (SFAS #144). SFAS #144 requires, among other things, that the assets and liabilities and the results of operations of the Company's properties which 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. Properties held for sale represent properties that are under contract for sale and are expected to close within the next twelve months.

Property held for sale consists of a shopping center in Farmingdale, New York which was under contract at October 31, 2004. In November 2004, the property was sold (See Note 12) and accordingly, its operating results for the three years ended October 31, 2004, have been reclassified as discontinued operations in the accompanying consolidated financial statements. Revenues from discontinued operations were \$1,034,000, \$1,207,000 and \$1,142,000 for the years ended October 31, 2004, 2003 and 2002 respectively.

Consolidated Joint Ventures

The Company is the general partner in a partnership that owns the Eastchester Mall in Eastchester, New York. The limited partner who contributed the property in exchange for common and preferred LP units ("partnership units") is entitled to preferential distributions of cash flow from the property and may put its partnership units to the Company in exchange for shares of the Company's Common Stock, Class A Common stock and cash. However the Company, at its option, may elect to redeem the partnership units for cash. The Company also has an option to purchase all of the partnership units for cash after 2007. At October 31, 2004 there were 54,553 Common LP units, Class A Common LP units and Preferred LP units outstanding.

The Company is the general partner in a partnership that owns the Arcadian Shopping Center in Briarcliff Manor, New York. The limited partners contributed the property, subject to a \$6.3 million first mortgage, in exchange for partnership units ("PU's") of the entity. The PU's are exchangeable into an equivalent number of shares of the Company's Class A Common Stock. The limited partners are entitled to preferential distributions of cash flow from the property and may put their partnership interests to the Company for cash or Class A Common Stock of the Company at a unit price as defined in the partnership agreement. The Company, at its option, may redeem the limited partners' interest for cash. At October 31, 2004 there were 255,097 PU's outstanding.

The Company is the general partner in a partnership that owns the Ridgeway Shopping Center in Stamford, Connecticut. The partnership acquired the property in 2002, subject to a \$57.4 million mortgage loan. The partners are entitled to receive an annual cash preference payable from available cash of the partnership. Any unpaid preferences accumulate and are paid from future available cash, if any. The limited partners' cash preferences are paid after the general partner's preferences are satisfied. The balance of available cash, if any, is distributed in accordance with the respective partners' interests. Upon liquidation, proceeds from the sale of partnership assets are to be distributed in accordance with the respective partners' interests. The partners are not obligated to make any additional capital contributions to the partnership. The Company has retained an affiliate of one of the limited partners to provide management and leasing services to the property at an annual fee of \$125,000 for a period of five years ending in June 2007. The assumption of the mortgage loan represented a non-cash financing activity and is therefore not included in the accompanying 2002 consolidated statement of cash flows.

The limited partner interests are reflected in the accompanying consolidated financial statements as Minority Interests.

(4) NON-CORE PROPERTIES

At October 31, 2004, the non-core properties consist of two distribution and service properties, one office building and one retail 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):

	2004	2003
Land	\$ 1,943	\$ 1,943
Buildings and improvements	<u>18,678</u>	<u>19,433</u>
	20,621	21,376
Accumulated depreciation	<u>(9,938)</u>	<u>(10,161)</u>
	<u>\$10,683</u>	<u>\$11,215</u>

Minimum rental payments on non-cancelable operating leases of the non-core properties become due as follows: 2005 - \$4,332,000; 2006 - \$4,408,000; 2007 - \$4,156,000; 2008 - \$1,376,000; 2009 - \$906,000 and thereafter \$1,263,000.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(5) MORTGAGE NOTES RECEIVABLE

Mortgage notes receivable consist of two fixed rate mortgages with contractual interest rates of 9% and 12% which are secured by commercial property. Interest is recognized on the effective yield method. The mortgage notes are recorded at a discounted amount which reflects market interest rates at the time of acceptance of the notes. At October 31, 2004 and 2003, the unamortized discounts were \$349,000 and \$393,000 respectively. At October 31, 2004, principal payments on the mortgage notes receivable become due as follows: 2005 – \$130,000; 2006 – \$142,000; 2007 – \$156,000; 2008 – \$170,000; 2009 – \$186,000 and thereafter – \$1,673,000.

(6) MORTGAGE NOTES PAYABLE AND LINES OF CREDIT

At October 31, 2004, mortgage notes payable are due in installments over various periods to fiscal 2011 at fixed rates of interest ranging from 6.29% to 8.375% and are collateralized by real estate investments having a net carrying value of \$170,372,000.

Scheduled principal payments during the next five years and thereafter are as follows: 2005 – \$2,247,000; 2006 – \$9,040,000; 2007 – \$11,348,000; 2008 – \$53,392,000; 2009 – \$17,754,000 and thereafter – \$13,662,000.

At October 31, 2004, the Company had two revolving lines of credit arrangements with a bank. One line of credit (the "Secured Credit Facility") expires in October 2005 and is secured by first mortgage liens on two properties and provides for draws of up to \$17.5 million. Interest is at Prime + 1/2% or LIBOR + 1.5%. The Secured Credit Facility requires the Company to maintain certain debt service coverage ratios during its term. At October 31, 2004, the Company had no outstanding borrowings under this revolving credit agreement. The Company pays an annual fee of .25% on the unused portion of this credit facility.

The Company also has a \$20 million unsecured line of credit arrangement with the same bank which expires in January 2005. The line of credit is available to acquire real estate, refinance indebtedness and for working capital needs. Extensions of credit are at the bank's discretion and subject to the bank's satisfaction of certain conditions. Outstanding borrowings bear interest at the Prime + 1/2% or LIBOR + 2.5%. The Company pays an annual fee of .25% on unused amounts. There were no borrowings outstanding under this line of credit at October 31, 2004.

Interest paid in each of the three years ended October 31, 2004, was \$8,113,000, \$8,094,000 and \$5,584,000, respectively.

(7) PREFERRED STOCK

The 8.99% Series B Senior Cumulative Preferred Stock ("Series B Preferred Stock") and 8.50% Series C Senior Cumulative Preferred Stock ("Series C Preferred Stock") have no stated maturity, are not subject to any sinking fund or mandatory redemption and are not convertible into other securities or property of the Company. On or after ten years from date of issuance, the Company at its option may redeem the Series B Preferred Stock and/or Series C Preferred Stock, in whole or in part, at a redemption price of \$100 per share, plus all accrued dividends. Upon a change in control of the Company (as defined), each holder of Series B Preferred Stock and Series C Preferred Stock has the right, at such holder's option, to require the Company to repurchase all or any part of such holder's stock for cash at a repurchase price of \$100 per share, plus all accrued and unpaid dividends.

As the holders of the Series B Preferred Stock and Series C Preferred Stock only have a contingent right to require the Company to repurchase all or part of such holders shares upon a change of control of the Company (as defined), the Series B Preferred Stock and Series C Preferred Stock are classified as redeemable equity instruments as a change in control is not certain to occur.

The Series B Preferred Stock and Series C Preferred Stock contain covenants which require the Company to maintain certain financial coverages relating to fixed charge and capitalization ratios. Shares of both Preferred Stock series are non-voting; however, under certain circumstances (relating to non-payment of dividends or failure to comply with the financial covenants) the preferred stockholders will be entitled to elect two directors. The Company was in compliance with such covenants at October 31, 2004 and 2003.

In fiscal 2002, the Company repurchased 200,000 shares of its Series B Preferred Stock for \$16,050,000 in a negotiated transaction with a holder of the preferred shares. The Company recorded the excess of the carrying value over the cost to repurchase the preferred shares of \$3,071,000 as an increase in net income applicable to Common and Class A Common stockholders.

(8) STOCKHOLDERS' EQUITY

In fiscal 2002, the Company completed a secondary offering of 8,050,000 shares of its Class A Common Stock in an underwritten public offering. The net proceeds to the Company (after deducting underwriting fees and expenses) were \$81,854,000. In November 2001, the Company also sold 699,222 shares to its underwriters to cover over allotments in connection with the Company's secondary stock offering of 4,800,000 shares in fiscal 2001. Net proceeds to the Company amounted to \$6,069,000.

Underwriting commissions and costs incurred in connection with the Company's stock offerings are reflected as a reduction of additional paid in capital.

The Class A Common Stock entitles the holder to 1/20 of one vote per share. Each share of Common Stock and Class A Common Stock has 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 "Plan") which permits shareholders to acquire additional shares of Common Stock and Class A Common Stock by automatically reinvesting dividends. During fiscal 2004, the Company issued 181,720 shares of Common Stock and 18,306 shares of Class A Common Stock (61,699 shares of Common Stock and 18,704 shares of Class A Common Stock in fiscal 2003) through the Plan. As of October 31, 2004, there remained 299,907 shares of common stock and 525,228 shares of Class A common stock available for issuance under the Plan.

The Company has a stockholders rights agreement, which expires on November 12, 2008. 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 shall automatically 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(9) STOCK OPTION AND OTHER BENEFIT PLANS

Stock Option Plan

The Company has a stock option plan whereby 824,093 Common shares and 743,003 Class A Common shares were reserved for issuance to key employees and non-employee Directors of the Company. As of October 31, 2004, options to purchase 2,406 shares of Class A Common Stock (and no shares of common stock) were available for future grant. Options are granted at fair market value on the date of the grant, have a duration of ten years from the date of grant, and vest over a maximum period of four years from the date of grant.

A summary of stock option transactions during the three years ended October 31, 2004 is as follows:

Year ended October 31,	2004		2003		2002	
	Number of Shares	Weighted Average Exercise Prices	Number of Shares	Weighted Average Exercise Prices	Number of Shares	Weighted Average Exercise Prices
Common stock:						
Balance at beginning of period	55,876	\$7.62	91,570	\$7.50	315,060	\$7.00
Granted	—	—	—	—	—	—
Exercised	(15,000)	\$7.29	(18,000)	\$7.22	(211,762)	\$6.88
Canceled/Forfeited	(15,728)	\$7.27	(17,694)	\$7.44	(11,728)	\$7.03
Balance at end of period	25,148	\$7.70	55,876	\$7.62	91,570	\$7.50
Exercisable	25,148		55,876		91,570	
Class A Common Stock:						
Balance at beginning of period	42,733	\$7.83	66,810	\$7.71	314,605	\$7.50
Granted	—	—	—	—	—	—
Exercised	(23,624)	\$7.93	(24,077)	\$7.61	(37,312)	\$7.26
Canceled/Forfeited	—	—	—	—	(210,483)	\$7.16
Balance at end of period	19,109	\$7.85	42,733	\$7.83	66,810	\$7.71
Exercisable	19,109		42,733		66,810	

At October 31, 2004, exercise prices of shares of Common Stock and Class A Common Stock under option ranged from \$7.04 to \$7.69, for the Common Stock and \$6.78 to \$9.28, for the Class A Common Stock. For both classes of stock option expiration dates range from April 2005 through April 2009 and the weighted average remaining contractual life of these options is 2.5 years.

As of October 31, 2004, outstanding options to acquire approximately 6,000 shares each of Common Stock and Class A Common stock permit the optionee to elect to receive either shares of Common stock, Class A Common Stock or a combination of both. Upon an election to exercise shares of a class of common stock by the optionee, an equivalent number of shares of the class of common stock not elected by such optionee are deemed cancelled and no longer available for future grants.

In connection with the exercise of stock options certain officers of the Company executed full recourse promissory notes equal to the purchase price of the shares. At October 31, 2004 officers notes receivable totaled \$1,300,000 (\$1,434,000 at October 31, 2003) The outstanding notes have a term of ten years and bear interest at an annual rate determined at the date of origination of the note. The shares are pledged as additional collateral for the notes. Interest is payable quarterly. The exercise of the stock options and the issuance of the notes represent non-cash financing activities and are therefore not included in the accompanying consolidated statements of cash flows.

The Company has adopted the disclosure-only provisions of Statement of Financial Accounting Standards No. 123, "Accounting for Stock Based Compensation" ("SFAS 123"). Accordingly, no compensation expense has been recognized for stock options granted under the plan. Had compensation cost for stock options granted been determined based on the fair value on the grant date consistent with the provisions of SFAS 123, the effect on the Company's net income and earnings per share in each of the three years ended October 31, 2004 would have been immaterial.

Restricted Stock Plan

The Company has a restricted stock plan for key employees and directors of the Company. The restricted stock plan, as amended, provides for the grant of up to 1,650,000 of the Company's common equity consisting of 350,000 Common shares, 350,000 Class A Common shares and 950,000 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. As of October 31, 2004, the Company has awarded 685,000 shares of Common Stock and 397,875 shares of Class A Common Stock to participants as an incentive for future services. The shares vest between five and ten years after the date of grant. At October 31, 2004, 26,750 shares each of Common Stock and Class A Common Stock were vested (13,250 shares each of Common Stock and Class A Common Stock at October 31, 2003). Dividends on vested and non-vested shares are paid as declared. The market value of shares is recorded as unamortized restricted stock compensation on the date of grant. Unamortized restricted stock compensation is expensed over the respective vesting periods. For the years ended October 31, 2004, 2003 and 2002 amounts charged to expense totaled \$1,322,000, \$1,105,000 and \$942,000, respectively.

Profit Sharing and Savings Plan

The Company has a profit sharing and savings plan (the "401K Plan"), which permits all eligible employees to defer a portion of their compensation in accordance with the Internal Revenue Code. Under the 401K Plan, the Company may make discretionary contributions on behalf of eligible employees. For the years ended October 31, 2004, 2003 and 2002, the Company made contributions to the 401K Plan of \$127,000, \$95,000 and \$93,000, respectively. The Company also has an Excess Benefits 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.

(10) 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, 2004 and 2003 adjusted to give effect to the acquisitions completed in fiscal 2003 (see Note 3), the disposition of the Company's Farmingdale, New York property in November 2004 and the issuance of 400,000 shares of Series C Preferred Stock (May 2003) as though these transactions were completed on November 1, 2002.

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 November 1, 2002 nor does it purport to represent the results of future operations. (Amounts in thousands, except per share figures).

	Year ended October 31,	
	2004	2003
Pro forma revenues:	<u>\$64,916</u>	<u>\$62,096</u>
Pro forma net income applicable to Common and Class A Common:	<u>\$18,566</u>	<u>\$17,064</u>
Pro forma basic shares outstanding:		
Common and Common Equivalent	<u>6,414</u>	<u>6,259</u>
Class A Common and Class A Common Equivalent	<u>18,248</u>	<u>18,200</u>
Pro forma diluted shares outstanding:		
Common and Common Equivalent	<u>6,820</u>	<u>6,566</u>
Class A Common and Class A Common Equivalent	<u>18,836</u>	<u>18,720</u>
Pro forma earnings per share:		
Basic:		
Common	<u>\$.69</u>	<u>\$.63</u>
Class A Common	<u>\$.75</u>	<u>\$.70</u>
Diluted:		
Common	<u>\$.68</u>	<u>\$.62</u>
Class A Common	<u>\$.75</u>	<u>\$.69</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(11) QUARTERLY RESULTS OF OPERATIONS (UNAUDITED)

The unaudited quarterly results of operations for the years ended October 31, 2004 and 2003 are as follows (in thousands, except per share data):

	Year Ended October 31, 2004				Year Ended October 31, 2003			
	Quarter Ended				Quarter Ended			
	Jan 31	Apr 30	July 31	Oct 31	Jan 31	Apr 30	July 31	Oct 31
Revenues (1)	<u>\$16,844</u>	<u>\$16,157</u>	<u>\$15,694</u>	<u>\$16,221</u>	<u>\$13,372</u>	<u>\$14,706</u>	<u>\$15,125</u>	<u>\$15,950</u>
Net Income	<u>\$6,271</u>	<u>\$5,866</u>	<u>\$5,341</u>	<u>\$5,837</u>	<u>\$4,197</u>	<u>\$4,870</u>	<u>\$5,459</u>	<u>\$5,844</u>
Preferred Stock Dividends	<u>(1,187)</u>	<u>(1,187)</u>	<u>(1,187)</u>	<u>(1,188)</u>	<u>(337)</u>	<u>(337)</u>	<u>(932)</u>	<u>(1,188)</u>
Net Income Applicable to Common and Class A Common Stockholders	<u>\$5,084</u>	<u>\$4,679</u>	<u>\$4,154</u>	<u>\$4,649</u>	<u>\$3,860</u>	<u>\$4,533</u>	<u>\$4,527</u>	<u>\$4,656</u>
Basic Earnings per Share:								
Common	\$.19	\$.18	\$.16	\$.17	\$.15	\$.17	\$.17	\$.18
Class A Common	\$.21	\$.19	\$.17	\$.20	\$.16	\$.19	\$.19	\$.19
Diluted Earnings per Share:								
Common	\$.19	\$.17	\$.15	\$.18	\$.15	\$.17	\$.17	\$.17
Class A Common	\$.21	\$.19	\$.17	\$.19	\$.16	\$.19	\$.19	\$.19

(1) All periods have been adjusted to reflect the impact of operating properties classified as held for sale as of October 31, 2004, which are reflected in the caption Discontinued Operations in the accompanying Consolidated Statements of Income.

(12) SUBSEQUENT EVENTS, COMMITMENTS AND CONTINGENCIES

On January 7, 2005, the Company acquired a 269,000 square foot shopping center located in Stratford, Connecticut for \$50.25 million excluding closing costs. The acquisition was funded with available cash and borrowings of \$17.5 million under the Company's secured line of credit.

On December 22, 2004, the Company contracted to purchase four retail properties totaling 73,000 square feet located in New York for an aggregate purchase price of \$18 million.

In November 2004, the Company sold a 70,000 square foot shopping center in Farmingdale, New York for a sale price of \$9.75 million, realizing a net gain on the sale of approximately \$5.7 million.

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 may ultimately 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.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To 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, 2004 and 2003, and the related consolidated statements of income, cash flows and stockholders' equity for each of the three years in the period ended October 31, 2004. 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, 2004 and 2003 and the consolidated results of their operations and their cash flows for each of the three years in the period ended October 31, 2004 in conformity with U.S. generally accepted accounting principles.

ERNST & YOUNG LLP

New York, New York
December 15, 2004
except for the first two paragraphs in Note 12
as to which the date is January 7, 2005

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), expansion and other development trends of the real estate industry, 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, 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 such statements are not guarantees of future performance and actual results or developments may differ materially from those anticipated in the forward-looking statements.

OVERVIEW

The Company, a 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. Other real estate assets include office and retail buildings and industrial properties. The Company's major tenants include supermarket chains and other retailers who sell basic necessities. At October 31, 2004, the Company owned or had controlling interests in 34 properties containing a total of 3.5 million square feet of GLA, of which approximately 97% was leased at October 31, 2004.

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.

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, and Westchester and Putnam Counties, New York

- Hold core properties for long-term investment and enhance their value through regular maintenance, periodic renovation and capital improvement
- Selectively dispose of non-core assets and re-deploy the proceeds into properties located in the Company's preferred 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

The Company records base rents on a straight-line basis over the term of each lease. The excess of rents recognized over amounts contractually due pursuant to the underlying leases is included in tenant receivables on the accompanying balance sheets. Most leases contain provisions that require tenants to reimburse a pro-rata share of real estate taxes and certain common area expenses. These amounts are recognized in the period the related expenses are incurred. Expense reimbursement payments generally are made monthly based on an estimated amount determined at the beginning of the year. The difference between the actual amount due and the estimated amounts paid by the tenant throughout the year is billed or credited to the tenant.

Allowance for Doubtful Accounts

The allowance for doubtful accounts and mortgage notes receivable 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 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 is subject to revision as these factors change and is sensitive to the effects of economic and market conditions on tenants, particularly those at retail centers. Estimates are used to establish reimbursements from tenants for common area maintenance, real estate tax and insurance costs.

Adjustments are also made throughout the year to tenant receivables and the related cost recovery income based upon the Company's best estimate of the final amounts to be billed and collected. 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 useful life

Assessments by the Company of certain other lease related costs are made when the Company has a reason to believe that the tenant may not be able to perform under the terms of the lease as originally expected. This requires management to make estimates as to the recoverability of such assets.

Asset Impairment

On a periodic basis, management assesses whether there are any indicators that the value of the real estate properties and mortgage notes receivable 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, trend 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 or mortgage notes receivable is impaired at October 31, 2004.

LIQUIDITY AND CAPITAL RESOURCES

At October 31, 2004, the Company had unrestricted cash and cash equivalents of \$25.9 million compared to \$22.4 million in 2003. 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.

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 2005 and to meet its dividend requirements necessary to maintain its REIT status. In fiscal 2004, 2003 and 2002, net cash provided by operations amounted to \$30.7 million, \$31.2 million and \$18.5 million, respectively. Cash dividends paid increased to \$26.3 million in 2004 compared to \$23.5 million in 2003 and \$16.4 million in 2002. 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 tenants 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.

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

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

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

During fiscal 2002, the Company filed a shelf registration statement on Form S-3 for up to \$150 million of debt securities, preferred stock, depository shares, common stock and Class A common stock. As of October 31, 2004, the Company had \$62.3 million available for issuance under this shelf registration statement.

In May 2003, the Company sold 400,000 shares of a new issue of Series C Cumulative Preferred Stock (Series C Preferred Stock) for net proceeds of \$38.4 million. The Series C Preferred Stock issue entitles the holders to a 8.5% cumulative dividend. The Company used a portion of the proceeds to purchase retail properties in 2004 and 2003. The Company intends to use the balance of the proceeds for property acquisitions during fiscal 2005.

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 consist of \$107,443,000 of fixed rate mortgage loan indebtedness with a weighted average interest rate of 7.48% at October 31, 2004. The mortgage loans are secured by fourteen properties and have fixed rates of interest ranging from 6.29% to 8.375%. The Company anticipates that it will make principal mortgage payments due in fiscal 2005 from available cash. The Company expects to refinance a majority of 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 refinancing can be achieved.

At October 31, 2004, the Company had a secured revolving credit facility with a bank which expires in October 2005 and allows for borrowings up to \$17.5 million. The secured credit line is collateralized by two properties having a net book value of \$28.5 million at October 31, 2004. The Company intends to seek renewal of the facility at its scheduled expiration. The Company also has a \$20 million unsecured revolving line of credit with the same bank which was scheduled to expire in January 2005. In December 2004, the Company extended the unsecured credit line for an additional one year

period. Extensions of credit under the unsecured credit line are at the bank's discretion and subject to certain conditions to the bank's satisfaction. Both revolving credit lines are available to finance the acquisition, management and/or development of commercial real estate, refinance indebtedness and for working capital purposes. There were no borrowings on either credit line during the year and there were no outstanding borrowings at October 31, 2004.

Contractual Obligations

The Company's contractual payment obligations as of October 31, 2004, were as follows (amounts in thousands):

	Payments Due by Period						
	Total	2005	2006	2007	2008	2009	Thereafter
Mortgage Notes Payable	\$107,443	\$2,247	\$9,040	\$11,348	\$53,392	\$17,754	\$13,662
Tenant Obligations*	1,843	1,034	809	—	—	—	—
Total Contractual Obligations	\$109,286	\$3,281	\$9,849	\$11,348	\$53,392	\$17,754	\$13,662

*Committed tenant-related obligations based on executed leases as of October 31, 2004.

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

During the twelve month periods ended October 31, 2004 and 2003, the Company did not have any off-balance sheet arrangements.

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 each of the three years ended October 31, 2004, the Company incurred approximately \$2.8 million for capital expenditures for property improvements and tenant allowances and commissions in connection with the Company's leasing activities. The amounts of these expenditures can vary significantly depending on tenant negotiations, market conditions and rental rates. The Company expects to incur an additional \$5 million for expected capital improvements and leasing costs in fiscal 2005. These expenditures are expected to be funded from operating cash flows or borrowings.

Acquisitions and Sales

The Company seeks to acquire properties which are primarily shopping centers located in the northeastern part of the United States.

In fiscal 2004, the Company acquired four retail properties totaling 40,000 square feet of leasable space, for a total purchase price of \$11.0 million. In connection with the acquisition of three of the properties, the Company assumed mortgage loans totaling \$4.7 million.

In fiscal 2003, the Company acquired four properties totaling 436,000 square feet in separate transactions for approximately \$83 million. The properties were purchased with cash raised from sales of equity securities and consisted of: the Westchester Pavilion in White Plains, New York, for \$39.9 million, the Orange Meadows Shopping Center in Orange, Connecticut, for \$11.3 million, the Greens Farms Plaza in Westport, Connecticut, for \$10.1 million and seven retail building units in Somers Commons in Somers, New York for \$21.7 million.

In fiscal 2002, the Company acquired a 90% general partner interest in a shopping center in Stamford, Connecticut for \$86.8 million. The property was acquired subject to a \$57.4 million first mortgage loan. The Company also purchased a shopping center in Danbury, Connecticut for \$7.0 million subject to a first mortgage loan of \$2.0 million and acquired the remaining 15% interest in an office building for a purchase price of \$1.25 million.

Shortly after the close of fiscal 2004, the Company sold its Farmingdale, New York property for \$9.75 million. The proceeds are expected to be used to acquire additional properties in the Company's target acquisition area.

On December 22, 2004, the Company contracted to purchase four retail properties totaling 73,000 square feet in New York for an aggregate purchase price of \$18 million.

On January 7, 2005, the Company acquired a 269,000 square foot shopping center located in Stratford, Connecticut for \$50.25 million, excluding closing costs. The acquisition was funded with available cash and borrowings of \$17.5 million under the Company's secured line of credit.

NON-CORE ASSETS

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 several years. The non-core properties consist of two distribution service facilities, one office building and one retail property (all of which are located outside of the northeast region of the United States). The Company intends to sell its non-core properties as opportunities become available. The Company's ability to generate cash from asset sales is dependent upon market conditions and will necessarily be limited if market conditions make such sales unattractive. There were no sales of non-core properties during fiscal 2004. At October 31, 2004, the four non-core properties had a net book value of approximately \$10.7 million.

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 to be 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)
- 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 in accordance with GAAP to FFO for each of the three years in the period ended October 31, 2004 (amounts in thousands).

	October 31,		
	2004	2003	2002
Net Income Applicable to Common and Class A Common Stockholders	\$18,566	\$17,576	\$16,080
Plus: Real property depreciation	8,547	7,831	5,459
Amortization of tenant improvements and allowances	2,175	2,088	2,088
Amortization of deferred leasing costs	525	469	517
Funds from Operations Applicable to Common and Class A Common Stockholders	<u>\$29,813</u>	<u>\$27,964</u>	<u>\$24,144</u>
Net Cash Provided by (Used in):			
Operating Activities	<u>\$30,744</u>	<u>\$31,176</u>	<u>\$18,532</u>
Investing Activities	<u>\$(2,416)</u>	<u>\$(68,818)</u>	<u>\$(64,960)</u>
Financing Activities	<u>\$(24,837)</u>	<u>\$14,749</u>	<u>\$59,023</u>

FFO increased by 6.6% to \$29.8 million in fiscal 2004 compared to \$28.0 million in fiscal 2003. This increase is attributable to an increase in net income from continuing operations resulting from an increase in overall property operating income and recent property acquisitions.

RESULTS OF OPERATIONS

Fiscal 2004 vs. Fiscal 2003

Revenues

Base rents increased 8.3% to \$49.7 million in fiscal 2004 from \$45.9 million in fiscal 2003. The increase in base rents reflects the additional base rents from four properties acquired in fiscal 2003. The acquisitions of these properties increased base rents incrementally by \$3.2 million in fiscal 2004. In addition, base rents increased by \$584,000 in fiscal 2004 from the effect of new leasing and renewals of expiring leases at generally higher base rental rates.

Recoveries from tenants (which represent reimbursements from tenants for property operating expenses and property taxes) increased 13.7% in fiscal 2004 compared to fiscal 2003. The increase in recoveries from tenants includes amounts applicable to properties acquired in fiscal 2003 which increased this component of revenues by \$888,000 in fiscal 2004 compared to fiscal 2003. Recoveries from tenants for properties owned in both 2004 and 2003 increased by \$779,000 due to higher tenant recovery rates and property tax recoveries.

In fiscal 2004, the Company leased or renewed approximately 284,000 square feet of space or 10.5% of the total core property GLA. At October 31, 2004, the Company's core properties were 99% leased, an increase of approximately 2% since the beginning of the year.

The Company's non-core office building property in Southfield, Michigan was approximately 30% vacant at October 31, 2004. The office leasing market in this region of the country continues to be weak and the Company is aggressively marketing the vacant space. A tenant who leased 41,000 sf of space in the building did not renew its lease upon expiration in December 2004.

The Company's single largest real estate investment is its 90% ownership interest in Ridgeway Shopping Center (a consolidated joint venture) located in Stamford, Connecticut. Ridgeway's revenues represented approximately 15.4% or \$10.2 million of total consolidated revenues in fiscal 2004 compared to 16.4% or \$9.9 million in fiscal 2003. The property was 99% leased at October 31, 2004.

Lease termination income of \$577,000 in fiscal 2004 consisted of a lease cancellation payment of \$265,000 from a tenant who terminated during the year and a payment of \$312,000 received in settlement of a bankruptcy action of a former tenant.

Interest income in fiscal 2004 decreased from the prior year from the utilization of cash to purchase properties in both fiscal 2004 and 2003 and the repayment of a \$1.2 million note receivable in fiscal 2003.

Expenses

Property operating expenses increased 2.2% to \$10.2 million in fiscal 2004 from \$10.0 million last year. Property expenses of recently acquired properties increased operating expenses by \$557,000 in fiscal 2004. Operating expenses for properties owned in both 2004 and 2003 decreased by \$358,000 from

lower snow removal costs and repairs and maintenance expenses.

Property taxes increased to \$8.6 million or 16.5% in fiscal 2004 compared to 2003. New properties increased property taxes by \$628,000 in fiscal 2004. Property taxes for properties owned in both 2004 and 2003 increased by \$613,000 from higher real estate tax assessment rates at several of the Company's properties in the current year. The Company anticipates that it will incur higher property tax assessment rates at certain of its properties in fiscal 2005.

Depreciation and amortization expense increased \$863,000 in fiscal 2004 from additional depreciation on recent property acquisitions.

General and administrative expense increased by \$262,000 in fiscal 2004 due primarily to higher compensation costs, including an increase in restricted stock compensation of \$217,000 in fiscal 2004.

Discontinued Operations

In September 2004, the Company contracted to sell its Farmingdale, New York shopping center for \$9.75 million and in November 2004, the property was sold. Accordingly, the property's operating results for the three years ended October 31, 2004 have been reclassified as discontinued operations in accordance with SFAS #144. Revenues for this property totaled \$1,034,000, \$1,207,000, and \$1,142,000 for the years ended October 31, 2004, 2003, and 2002, respectively.

Fiscal 2003 vs. Fiscal 2002

Revenues

Base rents and recoveries from tenants increased to \$45.9 million and \$12.1 million or 36.9% and 61.3% respectively, in fiscal 2003 from \$33.5 million and \$7.5 million in fiscal 2002. The increase in base rents and recoveries from tenants resulted primarily from (i) the acquisition of four properties in fiscal 2003 containing 436,000 square feet of leasable space, providing revenues of \$8.3 million in the year (ii) the full year impact related to two operating properties acquired in 2002, providing incremental revenue of \$6.5 million in fiscal 2003 (iii) an increase in recoveries of property operating expenses and property taxes from tenants of \$700,000 in fiscal 2003 and (iv) an overall increase in the leasing levels at the Company's properties.

At October 31, 2003, the Company's core portfolio was 97% leased compared to 96% leased in fiscal 2002. During fiscal 2003, the Company renewed or signed new leases totaling 375,000 square feet of space.

Lease termination income of \$80,000 represented a lease cancellation payment from a tenant who terminated its lease early. This space was re-leased during the year.

Interest income in fiscal 2003 decreased due to the utilization of cash from the Company's sale of 8,050,000 shares of Class A common stock in fiscal 2002. The cash was used to acquire properties in fiscal 2003.

Expenses

Operating expenses, including depreciation and amortization, increased to \$38.9 million in fiscal 2003 from \$28.8 million in fiscal 2002. Property operating expenses increased \$5.0 million of which \$4.6 million was attributable to the property expenses of newly acquired properties. Property expenses for properties owned during both 2003 and 2002 increased 4.0% from higher snow removal and property tax costs, which increased expenses by \$475,000 and \$171,000 respectively in fiscal 2003.

Interest expense increased to \$8.1 million in fiscal 2003 from \$60 million in mortgage loans assumed in connection with property acquisitions in fiscal 2002.

Depreciation expense increased by \$2.4 million in fiscal 2003 from the additional depreciation on recent property acquisitions.

General and administrative expenses increased to \$3.2 million in fiscal 2003 due principally to higher compensation costs .

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 which 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 would adversely affect the Company's financial condition and results of operations.

TAX STATUS

The Company has elected to be treated as a real estate investment trust under the Internal Revenue Code. Thus, generally it will be subject to Federal income taxes only on that part of its taxable income not distributed as dividends so long as 90% of such taxable income is distributed. The Company has distributed all of its taxable income for fiscal 2004 and, accordingly, no provision has been made for Federal income taxes.

INCOME TAX INFORMATION

The tax status for Federal income tax purposes of the dividends paid by the Company during fiscal 2004 is as follows:

Common and Class A Common Shares:

Dividend Payment Date	Common Share			Class A Common Share		
	Gross Dividend Paid Per Share	Distributed		Gross Dividend Paid Per Share	Distributed	
		Ordinary Income	Non Taxable		Ordinary Income	Non Taxable
January 16, 2004	\$.195	\$.178	\$.017	\$.215	\$.196	\$.019
April 16, 2004	\$.195	\$.178	\$.017	\$.215	\$.196	\$.019
July 16, 2004	\$.195	\$.178	\$.017	\$.215	\$.196	\$.019
October 15, 2004	\$.195	\$.178	\$.017	\$.215	\$.196	\$.019
Total	\$.780	\$.712	\$.068	\$.860	\$.784	\$.076

Preferred Shares:*

Dividend Payment Date	Series B Preferred Share	Series C Preferred Share
January 31, 2004	\$2.2475	\$2.1250
April 30, 2004	\$2.2475	\$2.1250
July 30, 2004	\$2.2475	\$2.1250
October 29, 2004	\$2.2475	\$2.1250
Total	\$8.99	\$8.50

*All dividends paid during 2004 on shares of Series B Preferred Stock and Series C Preferred Stock were ordinary income for federal income tax purposes.

MARKET PRICE RANGES

The following sets forth, for the fiscal years ended October 31, 2004 and 2003, the low and high closing sales price per Common Share and Class A Common Share as quoted on The New York Stock Exchange.

Shares trade on the New York Stock Exchange under the Symbols: UBP and UBA.

	Fiscal 2004		Fiscal 2003	
	Low	High	Low	High
Common Shares				
First Quarter	\$13.15	\$14.00	\$11.00	\$12.70
Second Quarter	\$13.00	\$15.10	\$11.95	\$13.03
Third Quarter	\$12.91	\$14.70	\$12.70	\$13.80
Fourth Quarter	\$13.75	\$15.85	\$12.60	\$13.40
Class A Common Shares				
First Quarter	\$13.63	\$14.94	\$10.85	\$11.72
Second Quarter	\$13.88	\$16.60	\$11.00	\$12.54
Third Quarter	\$12.60	\$15.55	\$12.15	\$13.80
Fourth Quarter	\$13.75	\$16.81	\$13.10	\$14.30

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

WILLING L. BIDDLE
President, Urstadt Biddle Properties Inc.

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

PETER HERRICK
Retired Vice Chairman, The Bank of New York

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 Co., Inc.

GEORGE J. VOJTA
Retired Vice Chairman
Bankers Trust Company

Directors Emeriti

GEORGE T. CONKLIN, JR.
GEORGE M. HUBBARD, JR.
JAMES O. YORK

Officers

CHARLES J. URSTADT
Chairman and Chief Executive Officer

WILLING L. BIDDLE
President and Chief Operating Officer

JAMES R. MOORE
Executive Vice President, Chief Financial Officer
and Treasurer

RAYMOND P. ARGILA
Senior Vice President, Legal

THOMAS D. MYERS
Senior Vice President and Secretary

JOHN C. MERRITT
Vice President, Acquisitions

LINDA L. LACEY
Vice President, Leasing

JAMES M. ARIES
Vice President, Acquisitions and Leasing

JOSEPH V. LoPARRINO
Vice President, Controller

WAYNE W. WIRTH
Vice President, Construction

HEIDI R. BRAMANTE
Assistant Vice President and Assistant Controller

CHARLES R. DAVIS, JR.
Assistant Vice President, Leasing

LUISA CAYCEDO-KIMURA
Assistant Secretary

Securities Traded

New York Stock Exchange
Symbols: UBA, UBP and UBP.C
Stockholders of Record as of December 31, 2004:
Common Stock: 1,276 and Class A Common Stock: 1,291

Annual Meeting

The annual meeting of stockholders will be held at 11:00 A.M. March 9, 2005 at The Stamford Marriott Hotel, Stamford, Connecticut.

Form 10-K

A copy of the Company's 2004 Annual Report on Form 10-K filed with the Securities and Exchange Commission 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 addressed to our Transfer Agent, The Bank of New York, Shareholder Relations Department-11E, P.O. Box 11258, Church Street Station, New York, NY 10286-1258 or call toll-free at 1-800-524-4458. The Company has a dividend reinvestment plan which 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 James R. Moore, Executive Vice President, telephone (203) 863-8200. Investors are also encouraged to visit our web site at: www.ubproperties.com

Auditors

Ernst & Young LLP

General Counsel

Coudert Brothers

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)



URSTADT BIDDLE PROPERTIES INC.

321 RAILROAD AVENUE
GREENWICH, CONNECTICUT 06830

*Somers Commons
Somers, New York*



*Townline Square
Meriden, Connecticut*



*Ridgeway Shopping Center
Stamford, Connecticut*



*Greens Farms Plaza
Westport, Connecticut*



*Five Town Plaza
Springfield, Massachusetts*