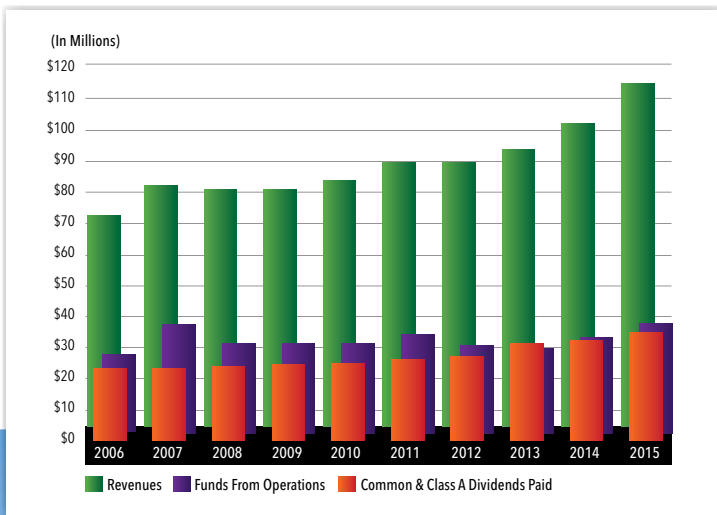




URSTADT BIDDLE PROPERTIES INC.



46 CONSECUTIVE YEARS OF
UNINTERRUPTED DIVIDENDS.

22 CONSECUTIVE YEARS OF
INCREASED DIVIDENDS.



Stock prices are only opinions. But dividends are facts.



URSTADT BIDDLE PROPERTIES INC.

CONTENTS

Selected Financial Data	1
Letter to Our Stockholders	2
Map of Core Properties	6
Investment Portfolio	8
Financials	9
Management's Discussion and Analysis of Financial Condition and Results of Operations	34
Directors and Officers	Inside Back Cover



Urstadt Biddle Properties Inc. is a self-administered publicly held real estate investment trust providing investors with a means of participating in the ownership of income-producing properties. Our core properties consist of neighborhood and community shopping centers in the northeastern part of the United States with a concentration in the Metropolitan New York tri-state area outside of the City of New York.

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

SELECTED FINANCIAL DATA

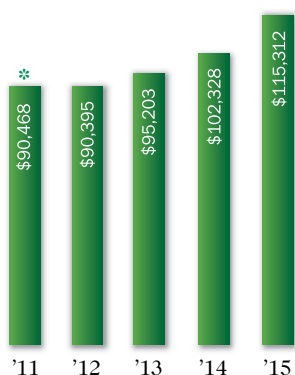
(Amounts in thousands, except share data)

Year Ended October 31,	2015	2014	2013	2012	2011
Balance Sheet Data:					
Total Assets	\$ 861,075	\$ 819,005	\$ 650,026	\$ 724,243	\$ 576,264
Revolving Credit Lines and Unsecured Term Loan	\$ 22,750	\$ 40,550	\$ 9,250	\$ 11,600	\$ 41,850
Mortgage Notes Payable and Other Loans	\$ 260,457	\$ 205,147	\$ 166,246	\$ 143,236	\$ 118,135
Preferred Stock Called For Redemption	\$ —	\$ 61,250	\$ —	\$ 58,508	\$ —
Redeemable Preferred Stock	\$ —	\$ —	\$ —	\$ 21,510	\$ 96,203
Operating Data:					
Total Revenues	\$ 115,312	\$ 102,328	\$ 95,203	\$ 90,395	\$ 90,468
Total Expenses and Payments to Noncontrolling Interests	\$ 88,594	\$ 75,927	\$ 70,839	\$ 64,367	\$ 61,535
Income from Continuing Operations before Discontinued Operations	\$ 50,212	\$ 53,091	\$ 29,105	\$ 27,282	\$ 30,483
Per Share Data:					
Net Income from Continuing Operations – Basic:					
Class A Common Stock	\$ 1.04	\$ 1.22	\$.31	\$.42	\$.63
Common Stock	\$.92	\$ 1.09	\$.28	\$.38	\$.57
Net Income from Continuing Operations – Diluted:					
Class A Common Stock	\$ 1.02	\$ 1.19	\$.30	\$.41	\$.61
Common Stock	\$.90	\$ 1.06	\$.27	\$.36	\$.55
Cash Dividends Paid on:					
Class A Common Stock	\$ 1.02	\$ 1.01	\$ 1.00	\$.99	\$.98
Common Stock	\$.90	\$.90	\$.90	\$.90	\$.89
Other Data:					
Net Cash Flow Provided by (Used in):					
Operating Activities	\$ 51,100	\$ 50,915	\$ 50,952	\$ 52,504	\$ 46,548
Investing Activities	\$(105,034)	\$(54,624)	\$(49,631)	\$(10,778)	\$(42,351)
Financing Activities	\$ (12,472)	\$ 73,793	\$ (76,468)	\$ 31,837	\$ (15,343)
Funds from Operations (Note)	\$ 38,056	\$ 33,032	\$ 29,506	\$ 30,627	\$ 34,453*

Note: The Company has adopted the definition of Funds from Operations (FFO) suggested by the National Association of Real Estate Investment Trusts (NAREIT) and defines FFO as net income (computed in accordance with generally accepted accounting principles), excluding gains (or losses) from sales of properties plus real estate related depreciation and amortization and after adjustments for unconsolidated joint ventures. For a reconciliation of net income and FFO, see Management's Discussion and Analysis of Financial Condition and Results of Operations on page 34. FFO does not represent cash flows from operating activities in accordance with generally accepted accounting principles and should not be considered an alternative to net income as an indicator of the Company's operating performance. The Company considers FFO a meaningful, additional measure of operating performance because it primarily excludes the assumption that the value of its real estate assets diminishes predictably over time and industry analysts have accepted it as a performance measure. FFO is presented to assist investors in analyzing the performance of the Company. It is helpful as it excludes various items included in net income that are not indicative of the Company's operating performance. However, comparison of the Company's presentation of FFO, using the NAREIT definition, to similarly titled measures for other REITs may not necessarily be meaningful due to possible differences in the application of the NAREIT definition used by such REITs. For a further discussion of FFO, see Management's Discussion and Analysis of Financial Condition and Results of Operations on page 34.

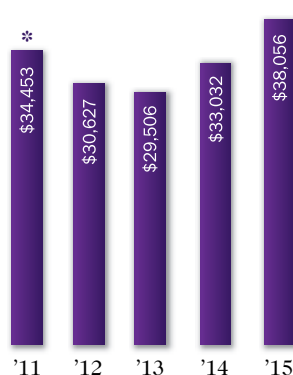
Total Revenues

(In thousands)



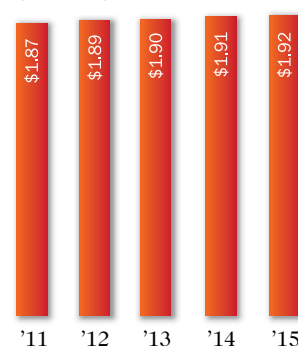
Funds From Operations

(In thousands)



Combined Dividends Paid on Common and Class A Common Shares

(Per share)



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

LETTER TO OUR STOCKHOLDERS

2015 was another solid, record-breaking year for Urstadt Biddle Properties. Revenues grew 13% to \$115 million; we sold one of our last properties lying outside of the area of our primary geographic focus; we completed some high-quality acquisitions; and we made good progress in leasing vacancies. Increasing the percentage of the portfolio under lease for our properties to our historical norm of 95% has been our most important priority, and we are pleased that the leased rate for our properties rose to 96% by year-end.



Pavilion Shopping Center
Redevelopment Project

We have a relatively simple strategy. We own a portfolio consisting of 74 irreplaceable high-quality properties located almost entirely in the high income, high barrier to entry, suburbs surrounding New York City. 98% of our revenues come from retail properties. Our goal is to continue growing that portfolio by buying similar properties for cash, a combination of cash and a modest amount of mortgage debt or by creating DownReit partnerships where it is advantageous for sellers to do so. We are efficient in our operations because we are focused on one market and operate out of one office. Our unparalleled market knowledge and tenant relationships make us a solid buyer or partner. 81% of our square footage is comprised of convenience or necessity retail anchored by a grocery store, drug store, or a warehouse club. We believe that this type of retail will continue to successfully compete with and benefit from online shopping.

Our Redevelopment Projects are Progressing Nicely

The company has 3 properties under redevelopment, and fiscal 2015 saw substantial progress with respect to each of them. A recap follows:

The Pavilion Shopping Center, White Plains, NY: We are nearing the end of the three-year process of obtaining approvals for

the redevelopment of this property to increase its value. Working with the City of White Plains, we obtained a zoning change to permit this 3.5 acre site, containing a 189,000 square foot mostly vacant mall, to be transformed into an 860,000 square foot dynamic, mixed-use development consisting of two 20+ story towers with over 700 rental apartments built above 90,000 square feet of retail space. During the approval process, we decided that it was in the best interest of our shareholders to sell the site rather than develop it ourselves, and we are pleased to have a binding contract to sell the site to one of the nation's preeminent developers once certain conditions are met. We are close to satisfying those conditions and expect to close on the sale this spring. We are pleased that the City and the members of the local community have embraced our vision for the site, and we are proud that our efforts will lead to the construction of one of Westchester's preeminent mixed-use developments. We will use the sale proceeds to invest in grocery-anchored shopping centers in our market, which will provide a nice boost to our FFO once accomplished.

Staples Plaza, Yorktown Heights, NY:

Following a successful zone change in 2013, in 2014 we completed Phase I of the construction of a new self-storage facility consisting of 305 storage units in 34,000 net rentable square feet. We opened the facility for business in July 2014, and as of December 2015 Phase I of the project was over 90% leased. Consequently, we are moving forward with Phase II of the project. Phase II, which we expect to open this spring, will double the size of the facility. This facility is the market's low-cost leader with the highest quality finishes, and we are pleased to have Extra Space Storage (the nation's second largest self-storage REIT) managing the facility for us. This year, we also obtained another zone change for this property which will (i) permit us to build an additional outparcel restaurant building of 3,500 square feet and (ii) allow our shadow anchor (BJ's Warehouse



Andrew Albrecht
Vice President
Management and
Construction



Staples Plaza

Club) to build an 8-bay gasoline station in an underutilized area of our parking area. Our approvals for these zone changes are under appeal, but we expect to be able to move forward with these projects in 2016, along with a renovation of the façade of the main shopping center building.

Orangetown Shopping Center, Orangeburg, NY:

We completed a façade renovation for this property in 2015, and we expect to complete parking lot renovations and related work in the summer of 2016.



Orangetown Shopping Center

Leasing

Our leasing indicators continued to improve in 2015. In our core portfolio, we renewed 295,000 square feet of leases at an average rent increase of 5.1%, and we signed 188,000 square feet of new leases at average rents within 0.3% of the prior leases for these same spaces. These leasing results enabled us to increase our leased rate for our portfolio to 96%. Moving forward, we look to improve our leasing spreads as an improving economy and higher occupancy levels permit us to increase rents. It should be noted that our first priority is to have fully-leased, vibrant shopping centers with a good tenant mix. While we strive to raise rents when appropriate, it is paramount to have a good tenant mix whereby all tenants complement one another and have strong performing stores. Our leasing team has a solid pipeline of leases in negotiation for currently vacant space, and we are clearly seeing an improvement in the leasing market. Our centers are primarily grocery and drug store-anchored properties with a high percentage of the smaller spaces leased to convenience and service retailers. A great way to learn more about the company's portfolio is to visit our website (www.ubproperties.com), click on the "Properties" section and browse our properties. Among other things, our website contains photos of our properties, identifies what spaces are available for lease and describes the demographics of the communities surrounding our properties.



Nicholas Capuano
Vice President and
Real Estate Counsel



Linda Lacey
Senior Vice President
Leasing

A&P Bankruptcy

In July 2015, A&P filed for Chapter 11 bankruptcy and subsequently announced that it would be liquidating all of its assets. A&P has been in decline for over a decade and was surviving mostly as a result of its high-quality real estate, so the bankruptcy came as no surprise. Nevertheless, it has resulted in the greatest change in the New York area grocery market in the past 25 years. Nine of A&P's 260 stores were anchor stores in our shopping centers but, counter to what one might think, we expect A&P's bankruptcy to be a net benefit to our company. Given A&P's long-term struggles, the quality of A&P's stores had decreased over time, leading to declining sales. From our perspective, this meant a decrease in customer traffic to our A&P-anchored properties, particularly over the past three years. ACME Supermarkets, a division of the Albertsons/Cerberus-owned supermarket chain (second-largest in the country), has purchased 4 of the former A&P stores in our portfolio, with another purchase pending, and Key Food, a New York-area cooperative supermarket chain, purchased one of the other former A&P stores. We bought out two of the remaining three A&P leases (for our Wayne and Bloomfield, NJ properties), and we are currently negotiating leases with replacement supermarkets for both of these locations. Assuming we conclude these two leases, 8 of our 9 former A&P store locations will soon have improved supermarket operators at equal or higher rents. In addition, we are marketing the last of the former A&P stores (at our Pompton Lakes property) and hope to soon attract a quality operator.



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



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

Capital Market Events

In November 2014, we completed a follow-on offering of \$60 million of common stock at \$20.82 per share, the proceeds of which were used in connection with the December 2014 acquisition of a \$124.5 million portfolio of 4 shopping centers in northern New Jersey. We financed the balance of the NJ portfolio acquisition with a 12-year \$62.7 million mortgage at a fixed interest rate of 3.85%. We remain one of the lowest leveraged REITs with aggregate mortgage debt equal to only 28% of total book capitalization at year-end. We have two mortgages totaling \$15.1 million coming due

in 2016, one of which we expect to refinance, and the other of which we will repay in full.

In addition, we have an \$80 million unsecured credit line that presently has \$53 million available to help support our acquisition program.

Portfolio Pruning and Acquisitions

In 2015, we took advantage of the current seller's market by disposing of two assets outside of our core market, as such assets did not fit within our long-term strategy of owning infill real estate in the New York City suburbs. We sold our Meriden, CT shopping center for \$44.5 million, and we also sold a small net-leased property in Waterbury, CT for \$2.4 million. We were able to re-deploy all of the sale proceeds into new acquisitions. Fiscal 2015 was a solid year for acquisitions, as we purchased the following properties valued at \$138 million:



James M. Aries
Senior Vice President
Acquisitions



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



Diane Midollo
Vice President and
Controller

Midland Shopping Center

1. Northern NJ Portfolio Kinnelon, Pompton Lakes, Wyckoff & Midland Park, NJ

DESCRIPTION: 4 Shopping Centers consisting of 375,000 square feet of GLA on 35 acres of land

ANCHOR TENANTS: Kings Supermarket, Walgreens, Rite Aid

PRICE: \$124.6 million, subject to a \$62.7 million mortgage placed after closing

LOCATION: Kinnelon – Route 23 and Kinnelon Road; Pompton Lakes – Wanaque Avenue and Ringwood Avenue; Wyckoff – Cedar Hill Avenue and Route 208; Midland Park – Godwin Avenue and Goffle Road

CLOSING DATE: December 2014

2. Harrison Shopping Center Harrison, NY (Westchester County)

DESCRIPTION: Shopping Center consisting of 25,000 square feet of GLA on 2.5 acres of land

ANCHOR TENANT: Harrison Market (Key Food operator)

PRICE: \$10 million, no mortgage

LOCATION: Halstead Ave, across from the Metro North train station

CLOSING DATE: July 2015

3. H-Mart Property Fort Lee, NJ (Bergen County)

DESCRIPTION: Single-story building consisting of 7,000 square feet of GLA on 0.5 acres of land

ANCHOR TENANT: Net leased to H-Mart (a regional Asian grocery store)

PRICE: \$4 million, no mortgage

LOCATION: 16th Avenue, 1/2 mile south of the George Washington Bridge

CLOSING DATE: June 2015

In total, UBP invested \$138 million in these new acquisitions, financed with funds generated primarily from the sale of properties, proceeds from the November 2014 common stock sale, and a long-term fixed rate mortgage loan. We are excited about the quality of these acquisitions and believe they will be accretive to earnings and solid long-term investments for us.

Results of Operations

In 2015, revenues rose 13% to a record \$115 million. Excluding property acquisition costs and other one-time charges, including stock redemption charges, excess preferred stock dividends and gains on marketable securities, our recurring funds from operations rose 14% to \$40.3 million as compared to the prior year's funds from operations with the same exclusions. Property expenses rose 14% in 2015 due in large part to increased snow removal costs. General and administrative expenses currently are 1.0% of total assets, a slight decrease from 2014.

Internet

We continue to closely monitor the effect of the Internet on our tenants. Many retailers have proactively adapted a “clicks and bricks” or “omnichannel” strategy and have learned how to adapt. Some retailers, however, are far more negatively affected than others and are struggling. We aim to protect ourselves against retailers who are either reluctant to incorporate the Internet into their merchandising and sales strategy, or are incapable of doing so, and we aim to find room in our portfolio for those retailers who are willing to adapt. We continue to feel that well-located, grocery-anchored shopping centers are solid long-term investments because it is very expensive for Internet grocery operators, like Amazon, to compete with traditional or brick-and-mortar grocery stores in terms of level of service and pricing. Grocery stores also are adapting their





Harrison Shopping Center

own strategies with services such as in-store pickup and home delivery. In addition, Uber-like delivery services are being tested by brick-and-mortar grocery stores in some markets. A grocery store, in effect, is a warehouse. Accordingly, unlike Internet retailers that wish to compete for home delivery business, a brick-and-mortar grocer does not need to build a separate distribution warehouse. We are highly skeptical that drones will ever be delivering bags of groceries to the suburban homes in our market.



H-Mart Shopping Center

UB Solar

This year, we completed the installation of 8 more roof-top solar arrays on our Connecticut properties as we continue to take advantage of government subsidy programs. These projects simultaneously lower the cost of electricity to our properties and generate an attractive yield on our investment while providing an environmental benefit. We currently have approximately 240,000 square feet of solar arrays generating approximately 2,400 kW of power on the rooftops of our properties. This is equivalent to providing power to 480 homes.

Outlook

We believe New York City continues to experience a resurgence of job growth, population growth and apartment construction unequaled by any city in North America. That which is good for New York City is good for the suburbs of New York City. While millennials often prefer a more urban life than their parents, a large percentage of New York City residents, for either economic or lifestyle reasons, transition to the suburbs surrounding NYC where costs are lower, the grass is greener, and the communities are strong. A very small percentage of companies in the New York metro market are negatively affected by the economy in China or oil prices around the globe. On the other hand, the recent drop in oil prices has in effect given each of our shopper's substantial savings in their pocket to potentially spend at our shopping centers.

New York City is North America's greatest city, and we are happy and optimistic to own properties surrounding it. Well-located shopping

centers are highly sought after in our densely populated, high income market and there are a great number of investors seeking to acquire them. While this makes growing our portfolio more challenging, it makes our existing portfolio more valuable. The retail business is challenging, but the New York City suburbs have higher income levels and lower unemployment than most parts of the country, and these suburbs continue to be a desirable area for most retailers to do business. As new development becomes increasingly more difficult in our area and the economy improves, the price of properties continues to rise and vacancy rates continue to fall. This leads us to continue to expect a positive effect on the rents that we can charge and retailers can afford to pay.

In December 2015, the company's Board of Directors increased the annualized dividend rate on each of the company's Class A Common stock and Common stock by \$.02 per share. This increase in the dividend rate represents the 46th year the company has paid a dividend and the 22nd consecutive year that the company has increased the dividend level, which is reflective of the Board's continued confidence in the company.

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



William L. Biddle

William L. Biddle
President and
Chief Executive Officer



Charles J. Urstadt

Charles J. Urstadt
Chairman

January 2016

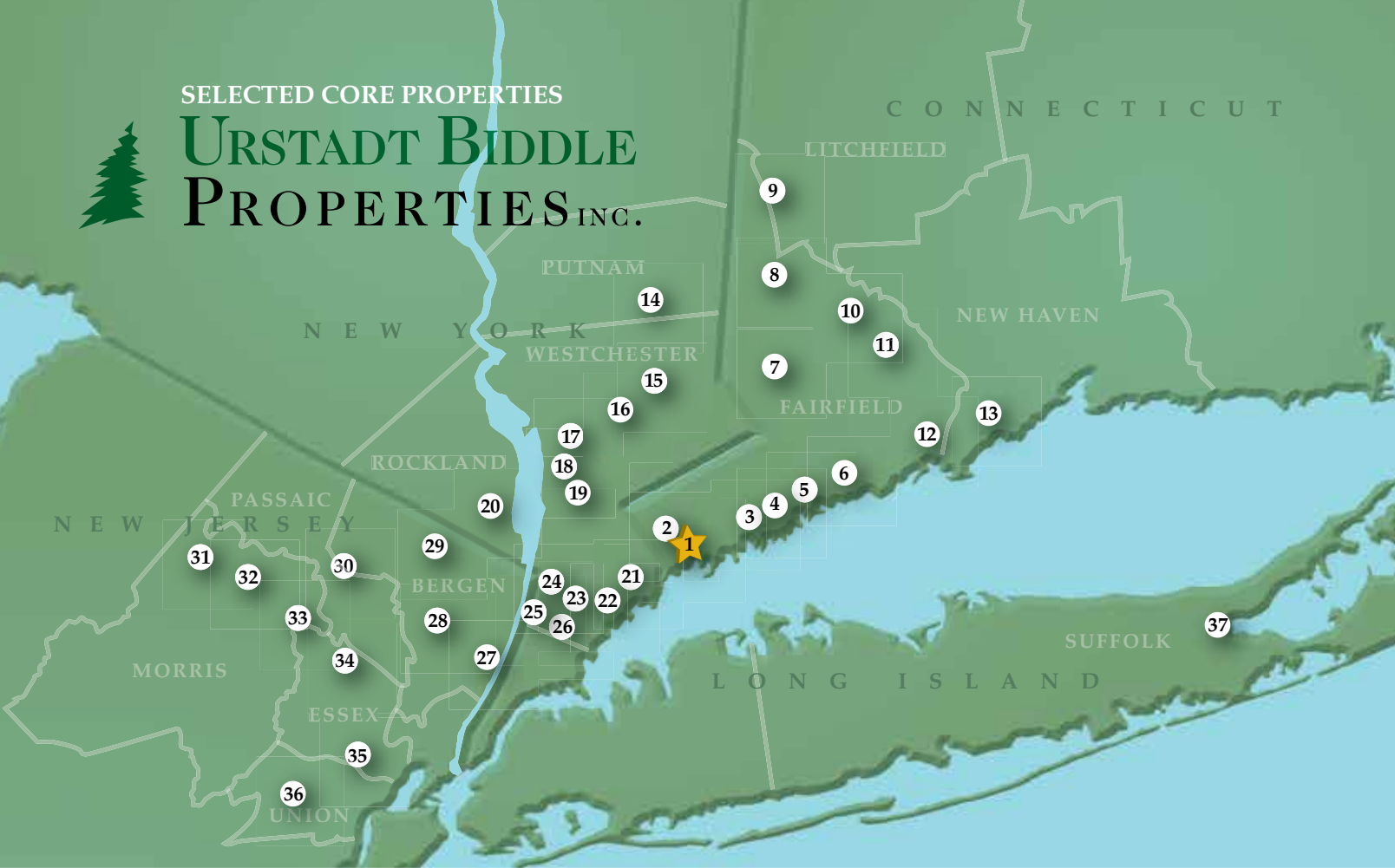
Tribute to E. Virgil Conway

In late 2015, E. Virgil Conway passed away. Virgil had been a member of the Board since 1989 and was instrumental in the strategy of transforming the company from a diversified net lease company to the type of company that it is today. Virgil was a dedicated, hard-working director who brought to Board meetings great insight derived from his vast business and political experience. Virgil did not miss a single Board meeting in 27 years, and we will sorely miss him.

SELECTED CORE PROPERTIES



URSTADT BIDDLE PROPERTIES INC.



1 Corporate Headquarters
Greenwich, Connecticut



2 Greenwich Commons
Greenwich, Connecticut



2 Cos Cob Plaza
Cos Cob, Connecticut



2 Kings Shopping Center
Old Greenwich, Connecticut



2 Cos Cob Commons
Cos Cob, Connecticut



3 Ridgeway Shopping Center
Stamford, Connecticut



4 Goodwives Shopping Center
Darien, Connecticut



5 Greens Farms Plaza
Westport, Connecticut



6 Fairfield Centre
Fairfield, Connecticut



7 Ridgfield Center
Ridgfield, Connecticut



8 Airport Plaza
Danbury, Connecticut



8 Danbury Square
Danbury, Connecticut



9 Veteran's Plaza
New Milford, Connecticut



9 New Milford Plaza
New Milford, Connecticut



9 Fairfield Plaza
New Milford, Connecticut



10 The Hub Center
Bethel, Connecticut



11 Starbucks Center
Monroe, Connecticut



12 The Dock
Stratford, Connecticut



13 Orange Meadows Shopping
Center, Orange, Connecticut



14 Carmel ShopRite Center
Carmel, New York



14 Putnam Plaza
Carmel, New York



15 Towne Centre Shopping Center
Somers, New York



15 Somers Commons
Somers, New York



15 Heritage 202 Center
Somers, New York



16 Village Commons
Katonah, New York



17 Staples Plaza
Yorktown Heights, New York



18 Arcadian Shopping Center
Ossining, New York



19 Chilmark Shopping Center
Briarcliff Manor, New York



20 Orangetown Shopping Center
Orangeburg, New York



21 4 "Street Retail" Properties
Rye, New York



22 Harrison Towne Center
Harrison, New York



23 Shoppes at Eastchester
Eastchester, New York



23 Eastchester Plaza
Eastchester, New York



24 Midway Shopping Center
Scarsdale, New York



25 McLean Plaza
Yonkers, New York



26 Pelham Shopping Center
Pelham Manor, New York



27 H-Mart Plaza
Fort Lee, New Jersey



28 Emerson Shopping Plaza
Emerson, New Jersey



29 Chestnut Ridge Shopping Center
Montvale, New Jersey



30 Cedar Hill Shopping Center
Wyckoff, New Jersey



30 Midland Park Shopping Center
Midland Park, New Jersey



31 Meadtown Shopping Center
Kinnelon, New Jersey



32 Pompton Lakes Town Square
Pompton Lakes, New Jersey



33 Boonton A&P Shopping Center
Boonton, New Jersey



34 Valley Ridge Shopping Center
Wayne, New Jersey



35 Ferry Plaza
Newark, New Jersey



36 Village Shopping Center
New Providence, New Jersey



37 Gateway Plaza
Riverhead, New York

INVESTMENT PORTFOLIO (as of January 14, 2016)

Core Properties

UBP owns or has equity interests in 74 properties including ten office buildings which total 4,868,000 square feet.

Location	Square Feet	Principal Tenant	Property Type
Stamford, Connecticut	374,000	Stop & Shop Supermarket	Shopping center
Stratford, Connecticut	278,000	Stop & Shop Supermarket	Shopping center
Scarsdale, New York	247,000	ShopRite Supermarket	Shopping center
New Milford, Connecticut	235,000	Walmart	Shopping center
Riverhead, New York	207,000	Walmart & Applebee's	Shopping center
Danbury, Connecticut	194,000	Christmas Tree Shops	Shopping center
Carmel, New York	190,000	Hannaford Supermarket	Shopping center
White Plains, New York	189,000	Redevelopment Site	Shopping center
Ossining, New York	137,000	Stop & Shop Supermarket	Shopping center
Somers, New York	135,000	Home Goods	Shopping center
Midland Park, New Jersey	130,000	Kings Supermarket	Shopping center
Carmel, New York	129,000	ShopRite Supermarket	Shopping center
Pompton Lakes, New Jersey	125,000	Planet Fitness	Shopping center
Yorktown, New York	117,000	Staples	Shopping center
New Providence, New Jersey	109,000	Acme Supermarket	Shopping center
Newark, New Jersey	108,000	Acme Supermarket	Shopping center
Wayne, New Jersey	102,000	PNC Bank	Shopping center
Newington, New Hampshire	102,000	Savers	Shopping center
Darien, Connecticut	96,000	Stop & Shop Supermarket	Shopping center
Emerson, New Jersey	92,000	ShopRite Supermarket	Shopping center
New Milford, Connecticut	81,000	Big Y Supermarket	Shopping center
Somers, New York	80,000	CVS	Shopping center
Orange, Connecticut	78,000	Trader Joe's Supermarket	Shopping center
Kinnelon, New Jersey	77,000	Marshalls	Shopping center
Montvale, New Jersey	76,000	The Fresh Market Supermarket	Shopping center
Orangeburg, New York	74,000	CVS	Shopping center
New Milford, Connecticut	72,000	T.J. Maxx	Shopping center
Eastchester, New York	70,000	Acme Supermarket	Shopping center
Boonton, New Jersey	63,000	A&P Supermarket	Shopping center
Fairfield, Connecticut	63,000	Marshalls	Shopping center
Yonkers, New York	58,000	Acme Supermarket	Shopping center
Greenwich, Connecticut	57,000	UBP	5 Office buildings
Bloomfield, New Jersey	56,000	Walgreens	Shopping center
Ridgefield, Connecticut	52,000	Keller Williams	Street retail
Cos Cob, Connecticut	48,000	CVS	Retail/Office
Briarcliff Manor, New York	47,000	CVS	Shopping center
Wyckoff, New Jersey	43,000	Walgreens	Shopping center
Old Greenwich, Connecticut	40,000	Kings Supermarket	Retail/Office
Westport, Connecticut	40,000	Pier One Imports	Shopping center
Rye, New York	39,000	Parkers	Street retail (4 buildings)
Danbury, Connecticut	33,000	Buffalo Wild Wings	Shopping center
Bethel, Connecticut	31,000	Bozzuto's, Inc.	Shopping center
Ossining, New York	29,000	Westchester Community College	Shopping center
Katonah, New York	28,000	Katonah Pharmacy	Retail/Office
Harrison, New York	26,000	Key Food Supermarket	Shopping center
Pelham, New York	25,000	Manor Market	Shopping center
Spring Valley, New York	24,000	Spring Valley Foods, Inc.	Shopping center
Eastchester, New York	24,000	CVS	Shopping center
Waldwick, New Jersey	20,000	Rite Aid	Retail—Single tenant
Bronxville and Yonkers, New York	19,000	People's United Bank	Retail (4 buildings)
Somers, New York	19,000	Putnam County Savings Bank	Shopping center
Various	15,000	Friendly's (5 properties)	Net leased properties
Cos Cob, Connecticut	15,000	Jos A. Bank	Retail/Office
Bernardsville, New Jersey	14,000	Laboratory Corp.	Office building
Monroe, Connecticut	10,000	Starbucks	Shopping center
Greenwich, Connecticut	10,000	Cosi	Retail
Chester, New Jersey	9,000	Rainbow Child Care	Office building
Fort Lee, New Jersey	7,000	H-Mart Supermarket	Retail supermarket— Single tenant

FINANCIALS

CONTENTS

Consolidated Balance Sheets at October 31, 2015 and 2014	10
Consolidated Statements of Income for each of the three years in the period ended October 31, 2015	11
Consolidated Statements of Comprehensive Income for each of the three years in the period ended October 31, 2015	12
Consolidated Statements of Cash Flows for each of the three years in the period ended October 31, 2015	13
Consolidated Statements of Stockholders' Equity for each of the three years in the period ended October 31, 2015	14
Notes to Consolidated Financial Statements	16
Report of Independent Registered Public Accounting Firm	33
Management's Discussion and Analysis of Financial Condition and Results of Operations	34
Management's Report on Internal Control over Financial Reporting	47
Report of Independent Registered Public Accounting Firm on Internal Control over Financial Reporting	48
Tax Status	49
Market Price Ranges	50
Quantitative and Qualitative Disclosures about Market Risk	51
Performance Graph	52

FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEETS

(In thousands, except share data)

	October 31,	
	2015	2014
ASSETS		
Real Estate Investments:		
Real Estate—at cost	\$ 941,690	\$ 830,304
Less: Accumulated depreciation	<u>(165,660)</u>	<u>(161,187)</u>
	776,030	669,117
Investments in and advances to unconsolidated joint ventures	<u>39,305</u>	<u>39,213</u>
	815,335	708,330
Cash and cash equivalents	6,623	73,029
Restricted cash	2,191	2,123
Tenant receivables	22,353	20,361
Prepaid expenses and other assets	9,334	9,749
Deferred charges, net of accumulated amortization	5,239	5,413
Total Assets	<u>\$ 861,075</u>	<u>\$ 819,005</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Revolving credit lines	\$ 22,750	\$ 15,550
Unsecured term loan	—	25,000
Mortgage notes payable and other loans	260,457	205,147
Preferred stock called for redemption	—	61,250
Accounts payable and accrued expenses	3,438	1,622
Deferred compensation—officers	155	187
Other liabilities	<u>17,542</u>	<u>16,342</u>
Total Liabilities	<u>304,342</u>	<u>325,098</u>
Redeemable Noncontrolling Interests	<u>15,955</u>	<u>18,864</u>
Commitments and Contingencies		
Stockholders' Equity:		
7.125% Series F Cumulative Preferred Stock (liquidation preference of \$25 per share); 5,175,000 shares issued and outstanding	129,375	129,375
6.75% Series G Cumulative Preferred Stock (liquidation preference of \$25 per share); 3,000,000 and 2,800,000 shares issued and outstanding	75,000	70,000
Excess Stock, par value \$0.01 per share; 20,000,000 shares authorized; none issued and outstanding	—	—
Common Stock, par value \$0.01 per share; 30,000,000 shares authorized; 9,350,885 and 9,193,559 shares issued and outstanding	94	92
Class A Common Stock, par value \$0.01 per share; 100,000,000 shares authorized; 26,370,216 and 23,611,715 shares issued and outstanding	264	236
Additional paid in capital	431,411	370,979
Cumulative distributions in excess of net income	(94,136)	(95,702)
Accumulated other comprehensive income	(1,230)	63
Total Stockholders' Equity	<u>540,778</u>	<u>475,043</u>
Total Liabilities and Stockholders' Equity	<u>\$ 861,075</u>	<u>\$ 819,005</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,		
	2015	2014	2013
Revenues			
Base rents	\$ 83,885	\$ 75,099	\$ 70,052
Recoveries from tenants	28,703	24,947	22,594
Lease termination income	472	183	214
Other income	2,252	2,099	2,343
Total Revenues	<u>115,312</u>	<u>102,328</u>	<u>95,203</u>
Expenses			
Property operating	21,267	18,926	17,471
Property taxes	18,224	16,997	15,524
Depreciation and amortization	22,435	19,249	17,769
General and administrative	8,576	8,016	8,211
Provision for tenant credit losses	1,271	917	958
Acquisition costs	2,068	666	857
Directors' fees and expenses	330	314	337
Total Operating Expenses	<u>74,171</u>	<u>65,085</u>	<u>61,127</u>
Operating Income	41,141	37,243	34,076
Non-Operating Income (Expense):			
Interest expense	(13,475)	(10,235)	(9,094)
Gain on sale of marketable securities	—	—	1,460
Equity in net income (loss) from unconsolidated joint ventures	1,941	1,604	1,318
Interest, dividends and other investment income	228	134	1,345
Income From Continuing Operations	<u>29,835</u>	<u>28,746</u>	<u>29,105</u>
Discontinued Operations:			
Income from discontinued operations	—	141	1,308
Gain on sale of properties	—	12,526	—
Income from discontinued operations	<u>—</u>	<u>12,667</u>	<u>1,308</u>
Income before gain on sale of properties	29,835	41,413	30,413
Gain on sales of properties	20,377	24,345	—
Net Income	<u>50,212</u>	<u>65,758</u>	<u>30,413</u>
Noncontrolling interests:			
Net income attributable to noncontrolling interests	(948)	(607)	(618)
Net income attributable to Urstadt Biddle Properties Inc.	49,264	65,151	29,795
Preferred stock dividends	(14,605)	(13,812)	(14,949)
Redemption of preferred stock	—	(1,870)	(4,233)
Net Income Applicable to Common and Class A Common Stockholders	<u>\$ 34,659</u>	<u>\$ 49,469</u>	<u>\$ 10,613</u>
Basic Earnings Per Share:			
Per Common Share:			
Income from continuing operations	\$0.92	\$1.09	\$0.28
Income from discontinued operations	—	0.37	0.04
Net Income Applicable to Common Stockholders	<u>\$0.92</u>	<u>\$1.46</u>	<u>\$0.32</u>
Per Class A Common Share:			
Income from continuing operations	\$1.04	\$1.22	\$0.31
Income from discontinued operations	—	0.42	0.04
Net Income Applicable to Class A Common Stockholders	<u>\$1.04</u>	<u>\$1.64</u>	<u>\$0.35</u>
Diluted Earnings Per Share:			
Per Common Share:			
Income from continuing operations	\$0.90	\$1.06	\$0.27
Income from discontinued operations	—	0.36	0.04
Net Income Applicable to Common Stockholders	<u>\$0.90</u>	<u>\$1.42</u>	<u>\$0.31</u>
Per Class A Common Share:			
Income from continuing operations	\$1.02	\$1.19	\$0.30
Income from discontinued operations	—	0.40	0.04
Net Income Applicable to Class A Common Stockholders	<u>\$1.02</u>	<u>\$1.59</u>	<u>\$0.34</u>

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

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In thousands)

	Year Ended October 31,		
	2015	2014	2013
Net Income	\$ 50,212	\$ 65,758	\$ 30,413
Other comprehensive income:			
Change in unrealized gain in marketable equity securities	—	29	1,403
Change in unrealized gains (losses) on interest rate swaps	(1,293)	(18)	136
Unrealized (gains) in marketable securities reclassified into income	—	(10)	(1,460)
Total comprehensive income	48,919	65,759	30,492
Comprehensive income attributable to noncontrolling interests	(948)	(607)	(618)
Total comprehensive income attributable to Urstadt Biddle Properties Inc.	47,971	65,152	29,874
Preferred stock dividends	(14,605)	(13,812)	(14,949)
Redemption of preferred stock	—	(1,870)	(4,233)
Total comprehensive income applicable to Common and Class A Common Stockholders	\$ 33,366	\$ 49,470	\$ 10,692

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,		
	2015	2014	2013
Cash Flows from Operating Activities:			
Net income	\$ 50,212	\$ 65,758	\$ 30,413
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	22,435	19,249	17,769
Straight-line rent adjustment	(1,551)	516	(291)
Provisions for tenant credit losses	1,271	917	958
Restricted stock compensation expense and other adjustments	4,201	4,097	4,069
Deferred compensation arrangement	(31)	11	(18)
Gain on sale of marketable securities	—	—	(1,460)
Gain on sale of properties	(20,377)	(36,872)	—
Equity in net (income) from unconsolidated joint ventures	(1,941)	(1,604)	(1,318)
Changes in operating assets and liabilities:			
Tenant receivables	(2,033)	(1,443)	(193)
Accounts payable and accrued expenses	530	154	(7)
Other assets and other liabilities, net	(1,548)	881	1,582
Restricted cash	(68)	(749)	(552)
Net Cash Flow Provided by Operating Activities	51,100	50,915	50,952
Cash Flows from Investing Activities:			
Acquisitions of real estate investments	(136,304)	(74,805)	(40,381)
Investments in and advances to unconsolidated joint ventures	(247)	(6,902)	(18,003)
Return of investments in and advances to unconsolidated joint ventures	—	—	13,170
Deposits on acquisition of real estate investments	(695)	(3,157)	(3,287)
Returns of deposits on real estate investments	627	—	400
Improvements to properties and deferred charges	(12,175)	(19,303)	(9,494)
Net proceeds from sale of properties	43,806	47,609	4,475
Distributions to noncontrolling interests	(1,990)	(607)	(618)
Distribution from unconsolidated joint ventures	1,944	1,901	789
Payments received on mortgage notes and other receivables	—	640	1,858
Proceeds on sale of securities available for sale	—	—	30,782
Purchases of securities available for sale	—	—	(29,322)
Net Cash Flow (Used in) Investing Activities	(105,034)	(54,624)	(49,631)
Cash Flows from Financing Activities:			
Dividends paid—Common and Class A Common Stock	(35,387)	(32,116)	(31,655)
Dividends paid—Preferred Stock	(14,605)	(13,812)	(14,949)
Principal repayments on mortgage notes payable	(12,909)	(20,297)	(6,623)
Proceeds from revolving credit line borrowings	104,750	65,050	38,350
Proceeds from term loan borrowing	—	25,000	—
Repayment of term loan borrowing	(25,000)	—	—
Proceeds from loan financing	68,219	40,675	—
Sales of additional shares of Common and Class A Common Stock	59,983	248	244
Repayments on revolving credit line borrowings	(97,550)	(58,750)	(40,700)
Repurchase of shares of Class A Common Stock	(3,363)	—	(18)
Net proceeds from issuance of Preferred Stock	4,640	67,795	—
Return of escrow deposit	—	—	1,286
Redemption of preferred stock including restricted cash	(61,250)	—	(22,403)
Net Cash Flow Provided by (Used in) Financing Activities	(12,472)	73,793	(76,468)
Net Increase/(Decrease) In Cash and Cash Equivalents	(66,406)	70,084	(75,147)
Cash and Cash Equivalents at Beginning of Year	73,029	2,945	78,092
Cash and Cash Equivalents at End of Year	\$ 6,623	\$ 73,029	\$ 2,945

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

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(In thousands, except shares and per share data)

	7.5% Series D Preferred Stock		7.125% Series F Preferred Stock		6.75% Series G Preferred Stock	
	Issued	Amount	Issued	Amount	Issued	Amount
Balances—October 31, 2012	2,450,000	\$ 61,250	5,175,000	\$129,375	—	\$ —
Net income applicable to Common and Class A common stockholders	—	—	—	—	—	—
Change in unrealized gains (losses) in marketable securities	—	—	—	—	—	—
Change in unrealized loss on interest rate swap	—	—	—	—	—	—
Cash dividends paid:						
Common stock (\$0.90 per share)	—	—	—	—	—	—
Class A common stock (\$1.00 per share)	—	—	—	—	—	—
Issuance of shares under dividend reinvestment plan	—	—	—	—	—	—
Shares issued under restricted stock plan	—	—	—	—	—	—
Repurchase of common stock	—	—	—	—	—	—
Forfeiture of restricted stock	—	—	—	—	—	—
Restricted stock compensation and other adjustment	—	—	—	—	—	—
Adjustments to redeemable noncontrolling interests	—	—	—	—	—	—
Balances—October 31, 2013	2,450,000	61,250	5,175,000	129,375	—	—
Net income applicable to Common and Class A common stockholders	—	—	—	—	—	—
Change in unrealized gains (losses) in marketable securities	—	—	—	—	—	—
Change in unrealized (loss) on interest rate swap	—	—	—	—	—	—
Cash dividends paid:						
Common stock (\$0.90 per share)	—	—	—	—	—	—
Class A common stock (\$1.01 per share)	—	—	—	—	—	—
Issuance of Series G preferred stock	—	—	—	—	2,800,000	70,000
Reclassification of preferred stock	(2,450,000)	(61,250)	—	—	—	—
Issuance of shares under dividend reinvestment plan	—	—	—	—	—	—
Shares issued under restricted stock plan	—	—	—	—	—	—
Forfeiture of restricted stock	—	—	—	—	—	—
Restricted stock compensation and other adjustment	—	—	—	—	—	—
Adjustments to redeemable noncontrolling interests	—	—	—	—	—	—
Balances—October 31, 2014	—	—	5,175,000	129,375	2,800,000	70,000
Net income applicable to Common and Class A common stockholders	—	—	—	—	—	—
Change in unrealized (loss) on interest rate swap	—	—	—	—	—	—
Cash dividends paid:						
Common stock (\$0.90 per share)	—	—	—	—	—	—
Class A common stock (\$1.02 per share)	—	—	—	—	—	—
Issuance of shares under dividend reinvestment plan	—	—	—	—	—	—
Shares issued under restricted stock plan	—	—	—	—	—	—
Forfeiture of restricted stock	—	—	—	—	—	—
Issuance of Series G Preferred Stock	—	—	—	—	200,000	5,000
Issuance of Class A common stock	—	—	—	—	—	—
Restricted stock compensation and other adjustment	—	—	—	—	—	—
Repurchase of Class A common stock	—	—	—	—	—	—
Adjustments to redeemable noncontrolling interests	—	—	—	—	—	—
Balances—October 31, 2015	—	\$ —	5,175,000	\$129,375	3,000,000	\$75,000

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

Common Stock		Class A Common Stock		Additional Paid In Capital	Cumulative Distributions In Excess of Net Income	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
Issued	Amount	Issued	Amount				
8,854,465	\$89	23,460,880	\$235	\$362,777	\$ (90,701)	\$ (17)	\$463,008
—	—	—	—	—	10,613	—	10,613
—	—	—	—	—	—	(57)	(57)
—	—	—	—	—	—	136	136
—	—	—	—	—	(8,128)	—	(8,128)
—	—	—	—	—	(23,527)	—	(23,527)
5,797	—	6,724	—	244	—	—	244
175,950	1	64,100	—	(1)	—	—	—
(1,000)	—	—	—	(18)	—	—	(18)
—	—	(1,000)	—	—	—	—	—
—	—	—	—	4,068	—	—	4,068
—	—	—	—	—	(425)	—	(425)
9,035,212	90	23,530,704	235	367,070	(112,168)	62	445,914
—	—	—	—	—	49,469	—	49,469
—	—	—	—	—	—	19	19
—	—	—	—	—	—	(18)	(18)
—	—	—	—	—	(8,271)	—	(8,271)
—	—	—	—	—	(23,845)	—	(23,845)
—	—	—	—	(2,304)	—	—	67,696
—	—	—	—	1,870	—	—	(59,380)
6,347	—	6,811	—	248	—	—	248
152,000	2	80,500	1	(3)	—	—	—
—	—	(6,300)	—	—	—	—	—
—	—	—	—	4,098	—	—	4,098
—	—	—	—	—	(887)	—	(887)
9,193,559	92	23,611,715	236	370,979	(95,702)	63	475,043
—	—	—	—	—	34,659	—	34,659
—	—	—	—	—	—	(1,293)	(1,293)
—	—	—	—	—	(8,413)	—	(8,413)
—	—	—	—	—	(26,974)	—	(26,974)
5,326	—	6,104	—	223	—	—	223
152,000	2	92,750	1	(3)	—	—	—
—	—	(26,600)	—	—	—	—	—
—	—	—	—	(360)	—	—	4,640
—	—	2,875,000	29	59,731	—	—	59,760
—	—	—	—	4,201	—	—	4,201
—	—	(188,753)	(2)	(3,360)	—	—	(3,362)
—	—	—	—	—	2,294	—	2,294
9,350,885	\$94	26,370,216	\$264	\$431,411	\$ (94,136)	\$(1,230)	\$540,778

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Business

Urstadt Biddle Properties Inc. (“Company”), a real estate investment trust (REIT), is engaged in the acquisition, ownership and management of commercial real estate, primarily neighborhood and community shopping centers in the northeastern part of the United States with a concentration in the metropolitan New York tri-state area outside of the City of New York. The Company’s major tenants include supermarket chains and other retailers who sell basic necessities. At October 31, 2015, the Company owned or had equity interests in 74 properties containing a total of 4.9 million square feet of gross leasable area (“GLA”).

Principles of Consolidation and Use of Estimates

The accompanying consolidated financial statements include the accounts of the Company, its wholly owned subsidiaries, and joint ventures in which the Company meets certain criteria of a sole general partner in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 810, “Consolidation” and ASC Topic 970-810, “Real Estate-General-Consolidation.” The Company has determined that such joint ventures should be consolidated into the consolidated financial statements of the Company. In accordance with ASC Topic 970-323, “Real Estate-General-Equity Method and Joint Ventures,” joint ventures that the Company does not control but otherwise exercises significant influence in, are accounted for under the equity method of accounting. See Note 6 for further discussion of the unconsolidated joint ventures. All significant intercompany transactions and balances have been eliminated in consolidation.

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

Federal Income Taxes

The Company has elected to be treated as a real estate investment trust under Sections 856-860 of the Internal Revenue Code (Code). Under those sections, a REIT that, among other things, distributes at least 90% of real estate trust taxable income and meets certain other qualifications prescribed by the Code will not be taxed on that portion of its taxable income that is distributed. The Company believes it qualifies as a REIT and intends to distribute all of its taxable income for fiscal 2015 in accordance with the provisions of the Code. Accordingly, no provision has been made for Federal income taxes in the accompanying consolidated financial statements.

The Company follows the provisions of ASC Topic 740, “Income Taxes,” that, among other things, defines a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC Topic 740 also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. Based on its evaluation, the Company determined that it has no uncertain tax positions and no unrecognized tax benefits as of October 31, 2015. As of October 31, 2015, the fiscal tax years 2012 through and including 2014 remain open to examination by the Internal Revenue Service. There are currently no federal tax examinations in progress.

Real Estate Investments

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

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

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

Depreciation and Amortization

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

Property Held for Sale and Discontinued Operations

The Company reports properties that are either disposed of or are classified as held for sale in continuing operations in the consolidated statement of income if the removal, or anticipated removal, of the asset(s) from the reporting entity does not represent a strategic shift that has or will have a major effect on an entity's operations and financial results when disposed of.

In September 2014, the Company sold, for \$31 million its property located in Springfield, MA, as that property no longer met the Company's investment objectives. In conjunction with the sale, the Company realized a gain on sale of property in the amount of \$24.3 million, which is included in continuing operations in the consolidated statement of income for the year ended October 31, 2014. The revenue and expenses of this property are included

in continuing operations in the consolidated statements of income for the years ended October 31, 2014 and 2013.

In August 2015, the Company sold, for \$44.5 million its property located in Meriden, CT, as that property no longer met the Company's investment objectives. In conjunction with the sale, the Company realized a gain on sale of property in the amount of \$20.0 million, which is included in continuing operations in the consolidated statement of income for the year ended October 31, 2015. The revenue and expenses of this property are included in continuing operations in the consolidated statements of income for the years ended October 31, 2015, 2014 and 2013. The net book value of the Meriden asset at October 31, 2014 was insignificant to the financial statement presentation and as a result the Company did not include the asset as held for sale in accordance with ASC 360-10-45.

The combined operating results of the Springfield property and the Meriden property, which are included in the continuing operations were as follows (amounts in thousands):

	For The Year Ended October 31,		
	2015	2014	2013
Revenues	\$ 4,566	\$ 8,028	\$ 7,806
Property operating expense	(1,687)	(3,577)	(3,387)
Depreciation and amortization	(625)	(1,564)	(1,613)
Net Income	\$ 2,254	\$ 2,887	\$ 2,806

In December 2013 (fiscal 2014), prior to the adoption of ASU 2014-08 that changed the criteria for reporting discontinued operations, the Company sold its two distribution service facilities in its non-core portfolio and one core property for \$18.1 million, resulting in a gain on sale of properties of \$12.5 million. In accordance with ASC 360 and 205 (prior to the accounting change) the operating results of the distribution service facilities are shown as discontinued operations on the consolidated statements of income for the fiscal years ended October 31, 2014 and 2013. The operating results of the other property were insignificant to financial statement presentation and are not shown as discontinued operations.

The combined operating results for the distribution service facilities have been reclassified as discontinued operations in the accompanying consolidated statements of income.

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

	For The Year Ended October 31,		
	2015	2014	2013
Revenues	\$ —	\$141	\$1,356
Property operating expense	—	—	—
Depreciation and amortization	—	—	(48)
Income from discontinued operations	\$ —	\$141	\$1,308

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Cash flows from discontinued operations for the fiscal years ended October 31, 2015, 2014 and 2013 are combined with the cash flows from operations within each of the three categories presented. Cash flows from discontinued operations are as follows (amounts in thousands):

	For The Year Ended October 31,		
	2015	2014	2013
Cash flows from operating activities	\$ —	\$(13,131)	\$1,356
Cash flows from investing activities	\$ —	\$ 14,314	\$ —
Cash flows from financing activities	\$ —	\$ —	\$ —

Deferred Charges

Deferred charges consist principally of leasing commissions (which are amortized ratably over the life of the tenant leases) and financing fees (which are amortized over the terms of the respective agreements). Deferred charges in the accompanying consolidated balance sheets are shown at cost, net of accumulated amortization of \$3,108,000 and \$2,703,000 as of October 31, 2015 and 2014, respectively.

Asset Impairment

On a periodic basis, management assesses whether there are any indicators that the value of its real estate investments may be impaired. A property value is considered impaired when management's estimate of current and projected operating cash flows (undiscounted and without interest) of the property over its remaining useful life is less than the net carrying value of the property. Such cash flow projections consider factors such as expected future operating income, trends and prospects, as well as the effects of demand, competition and other factors. To the extent impairment has occurred, the loss is measured as the excess of the net carrying amount of the property over the fair value of the asset. Changes in estimated future cash flows due to changes in the Company's plans or market and economic conditions could result in recognition of impairment losses which could be substantial. Management does not believe that the value of any of its real estate investments is impaired at October 31, 2015.

Revenue Recognition

Our leases with tenants are classified as operating leases. Rental income is generally recognized based on the terms of leases entered into with tenants. In those instances in which the Company funds tenant improvements and the improvements are deemed to be owned by the Company, revenue recognition will commence when the

improvements are substantially completed and possession or control of the space is turned over to the tenant. When the Company determines that the tenant allowances are lease incentives, the Company commences revenue recognition when possession or control of the space is turned over to the tenant for tenant work to begin. Minimum rental income from leases with scheduled rent increases is recognized on a straight-line basis over the lease term. At October 31, 2015 and 2014, approximately \$15,570,000 and \$14,853,000, respectively, has been recognized as straight-line rents receivable (representing the current net cumulative rents recognized prior to when billed and collectible as provided by the terms of the leases), all of which is included in tenant receivables in the accompanying consolidated financial statements. Percentage rent is recognized when a specific tenant's sales breakpoint is achieved. Property operating expense recoveries from tenants of common area maintenance, real estate taxes and other recoverable costs are recognized in the period the related expenses are incurred. Lease incentives are amortized as a reduction of rental revenue over the respective tenant lease terms. Lease termination amounts are recognized in operating revenues when there is a signed termination agreement, all of the conditions of the agreement have been met, the tenant is no longer occupying the property and the termination consideration is probable of collection. Lease termination amounts are paid by tenants who want to terminate their lease obligations before the end of the contractual term of the lease by agreement with the Company. There is no way of predicting or forecasting the timing or amounts of future lease termination fees. Interest income is recognized as it is earned. Gains or losses on disposition of properties are recorded when the criteria for recognizing such gains or losses under GAAP have been met.

The Company provides an allowance for doubtful accounts against the portion of tenant receivables (including an allowance for future tenant credit losses of approximately 10% of the deferred straight-line rents receivable) which is estimated to be uncollectible. Such allowances are reviewed periodically. At October 31, 2015 and 2014, tenant receivables in the accompanying consolidated balance sheets are shown net of allowances for doubtful accounts of \$3,668,000 and \$3,106,000, respectively.

Cash Equivalents

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

Restricted Cash

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

Derivative Financial Instruments

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

As of October 31, 2015, the Company believes it has no significant risk associated with non-performance of the financial institutions that are the counterparty to its derivative contracts. At October 31, 2015, the Company had approximately \$24.3 million in secured mortgage financings subject to interest rate swaps. Such interest rate swaps converted the LIBOR-based variable rates on the mortgage financings to a fixed annual rate of 3.93% per annum. As of October 31, 2015 and 2014, the Company had a deferred liability of \$1,230,000 and a deferred asset of \$63,000, respectively (included in accounts payable and accrued expenses on the consolidated balance sheets) relating to the fair value of the Company's interest rate swaps applicable to secured mortgages. Charges and/or credits relating to the changes in fair values of such interest rate swaps are made to other comprehensive income as the swap is deemed effective and is classified as a cash flow hedge.

Comprehensive Income

Comprehensive income is comprised of net income applicable to Common and Class A Common stockholders and other comprehensive income (loss). Other comprehensive income (loss) includes items

that are otherwise recorded directly in stockholders' equity, such as unrealized gains or losses on marketable securities and unrealized gains and losses on interest rate swaps designated as cash flow hedges. At October 31, 2015, accumulated other comprehensive loss consisted of net unrealized losses on interest rate swap agreements of approximately \$1,230,000. At October 31, 2014, accumulated other comprehensive income consisted of net unrealized gains on an interest rate swap agreement of approximately \$63,000. Unrealized gains and losses included in other comprehensive income (loss) will be reclassified into earnings as gains and losses are realized.

Concentration of Credit Risk

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

Earnings Per Share

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

	Year Ended October 31,		
	2015	2014	2013
Numerator			
Net income applicable to common stockholders—basic	\$ 7,412	\$11,401	\$2,409
Effect of dilutive securities:			
Restricted stock awards	<u>431</u>	<u>723</u>	<u>182</u>
Net income applicable to common stockholders—diluted	<u>\$ 7,843</u>	<u>\$12,124</u>	<u>\$2,591</u>
Denominator			
Denominator for basic EPS—weighted average common shares	8,059	7,801	7,543
Effect of dilutive securities:			
Restricted stock awards	<u>669</u>	<u>735</u>	<u>840</u>
Denominator for diluted EPS—weighted average common equivalent shares	<u>8,728</u>	<u>8,536</u>	<u>8,383</u>
Numerator			
Net income applicable to Class A common stockholders—basic	\$27,247	38,068	\$8,204
Effect of dilutive securities:			
Restricted stock awards	<u>(431)</u>	<u>(723)</u>	<u>(182)</u>
Net income applicable to Class A common stockholders—diluted	<u>\$26,816</u>	<u>\$37,345</u>	<u>\$8,022</u>
Denominator			
Denominator for basic EPS—weighted average Class A common shares	26,141	23,208	23,122
Effect of dilutive securities:			
Restricted stock awards	<u>191</u>	<u>219</u>	<u>235</u>
Denominator for diluted EPS—weighted average Class A common equivalent shares	<u>26,332</u>	<u>23,427</u>	<u>23,357</u>

Stock-Based Compensation

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

Segment Reporting

The Company’s primary business is the ownership, management, and redevelopment of retail properties. The Company reviews operating and financial information for each property on an individual basis and therefore, each property represents an individual operating segment. The Company evaluates financial performance using property operating income, which consists of base rental income

and tenant reimbursement income, less rental expenses and real estate taxes. Only one of the Company’s properties, located in Stamford, CT (“Ridgeway”), is considered significant as its revenue is in excess of 10% of the Company’s consolidated total revenues and accordingly is a reportable segment. The Company has aggregated the remainder of our properties as they share similar long-term economic characteristics and have other similarities including the fact that they are operated using consistent business strategies, are typically located in the same major metropolitan area, and have similar tenant mixes.

Ridgeway is located in Stamford, Connecticut and was developed in the 1950’s and redeveloped in the mid 1990’s. The property contains approximately 374,000 square feet of GLA. It is the dominant grocery-anchored center and the largest non-mall shopping center located in the City of Stamford, Fairfield County, Connecticut.

Segment information about Ridgeway as required by ASC Topic 280 is included below:

	For The Year Ended October 31,		
	2015	2014	2013
Ridgeway Revenues	11.7%	13.3%	13.9%
All Other Property Revenues	88.3%	86.7%	86.1%
Consolidated Revenue	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

	For The Year Ended October 31,	
	2015	2014
Ridgeway Assets	8.4%	9.4%
All Other Property Assets	91.6%	90.6%
Consolidated Assets (Note 1)	<u>100.0%</u>	<u>100.0%</u>

Note 1—Ridgeway did not have any significant expenditures for additions to long-lived assets in any of the fiscal years ended October 31, 2015, 2014 and 2013.

	For The Year Ended October 31,		
	2015	2014	2013
Ridgeway Percent Leased	<u>97%</u>	<u>99%</u>	<u>100%</u>

	For The Year Ended October 31,		
	2015	2014	2013
Ridgeway Significant Tenants (by base rent):			
The Stop & Shop Supermarket Company	19%	19%	19%
Bed, Bath & Beyond	14%	14%	14%
Marshall’s Inc., a division of the TJX Companies	11%	11%	10%
All Other Tenants at Ridgeway (Note 2)	<u>56%</u>	<u>56%</u>	<u>57%</u>
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>

Note 2—No other tenant accounts for more than 10% of Ridgeway’s annual base rents in any of the three years presented. Percentages are calculated as a ratio of the tenants’ base rent divided by total base rent of Ridgeway.

Income Statements
(In thousands):

	For The Year Ended October 31, 2015		
	Ridgeway	All Other Operating Segments	Total Consolidated
Revenues	\$13,485	\$101,827	\$115,312
Operating Expenses	\$ 3,768	\$ 35,723	\$ 39,491
Interest Expense	\$ 2,545	\$ 10,930	\$ 13,475
Depreciation and Amortization	\$ 2,358	\$ 20,077	\$ 22,435
Income from Continuing Operations	\$ 4,814	\$ 44,450	\$ 49,264
	For The Year Ended October 31, 2014		
	Ridgeway	All Other Operating Segments	Total Consolidated
Revenues	\$13,599	\$88,729	\$102,328
Operating Expenses	\$ 3,859	\$32,064	\$ 35,923
Interest Expense	\$ 2,601	\$ 7,634	\$ 10,235
Depreciation and Amortization	\$ 2,374	\$16,875	\$ 19,249
Income from Continuing Operations	\$ 4,765	\$47,719	\$ 52,484
	For The Year Ended October 31, 2013		
	Ridgeway	All Other Operating Segments	Total Consolidated
Revenues	\$13,193	\$82,010	\$95,203
Operating Expenses	\$ 3,368	\$29,627	\$32,995
Interest Expense	\$ 2,654	\$ 6,440	\$ 9,094
Depreciation and Amortization	\$ 2,340	\$15,429	\$17,769
Income from Continuing Operations	\$ 4,831	\$23,656	\$28,487

Reclassification

Certain fiscal 2013 and 2014 amounts have been reclassified to conform to current period presentation.

New Accounting Standards

In May 2014, the FASB issued Accounting Standards Update ("ASU") ASU 2014-09, "Revenue from Contracts with Customers (Topic 606)" ("ASU 2014-09"). The objective of ASU 2014-09 is to establish a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and will supersede most of the existing revenue recognition guidance, including industry-specific guidance. The core principle is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange

for those goods or services. In applying ASU 2014-09, companies will perform a five-step analysis of transactions to determine when and how revenue is recognized. ASU 2014-09 applies to all contracts with customers except those that are within the scope of other topics in the FASB's ASC. ASU 2014-09 is effective for annual reporting periods (including interim periods within that reporting period) beginning after December 15, 2016 and shall be applied using either a full retrospective or modified retrospective approach. Early application is not permitted. In August 2015, FASB issued ASU 2015-14, which defers the effective date of ASU 2014-09 for all public companies until December 15, 2017. The Company is currently assessing the potential impact that the adoption of ASU 2014-09 will have on its consolidated financial statements.

In February 2015, the FASB issued ASU 2015-02, "Consolidation (Topic 810): Amendments to the Consolidation Analysis," ("ASU 2015-02"). ASU 2015-02 affects reporting entities that are required to evaluate whether they should consolidate certain legal entities. ASU 2015-02 modifies the evaluation of whether limited partnerships and similar legal entities are VIEs or voting interest entities, eliminates the presumption that a general partner should consolidate a limited partnership and affects the consolidation analysis of reporting entities that are involved with VIEs, particularly those that have fee arrangements and related party relationships. ASU 2015-02 is effective for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2015. Early adoption is permitted. A reporting entity may apply the amendments in ASU 2015-02 using: (a) a modified retrospective approach by recording a cumulative-effect adjustment to equity as of the beginning of the fiscal year of adoption; or (b) by applying the amendments retrospectively. ASU 2015-02 is not expected to have a material impact on the Company's consolidated financial statements.

During April 2015, the FASB issued ASU No. 2015-03, "Interest—Imputation of Interest—Simplifying the Presentation of Debt Issuance Costs." ASU 2015-03 modifies the treatment of debt issuance costs from a deferred charge to a deduction of the carrying value of the financial liability. ASU 2015-03 is effective for periods beginning after December 15, 2015, with early adoption permitted and retrospective application. ASU 2015-03 is not expected to have a material impact on the Company's consolidated financial statements.

The Company has evaluated all other new Accounting Standards Updates issued by FASB and has concluded that these updates do not have a material effect on the Company's consolidated financial statements as of October 31, 2015.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(2) REAL ESTATE INVESTMENTS

The Company's investments in real estate, net of depreciation, were composed of the following at October 31, 2015 and 2014 (in thousands):

	<u>Properties</u>	<u>Unconsolidated Joint Ventures</u>	<u>2015 Totals</u>	<u>2014 Totals</u>
Retail	\$765,649	\$39,305	\$804,954	\$695,061
Office	10,381	—	10,381	13,269
	<u>\$776,030</u>	<u>\$39,305</u>	<u>\$815,335</u>	<u>\$708,330</u>

The Company's investments at October 31, 2015 consisted of equity interests in 74 properties, which are located in various regions throughout the northeastern part of the United States with a concentration in the metropolitan New York tri-state area outside of the City of New York. The Company's primary investment focus is neighborhood and community shopping centers located in the region just described. Since a significant concentration of the Company's properties are in the northeast, market changes in this region could have an effect on the Company's leasing efforts and ultimately its overall results of operations.

(3) PROPERTIES

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

	October 31,	
	<u>2015</u>	<u>2014</u>
Land	\$ 175,952	\$ 153,346
Buildings and improvements	765,738	676,958
	<u>941,690</u>	<u>830,304</u>
Accumulated depreciation	<u>(165,660)</u>	<u>(161,187)</u>
	<u>\$ 776,030</u>	<u>\$ 669,117</u>

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

Minimum rental payments on non-cancelable operating leases in the consolidated core properties totaling \$472.8 become due as follows (in millions): 2016—\$80.4; 2017—\$73.2; 2018—\$61.1; 2019—\$52.8; 2020—\$43.3 and thereafter—\$162.0.

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 1.00% of consolidated revenues in each of the three years ended October 31, 2015.

Significant Investment Property Transactions

In December 2014 (fiscal 2015), the Company, through four wholly-owned subsidiaries, purchased, for \$124.6 million, four retail properties totaling 375,000 square feet located in Northern New Jersey ("NJ Retail Properties").

The Company funded the acquisition with a combination of available cash remaining from the sale of Class A Common Stock and the sale of its Series G Preferred Stock (see Note 7), borrowings under its Unsecured Revolving Credit Facility (the "Facility") and a non-recourse mortgage secured by the properties (see Note 4). In conjunction with the purchase, the Company incurred acquisition costs totaling \$1,867,000, which have been expensed in the year ended October 31, 2015 consolidated statement of income.

In June 2015, the Company, through a wholly-owned subsidiary, purchased, for \$4.0 million, a 7,000 square foot retail property located in Fort Lee (Bergen County), New Jersey (the "Fort Lee Property"). The Company funded the acquisition with a combination of available cash and borrowings under its Facility. In conjunction with the purchase, the Company incurred acquisition costs totaling \$24,000, which have been expensed in the year ended October 31, 2015 consolidated statement of income.

In July 2015, the Company, through a wholly-owned subsidiary purchased, for \$10.0 million, a 26,000 square foot grocery-anchored shopping center located in Harrison (Westchester County), New York (the "Harrison Property"). The acquisition was funded with a borrowing on the Company's Facility. In conjunction with the purchase, the Company incurred acquisition costs totaling \$68,000, which have been expensed in the year ended October 31, 2015 consolidated statement of income.

In August 2014, the Company, through a wholly-owned subsidiary, purchased for \$47.4 million, two retail properties totaling 88,000 square feet located in Greenwich, CT (the "Greenwich Properties"). The Company funded the acquisition with a combination of available cash, borrowings under its Facility, other unsecured borrowings and a non-recourse mortgage secured by the subject property (see Note 4). In conjunction with the purchase, the Company incurred acquisition costs totaling \$127,000, which have been expensed in the year ended October 31, 2014 consolidated statement of income.

In January 2014, the Company, through a wholly-owned subsidiary, purchased for \$9 million a 31,000 square foot retail shopping center located in Bethel, CT (the "Bethel Property"). The Company funded the equity needed to complete the purchase with proceeds from the sale of its two non-core properties in December 2013. In conjunction with the purchase, the Company incurred acquisition costs totaling \$88,000, which have been expensed in the year ended October 31, 2014 consolidated statement of income.

In December 2013, the Company, through a wholly-owned subsidiary, purchased for \$18.4 million a 63,000 square foot retail shopping center located in Boonton, NJ (the "Boonton Property"). The acquisition required the assumption of an existing mortgage in the amount of \$7.8 million. The assumption of the mortgage loan represents

a non-cash financing activity and is therefore not included in the accompanying consolidated statement of cash flows for the fiscal year ended October 31, 2014. The mortgage loan requires monthly payments of principal and interest at a fixed rate of 4.20% per annum. The mortgage matures in September 2022. The Company funded the equity needed to complete the purchase with borrowings under its Facility. In conjunction with the purchase, the Company incurred acquisition costs totaling \$225,000, which have been expensed in the year ended October 31, 2014 consolidated statement of income.

In December 2013, the Company, through a wholly-owned subsidiary, purchased for \$11 million a 56,000 square foot retail shopping center located in Bloomfield, NJ (the "Bloomfield Property"). The acquisition required the assumption of an existing mortgage in the amount of \$7.7 million. The assumption of the mortgage loan represents a non-cash financing activity and is therefore not included in the accompanying consolidated statement of cash flows for the fiscal year ended October 31, 2014. The mortgage loan requires monthly payments of principal and interest at a fixed rate of 5.50% per annum. The mortgage matures in August 2016. The Company funded the equity needed to complete the purchase with borrowings under its Facility. In conjunction with the purchase, the Company incurred acquisition costs totaling \$123,000, which have been expensed in the year ended October 31, 2014 consolidated statement of income.

In May 2013, the Company, through a wholly owned subsidiary, purchased two retail properties located in Greenwich, CT, with a combined GLA totaling 24,000 square feet ("Post Road Properties"), for \$18 million. In conjunction with the purchase, the Company assumed an existing first mortgage loan encumbering the properties at its estimated fair value of \$8.3 million. The assumption of the mortgage loan represents a non-cash financing activity and is therefore not included in the accompanying consolidated statement of cash flows for the year ended October 31, 2013. The mortgage loan requires monthly payments of principal and interest at a fixed rate of 4.00% per annum. The mortgage matures in August 2016. The Company funded the remaining equity needed to complete the purchase with proceeds from its Class A Common Stock and Series F Preferred Stock offerings completed in October 2012. In conjunction with the purchase, the Company incurred acquisition costs totaling \$78,000, which have been expensed in the year ended October 31, 2013 consolidated statement of income.

In May 2013, the Company, through a wholly owned subsidiary, purchased a 107,000 square foot retail shopping center located in New Providence, New Jersey ("New Providence") for \$34.9 million. In connection with the purchase, the Company assumed a first mortgage loan encumbering the property at its estimated fair value

of \$21.3 million. The assumption of the mortgage loan represents a non-cash financing activity and is therefore not included in the accompanying consolidated statement of cash flows for the year ended October 31, 2013. The mortgage loan requires monthly payments of principal and interest at the fixed rate of 4.00% per annum. The mortgage matures in January 2022. The Company funded its remaining equity needed to complete the purchase with proceeds from its Class A Common Stock and Series F Preferred Stock offerings completed in October 2012. In conjunction with the purchase, the Company incurred acquisition costs totaling \$227,000, which have been expensed in the year ended October 31, 2013 consolidated statement of income.

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

In fiscal 2015, the Company completed evaluating the fair value of the in-place leases for its NJ Retail Properties, its Harrison property and its Fort Lee property, all acquired in fiscal 2015. In addition, the Company completed its evaluation of the Greenwich properties and its McLean Plaza property (see Note 5), all acquired in fiscal 2014. As a result of its evaluation, the Company has allocated \$964,000 to a liability associated with the net fair value assigned to the acquired leases at the McLean Plaza Property, a \$166,000 liability associated with the net fair value assigned to the acquired leases at the Greenwich Properties, a \$113,000 asset associated with the net fair value assigned to the acquired leases at the NJ Retail Properties, a \$69,000 asset associated with the leases at its Fort Lee Property and a \$48,000 asset associated with the net fair value assigned to the acquired leases at its Harrison Property, all of which amounts represent a non-cash investing activity and are therefore not included in the accompanying consolidated statement of cash flows for the fiscal year ended October 31, 2015.

In fiscal 2014, the Company completed evaluating the fair value of the in-place leases for its Boonton Property, Bethel Property and Bloomfield Property, all of which were acquired in fiscal 2014. As a result of its evaluation, the Company has allocated \$901,000 to a liability associated with the net fair value assigned to the acquired leases at the Bloomfield Property, a \$71,000 liability associated with the net fair value assigned to the acquired leases at the Boonton Property, and a \$92,000 asset associated with

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

the net fair value assigned to the acquired leases at the Bethel Property, all of which amounts represent a non-cash investing activity and are therefore not included in the accompanying consolidated statement of cash flows for fiscal year ended October 31, 2014.

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

For the years ended October 31, 2015, 2014 and 2013, the net amortization of above-market and below-market leases amounted to \$415,000, \$410,000 and \$419,000, respectively, which amounts are included in base rents in the accompanying consolidated statements of income.

In fiscal 2015, the Company incurred costs of approximately \$12.2 million related to capital improvements to its properties and leasing costs.

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

At October 31, 2015, the Company has mortgage notes payable and other loans that are due in installments over various periods to fiscal 2027. The loans bear interest at rates ranging from 2.8% to 6.6% and are collateralized by real estate investments having a net carrying value of approximately \$454.0 million.

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

	Principal Repayments	Scheduled Amortization	Total
2016	\$ 14,684	\$ 5,809	\$ 20,493
2017	49,524	5,505	55,029
2018	—	4,473	4,473
2019	26,880	4,185	31,065
2020	—	3,801	3,801
Thereafter	124,523	21,073	145,596
	<u>\$215,611</u>	<u>\$44,846</u>	<u>\$260,457</u>

The Company has an \$80 million Unsecured Revolving Credit Facility with a syndicate of four banks led by The Bank of New York Mellon, as administrative agent. The syndicate also includes Wells Fargo Bank N.A. (syndication agent), Bank of Montreal and Regions Bank (co-documentation agents). The Facility gives the Company the option, under certain conditions, to increase the Facility’s borrowing capacity up to \$125 million. The maturity date of the Facility is September 21, 2016 with a one-year extension at the Company’s option. Borrowings under the Facility can be used for, among other things, acquisitions, working capital, capital expenditures, and repayment of other indebtedness and the issuance of letters of credit (up to \$10 million). Borrowings will bear interest at the Company’s option of Eurodollar rate plus 1.50% to 2.00% or The Bank of New York Mellon’s prime lending rate plus 0.50% based on consolidated indebtedness, as defined. The Company will pay an annual fee on the unused commitment amount of up to 0.25% to 0.35% based on outstanding borrowings during the year. The Facility contains certain representations and financial and other covenants typical for this type of facility. The Company’s ability to borrow under the Facility is subject to its compliance with the covenants and other restrictions on an ongoing basis. The principal financial covenants limit the Company’s level of secured and unsecured indebtedness and additionally require the Company to maintain certain debt coverage ratios. The Company was in compliance with such covenants at October 31, 2015.

In August 2014, the Company borrowed \$25.0 million under a newly executed Unsecured Term Loan (the “Term Loan”) with The Bank of New York Mellon as the lender. The Term Loan had a term of six months with a Company option for a six-month extension. The interest rate was the Eurodollar rate plus 1.40% to 1.90% based on consolidated indebtedness. The Term Loan had the same financial covenants as the Facility. The Company used the borrowings to fund a portion of the purchase price of the Greenwich Properties. The term loan was repaid in August 2015 with proceeds from the sale of the Company’s Meriden, CT property.

During the fiscal years ended October 31, 2015 and 2014, the Company borrowed \$104.8 million and \$65.1 million, respectively, on its Facility to fund a portion of the equity for property acquisitions and capital improvements to its properties. During the fiscal years ended October 31, 2015 and 2014, the Company re-paid \$97.6 million and \$58.8 million, respectively, on its Facility with proceeds from a combination of non-recourse mortgage financings and available cash.

In December 2014, through four wholly-owned subsidiaries, the Company placed a \$62.7 million non-recourse first mortgage loan secured by the NJ Retail Properties that were purchased in December 2014. The mortgage loan

requires monthly payments of principal and interest in the amount of \$294,000 at a fixed interest rate of 3.85% per annum. The mortgage matures in January 2027. Proceeds from the mortgage were used to repay the Facility.

In July 2015, the Company repaid at maturity its \$4.5 million non-recourse first mortgage loan that was secured by its Fairfield Plaza property. The Company funded this repayment with a borrowing on its Facility.

During fiscal 2014, the Company, through a wholly-owned subsidiary, assumed an existing non-recourse first mortgage loan encumbering the Boonton Property at its estimated fair value of \$7.8 million. The mortgage loan requires monthly payments of principal and interest at a fixed rate of 4.2% per annum. The mortgage matures in September 2022.

During fiscal 2014, the Company, through a wholly-owned subsidiary, assumed an existing non-recourse first mortgage loan encumbering the Bloomfield Property at its estimated fair value of \$7.7 million. The mortgage loan requires monthly payments of principal and interest at a fixed rate of 5.5% per annum. The mortgage matures in August 2016.

During fiscal 2014, the Company, through a wholly-owned subsidiary, assumed an existing non-recourse first mortgage loan encumbering the McLean Plaza Property at its estimated fair value of \$2.8 million. The mortgage matured in December 2014 and was refinanced with a new lender. The new \$5 million mortgage matures in November 2024 and requires monthly payments of interest only at a fixed rate of interest of 3.7% per annum.

During fiscal 2014, the Company, through a wholly-owned subsidiary, placed a non-recourse first mortgage loan encumbering the Greenwich Properties in the amount of \$24.5 million. The mortgage loan requires monthly payments of principal and interest at a fixed rate of 4.07% per annum. The mortgage matures in November 2024. Proceeds from the mortgage were used to repay the Facility.

During fiscal 2014, the Company refinanced a non-recourse mortgage loan encumbering its Arcadian property in the amount of \$16.2 million. The mortgage loan requires monthly payments of principal and interest at a fixed rate of 3.995% per annum. The mortgage matures in August 2024.

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

During fiscal 2013, the Company, through a wholly-owned subsidiary, assumed a first mortgage loan encumbering the New Providence Property at its estimated fair value of \$21.3 million. The mortgage loan requires

monthly payments of principal and interest at the fixed rate of 4.0% per annum. The mortgage matures in January 2022.

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

Interest paid in the years ended October 31, 2015, 2014 and 2013 was approximately \$13.4 million, \$10.3 million and \$8.5 million, respectively.

(5) CONSOLIDATED JOINT VENTURES AND REDEEMABLE NONCONTROLLING INTERESTS

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

Ironbound (Ferry Plaza)

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

of the limited partners in Ironbound to provide management and leasing services to the property at an annual fee equal to 2.00% percent of rental income collected, as defined.

Orangeburg

The Company, through a wholly-owned subsidiary, is the managing member and owns an approximate 33.2% interest in Orangeburg, which owns a CVS Pharmacy anchored shopping center in Orangeburg, NY. The other member (non-managing) of Orangeburg is the prior owner of the contributed property who, in exchange for contributing the net assets of the property, received units of Orangeburg equal to the value of the contributed property less the value of the assigned first mortgage payable. The Orangeburg operating agreement provides for the non-managing member to receive an annual cash distribution equal to the regular quarterly cash distribution declared by the Company for one share of the Company's Class A Common stock for each unit of Orangeburg ownership. The annual cash distribution will be paid from available cash, as defined, of Orangeburg. Upon liquidation, proceeds from the sale of Orangeburg assets are to be distributed in accordance with the operating agreement. Orangeburg has a defined termination date of December 31, 2097. Since purchasing this property, the Company has made additional investments in the amount of \$4.1 million in Orangeburg and as a result as of October 31, 2015 its ownership percentage has increased to 33.2% from approximately 2.92% at inception.

McLean Plaza

The Company, through a wholly-owned subsidiary, is the managing member and owns a 53% interest in McLean Plaza Associates, LLC, a limited liability company ("McLean"), which owns a grocery-anchored shopping center. The McLean operating agreement provides for the non-managing members to receive a fixed annual cash distribution equal to 5.05% of their invested capital. The annual cash distribution is paid from available cash, as defined, of McLean. The balance of available cash, if any, is fully distributable to the Company. Upon liquidation, proceeds from the sale of McLean assets are to be distributed in accordance with the operating agreement. The non-managing members are not obligated to make any additional capital contributions to the entity.

Noncontrolling interests:

The Company accounts for non-controlling interests in accordance with ASC Topic 810, "Consolidation." Because the limited partners or non-controlling members in Ironbound, Orangeburg and McLean Plaza have the right to require the Company to redeem all or a part of their limited partnership or limited liability company units at

prices as defined in the governing agreements, the Company reports the noncontrolling interests in the consolidated joint ventures in the mezzanine section, outside of permanent equity, of the consolidated balance sheets at redemption value which approximates fair value. The value of the Orangeburg and McLean redemption is based solely on the price of the Company's Class A Common stock on the date of redemption. For the years ended October 31, 2015 and 2014, the Company adjusted the carrying value of the non-controlling interests by \$2.3 million and \$887,000, respectively, with the corresponding adjustment recorded in stockholders' equity.

The following table sets forth the details of the Company's redeemable non-controlling interests (amounts in thousands):

	October 31,	
	2015	2014
Beginning balance	\$18,864	\$11,843
Initial McLean Plaza noncontrolling interest—net	(615)	6,134
Change in redemption value	(2,294)	887
Ending balance	<u>\$15,955</u>	<u>\$18,864</u>

(6) INVESTMENTS IN AND ADVANCES TO UNCONSOLIDATED JOINT VENTURES

At October 31, 2015 and 2014, investments in and advances to unconsolidated joint ventures consisted of the following (with the Company's ownership percentage in parentheses) (amounts in thousands):

	October 31,	
	2015	2014
Chestnut Ridge and Plaza 59 Shopping Centers (50.0%)	\$18,248	\$18,380
Gateway Plaza (50%)	7,186	7,069
Midway Shopping Center, L.P. (11.642%)	5,144	5,322
Putnam Plaza Shopping Center (66.67%)	6,686	6,525
Applebee's at Riverhead (50%)	1,318	1,194
81 Pondfield Road Company (20%)	723	723
Total	<u>\$39,305</u>	<u>\$39,213</u>

Gateway Plaza and Applebee's at Riverhead

The Company, through two wholly owned subsidiaries, owns a 50% undivided equity interest in the Gateway Plaza Shopping Center ("Gateway") and Applebee's at Riverhead ("Applebee's"). Both properties are located in Riverhead, New York (together the "Riverhead Properties"). Gateway, a 194,000 square foot shopping center anchored by a 168,000 square foot newly constructed Walmart which also has 27,000 square feet of newly constructed in-line space

that is partially leased. Applebee's has a 5,400 square foot freestanding Applebee's restaurant with additional development rights for 7,200 square feet.

Simultaneously with the acquisition of Gateway, a \$14 million non-recourse first mortgage payable was placed on the property with \$12.0 million of the proceeds distributed to the seller. The mortgage has a term of ten years and requires payments of principal and interest at a fixed rate of interest of 4.2% per annum. In September 2015, Gateway satisfied the closing contingencies and received the balance of the mortgage.

Chestnut Ridge and Plaza 59 Shopping Centers

The Company, through two wholly owned subsidiaries, owns a 50% undivided equity interest in the 76,000 square foot Chestnut Ridge Shopping Center located in Montvale, New Jersey ("Chestnut"), which is anchored by a Fresh Market grocery store and the 24,000 square foot Plaza 59 Shopping Center located in Spring Valley, New York ("Plaza 59"), which is anchored by a local food grocer.

Midway Shopping Center, L.P.

The Company, through a wholly owned subsidiary, owns an 11.642% equity interest in Midway Shopping Center L.P. ("Midway"), which owns a 247,000 square foot shopping center in Westchester County, New York. Although the Company only has an approximate 12% equity interest in Midway, it controls 25% of the voting power of Midway and as such has determined that it exercises significant influence over the financial and operating decisions of Midway but does not control the venture and accounts for its investment in Midway under the equity method of accounting.

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

Midway currently has a non-recourse first mortgage payable in the amount of \$30 million. The loan requires payments of principal and interest at the rate of 4.80% per annum and will mature in 2027.

Putnam Plaza Shopping Center

The Company, through a wholly owned subsidiary, owns a 66.67% undivided equity interest in the 189,000 square foot Putnam Plaza Shopping Center ("Putnam Plaza"), which is anchored by a Hannaford Bros. grocery store.

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

81 Pondfield Road Company

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

The Company accounts for the above investments under the equity method of accounting since it exercises significant influence, but does not control the joint ventures. The other venturers in the joint ventures have substantial participation rights in the financial decisions and operation of the ventures or properties, which preclude the Company from consolidating the investments. The Company has evaluated its investment in the joint ventures and has concluded that the joint ventures are not VIE's. Under the equity method of accounting the initial investment is recorded at cost as an investment in unconsolidated joint venture, and subsequently adjusted for equity in net income (loss) and cash contributions and distributions from the venture. Any difference between the carrying amount of the investment on the Company's balance sheet and the underlying equity in net assets of the venture is evaluated for impairment at each reporting period.

(7) STOCKHOLDERS' EQUITY

Authorized Stock

The Company's Charter authorizes up to 200,000,000 shares of various classes of stock. The total number of shares of authorized stock consists of 100,000,000 shares of Class A Common Stock, 30,000,000 shares of Common Stock, 50,000,000 shares of Preferred Stock, and 20,000,000 shares of Excess Stock.

Preferred Stock

The Series F Preferred Stock is non-voting, has no stated maturity and is redeemable for cash at \$25 per share at the Company's option on or after October 24, 2017. The holders of our Series F Preferred Stock have general preference rights with respect to liquidation and quarterly distributions. Except under certain conditions, holders of the Series F Preferred Stock will not be entitled to vote on most matters. In the event of a cumulative arrearage equal to six quarterly dividends, holders of Series F Preferred Stock, together with all of the Company's other series of preferred stock (voting as a single class without regard to series) will have the right to elect two additional members to serve on the Company's Board of Directors until the arrearage has been cured. Upon the occurrence of a Change of Control, as defined in the Company's Articles of Incorporation, the holders of the Series F Preferred Stock will have the right to convert all or part of the shares of Series F Preferred Stock held by such holders on the

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

applicable conversion date into a number of the Company's shares of Class A Common Stock. Underwriting commissions and costs incurred in connection with the sale of the Series F Preferred Stock are reflected as a reduction of additional paid in capital.

The Series G Senior Preferred Stock is nonvoting, has no stated maturity and is redeemable for cash at \$25 per share at the Company's option on or after October 28, 2019. The holders of our Series G Preferred Stock have general preference rights with respect to liquidation and quarterly distributions. Except under certain conditions, holders of the Series G Preferred Stock will not be entitled to vote on most matters. In the event of a cumulative arrearage equal to six quarterly dividends, holders of Series G Preferred Stock, together with all of the Company's other Series of preferred stock (voting as a single class without regard to series) will have the right to elect two additional members to serve on the Company's Board of Directors until the arrearage has been cured. Upon the occurrence of a Change of Control, as defined in the Company's Articles of Incorporation, the holders of the Series G Preferred Stock will have the right to convert all or part of the shares of Series G Preferred Stock held by such holders on the applicable conversion date into a number of the Company's shares of Class A common stock. Underwriting commissions and costs incurred in connection with the sale of the Series G Preferred Stock are reflected as a reduction of additional paid in capital.

In October 2014, we issued notice of our intent to redeem all of the outstanding shares of our 7.5% Series D Senior Cumulative Preferred Stock with a liquidation preference \$25 per share. As a result, as of October 31, 2014 the outstanding Series D preferred stock has been reclassified out of stockholders' equity and is reflected as a liability at redemption value and we recognized a loss of \$1.87 million on our consolidated statement of income for the fiscal year ended October 31, 2014, which represents the difference between redemption value and carrying value net of original deferred issuance costs. We completed this redemption in November 2014.

In fiscal 2012, the Company repurchased its remaining Series C Senior Cumulative Preferred Stock outstanding and as a result included the \$892,000 excess of the repurchase price of the preferred shares paid over the carrying amount of the shares as a reduction of income available to Common and Class A Common shareholders in the accompanying consolidated statement of income for the years ended October 31, 2013.

On November 21, 2012, the Company redeemed all of its outstanding Series E Senior Cumulative Preferred Stock. As a result, the Company included the \$3.3 million excess of the repurchase price of the preferred shares paid over the carrying amount of the Series E preferred

stock as a reduction of income available to Common and Class A Common shareholders in the accompanying consolidated statement of income for the fiscal year ended October 31, 2013.

Common Stock

In November 2014, the Company sold 2,875,000 shares of Class A Common Stock in an underwritten follow-on common stock offering for \$20.82 per share and raised net proceeds of \$59.7 million.

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

The Company has a Dividend Reinvestment and Share Purchase Plan (as amended, the "DRIP"), that permits stockholders to acquire additional shares of Common Stock and Class A Common Stock by automatically reinvesting dividends. During fiscal 2015, the Company issued 5,326 shares of Common Stock and 6,104 shares of Class A Common Stock (6,347 shares of Common Stock and 6,811 shares of Class A Common Stock in fiscal 2014) through the DRIP. As of October 31, 2015, there remained 352,627 shares of Common Stock and 410,169 shares of Class A Common Stock available for issuance under the DRIP.

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

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

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

Stock Repurchase

The Board of Directors of the Company has approved a share repurchase program ("Program") for the repurchase of up to 2,000,000 shares, in the aggregate, of Common stock, Class A Common stock and Series F Cumulative Preferred stock in open market transactions.

Prior to fiscal 2015, the Company had repurchased 4,600 shares of Common Stock and 724,578 shares of Class A Common Stock under the Program. For the year ended October 31, 2015, the Company repurchased an additional 188,753 shares of Class A Common stock at the average price per Class A Common share of \$17.79 under the Current Program.

(8) STOCK COMPENSATION AND OTHER BENEFIT PLANS

Restricted Stock Plan

The Company has a Restricted Stock Plan that provides a form of equity compensation for employees of the Company. The Plan, which is administered by the

Company's compensation committee, authorizes grants of up to an aggregate of 3,750,000 shares of the Company's common equity consisting of 350,000 Common shares, 350,000 Class A Common shares and 3,050,000 shares, which at the discretion of the compensation committee, may be awarded in any combination of Class A Common shares or Common shares.

In accordance with ASC Topic 718, the Company recognizes compensation expense for restricted stock awards upon the earlier of the explicit vesting period or the date a participant first becomes eligible for retirement unless a waiver was received by an employee over the retirement age, waving his right to continued vesting after retirement. For non-vested restricted stock awards granted prior to the adoption of ASC Topic 718 in 2005, the Company continues to recognize compensation expense over the explicit vesting periods and accelerates any remaining unrecognized compensation cost when a participant actually retires.

In fiscal 2015, the Company awarded 152,000 shares of Common Stock and 92,750 shares of Class A Common Stock to participants in the Plan. The grant date fair value of restricted stock grants awarded to participants in 2015 was approximately \$4.8 million. As of October 31, 2015, there was \$12.7 million of unamortized restricted stock compensation related to non-vested restricted stock grants awarded under the Plan. The remaining unamortized expense is expected to be recognized over a weighted average period of 4.7 years. For the years ended October 31, 2015, 2014 and 2013, amounts charged to compensation expense totaled \$4,121,000, \$4,088,000 and \$4,073,000, respectively.

A summary of the status of the Company's non-vested restricted stock awards as of October 31, 2015, and changes during the year ended October 31, 2015 is presented below:

	Common Shares		Class A Common Shares	
	Shares	Weighted-Average Grant Date Fair Value	Shares	Weighted-Average Grant Date Fair Value
Non-vested at October 31, 2014	1,380,800	\$16.21	399,950	\$18.01
Granted	152,000	\$18.37	92,750	\$22.10
Vested	(250,950)	\$15.66	(92,250)	\$16.08
Forfeited	—	—	(26,600)	\$19.50
Non-vested at October 31, 2015	<u>1,281,850</u>	\$16.58	<u>373,850</u>	\$19.37

Profit Sharing and Savings Plan

The Company has a profit sharing and savings plan (the "401K Plan"), which permits eligible employees to defer a portion of their compensation in accordance with the Internal Revenue Code. Under the 401K Plan, the Company made contributions on behalf of eligible employees. The Company made contributions to the 401K Plan of approximately \$150,000, \$150,000 and \$145,000 in each of the three years ended October 31, 2015, 2014 and 2013, respectively. The Company also has an Excess Benefit and Deferred Compensation Plan that allows eligible employees to defer benefits in excess of amounts provided under the Company's 401K Plan and a portion of the employee's current compensation.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(9) FAIR VALUE MEASUREMENTS

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

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

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

The Company calculates the fair value of the redeemable noncontrolling interests based on either quoted market prices on national exchanges based on the Company's Class A Common stock or unobservable inputs considering the assumptions that market participants would make

in pricing the obligations. The inputs used include an estimate of the fair value of the cash flow generated by the limited partnership or limited liability company in which the investor owns the joint venture units.

The fair values of interest rate swaps are determined using widely accepted valuation techniques, including discounted cash flow analysis, on the expected cash flows of each derivative. The analysis reflects the contractual terms of the swaps, including the period to maturity, and uses observable market-based inputs, including interest rate curves ("significant other observable inputs"). The fair value calculation also includes an amount for risk of non-performance using "significant unobservable inputs" such as estimates of current credit spreads to evaluate the likelihood of default. The Company has concluded, as of October 31, 2015 and 2014, that the fair value associated with the "significant unobservable inputs" relating to the Company's risk of non-performance was insignificant to the overall fair value of the interest rate swap agreements and, as a result, the Company has determined that the relevant inputs for purposes of calculating the fair value of the interest rate swap agreements, in their entirety, were based upon "significant other observable inputs."

The Company measures its redeemable noncontrolling interests and interest rate swap derivatives at fair value on a recurring basis. The fair value of these financial assets and liabilities was determined using the following inputs at October 31, 2015 and 2014 (amounts in thousands):

	Total	Fair Value Measurements at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fiscal Year Ended October 31, 2015				
Liabilities:				
Interest Rate Swap Agreement	\$ 1,230	\$ —	\$1,230	\$ —
Redeemable noncontrolling interests	\$15,955	\$13,104	\$ —	\$2,851
Fiscal Year Ended October 31, 2014				
Assets:				
Interest Rate Swap Agreement	\$ 63	\$ —	\$ 63	\$ —
Liabilities:				
Redeemable noncontrolling interests	\$18,864	\$ 9,802	\$ —	\$9,062

Fair market value measurements based upon Level 3 inputs changed from \$2,897 at November 1, 2013 to \$9,062 at October 31, 2014 as a result of a \$31 increase in the redemption value of the Company's noncontrolling interest in Ironbound in accordance with the application of ASC Topic 810 and an increase in the amount of \$6,134 representing the non-controlling interest in the Company's McLean Plaza investment (see Note 5). Fair market value measurements based upon Level 3 inputs changed from \$9,062 at November 1, 2014 to \$2,851 at October 31, 2015 as a result of a \$77 decrease in the redemption value of the Company's noncontrolling interest in Ironbound in accordance with the application of ASC Topic 810 and the transfer in the amount of \$6,134 of the noncontrolling interest in McLean to Level 1. During the quarter ended January 31, 2015, Mclean was converted to a limited liability company from a general partnership. One of the results of this conversion is that the noncontrolling equity interests in McLean can only be redeemed for shares of the Company's Class A Common stock or for cash based on the value of the Company's Class A Common stock. In accordance with ASC 810, the noncontrolling interest will now be valued as a Level 1 measurement.

Fair Value of Financial Instruments

The carrying values of cash and cash equivalents, restricted cash, tenant receivables, prepaid expenses, other assets, accounts payable and accrued expenses, are reasonable estimates of their fair values because of the short-term nature of these instruments. The carrying value of the revolving credit facility is deemed to be at fair value since the outstanding debt is directly tied to monthly LIBOR contracts. Mortgage notes payable that were assumed in property acquisitions were recorded at their fair value at the time they were assumed.

Mortgage notes payable and other loans are estimated to have a fair value of approximately \$266 million and \$206 million at October 31, 2015 and October 31, 2014, respectively. The estimated fair value of mortgage notes payable is based on discounting the future cash flows at a year-end risk adjusted borrowing rate currently available to the Company for issuance of debt with similar terms and remaining maturities. These fair value measurements fall within Level 2 of the fair value hierarchy. When the Company acquires a property it is required to fair value all of the assets and liabilities, including intangible assets and liabilities, relating to the property's in-place leases (see Note 1). Those fair value measurements fall within Level 3 of the fair value hierarchy.

Although management is not aware of any factors that would significantly affect the estimated fair value amounts from October 31, 2014, 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.

(10) COMMITMENTS AND CONTINGENCIES

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

At October 31, 2015, the Company had commitments of approximately \$11.0 million for tenant-related obligations.

(11) 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, 2015 and 2014 adjusted to give effect to the property acquisitions, including acquisition costs, completed in fiscal 2015 (see Note 3) and the sale of the Company's Meriden, CT property in August 2015 as though these transactions were completed on November 1, 2013.

The pro forma financial information is presented for informational purposes only and may not be indicative of what the actual results of operations would have been had the transactions occurred as of the beginning of that year nor does it purport to represent the results of future operations (amounts in thousands).

	Year Ended October 31,	
	2015	2014
		(Note 1)
Pro forma revenues	<u>\$113,102</u>	<u>\$109,847</u>
Pro forma income from continuing operations	<u>\$ 31,546</u>	<u>\$ 29,407</u>
Pro forma income from continuing operations applicable to Common and Class A Common stockholders:	<u>\$ 15,993</u>	<u>\$ 13,118</u>

Note 1—The fiscal year ended 2014 pro forma income from continuing operations and pro forma income from continuing operations applicable to Common and Class A Common stockholders excludes a \$24.3 million gain on sale of the Company's Springfield, MA property, which was sold in 2014 (see Note 1 for more information).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following table summarizes the revenues and income from continuing operations that is included in the Company's historical consolidated statement of income for the year ended October 31, 2015 for the properties

acquired in fiscal 2015 as more fully described in Note 3 (amounts in thousands).

Revenues	<u>\$9,644</u>
Income from continuing operations	<u>\$ 617</u>

(12) QUARTERLY RESULTS OF OPERATIONS (UNAUDITED)

The unaudited quarterly results of operations for the years ended October 31, 2015 and 2014 are as follows (in thousands, except per share data):

	Year Ended October 31, 2015				Year Ended October 31, 2014			
	Quarter Ended				Quarter Ended			
	Jan 31	Apr 30	July 31	Oct 31	Jan 31	Apr 30	July 31	Oct 31
Revenues	<u>\$28,506</u>	<u>\$30,050</u>	<u>\$28,819</u>	<u>\$27,937</u>	<u>\$25,195</u>	<u>\$25,952</u>	<u>\$24,955</u>	<u>\$26,226</u>
Income from Continuing Operations	<u>\$ 6,164</u>	<u>\$ 7,478</u>	<u>\$ 8,785</u>	<u>\$27,785</u>	<u>\$ 6,621</u>	<u>\$ 6,482</u>	<u>\$ 7,494</u>	<u>\$32,494</u>
Net Income Attributable to								
Urstadt Biddle Properties Inc.	\$ 6,011	\$ 7,247	\$ 8,441	\$27,565	\$ 6,465	\$ 6,334	\$ 7,343	\$32,342
Preferred Stock Dividends	(3,894)	(3,570)	(3,571)	(3,570)	(3,453)	(3,453)	(3,453)	(3,453)
Redemption of Preferred Stock	—	—	—	—	—	—	—	(1,870)
Net Income Applicable to Common and Class A Common Stockholders	<u>\$ 2,117</u>	<u>\$ 3,677</u>	<u>\$ 4,870</u>	<u>\$23,995</u>	<u>\$ 3,012</u>	<u>\$ 2,881</u>	<u>\$ 3,890</u>	<u>\$27,019</u>
Per Share Data:								
Net Income from Continuing Operations—Basic:								
Class A Common Stock	\$0.06	\$0.11	\$0.15	\$0.72	\$0.10	\$0.10	\$0.13	\$0.90
Common Stock	\$0.06	\$0.10	\$0.13	\$0.64	\$0.09	\$0.09	\$0.11	\$0.80
Net Income from Continuing Operations—Diluted:								
Class A Common Stock	\$0.06	\$0.11	\$0.14	\$0.70	\$0.10	\$0.09	\$0.12	\$0.87
Common Stock	\$0.06	\$0.10	\$0.13	\$0.62	\$0.09	\$0.08	\$0.11	\$0.77

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

(13) SUBSEQUENT EVENTS

On December 17, 2015, the Board of Directors of the Company declared cash dividends of \$0.23 for each share of Common Stock and \$0.26 for each share of Class A Common Stock. The dividends are payable on January 15, 2016 to stockholders of record on January 5, 2016. The Board of Directors also ratified the actions of the Company's compensation committee authorizing awards of 152,100 shares of Common Stock and 93,600 shares of Class A Common Stock to certain officers, directors and employees of the Company effective January 4, 2016, pursuant to the Company's restricted stock plan. The fair value of the shares awarded totaling \$4.5 million will be charged to expense over the respective vesting periods.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

We have audited the accompanying consolidated balance sheets of Urstadt Biddle Properties Inc. (the “Company”) as of October 31, 2015 and 2014 and the related consolidated statements of income, comprehensive income, stockholders’ equity, and cash flows for each of the three years in the period ended October 31, 2015. 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, 2015 and 2014, and the consolidated results of its operations and its cash flows for each of the three years in the period ended October 31, 2015, in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company’s internal control over financial reporting as of October 31, 2015 based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated January 12, 2016 expressed an unqualified opinion thereon.

New York, New York
January 12, 2016

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

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

The following discussion should be read in conjunction with the consolidated financial statements of the Company and the notes thereto included elsewhere in this report.

FORWARD-LOOKING STATEMENTS

This report includes certain statements that may be deemed to be "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. All statements included in this report that address activities, events or developments that the Company expects, believes or anticipates will or may occur in the future, including such matters as future capital expenditures, dividends and acquisitions (including the amount and nature thereof), business strategies, expansion and growth of the Company's operations and other such matters, are forward-looking statements. These statements are based on certain assumptions and analyses made by the Company in light of its experience and its perception of historical trends, current conditions, expected future developments and other factors it believes are appropriate. Such statements are subject to a number of assumptions, risks and uncertainties, including, among other things, general economic and business conditions, the business opportunities that may be presented to and pursued by the Company, changes in laws or regulations and other factors, many of which are beyond the control of the Company. Any forward-looking statements are not guarantees of future performance and actual results or developments may differ materially from those anticipated in the forward-looking statements.

EXECUTIVE SUMMARY AND OVERVIEW

The Company, a REIT, is a fully integrated, self-administered real estate company, engaged in the acquisition, ownership and management of commercial real estate, primarily neighborhood and community shopping centers in the northeastern part of the United States with a concentration in the metropolitan New York tri-state area outside of the City of New York. Other real estate assets include office properties. The Company's major tenants include supermarket chains and other retailers who sell basic necessities. At October 31, 2015, the Company owned or had equity interests in 74 properties containing a total of 4.9 million square feet of GLA of which approximately 96.1% was leased (95.3% at October 31, 2014).

The above percentages exclude the Company's White Plains property. In November 2014, the Company obtained a zoning change from the City of White Plains that will allow this property to be converted to a higher and better use. On this basis, the Company is maintaining vacancies

to make potential redevelopment possible. In February 2015, two more leases at the property totaling 90,000 square feet expired, for which the average base rent per square foot was approximately \$24.69 per annum. Currently, the 189,000 square foot property has only 20,000 square feet leased and occupied at an average base rent per square foot of \$22.79. In April 2015, the Company entered into a contract to sell this property. The contract contains certain contingencies that need to be satisfied in order for the transaction to close, and there is the possibility it may not close. If all contingencies are satisfied, the Company expects the transaction to close in the second quarter of fiscal 2016.

Included in the 74 properties are equity interests in seven unconsolidated joint ventures, which joint ventures were approximately 98.1% leased at October 31, 2015 (97.7% at October 31, 2014).

The Company has paid quarterly dividends to its shareholders continuously since its founding in 1969 and has increased the level of dividend payments to its shareholders for 21 consecutive years.

The Company derives substantially all of its revenues from rents and operating expense reimbursements received pursuant to long-term leases and focuses its investment activities on community and neighborhood shopping centers, anchored principally by regional supermarket chains. The Company believes, because of the need of consumers to purchase food and other staple goods and services generally available at supermarket-anchored shopping centers, that the nature of its investments provide for relatively stable revenue flows even during difficult economic times.

The Company has a conservative capital structure and does not have any secured debt maturing until August 2016. Consistent with its business strategy, the Company expects to continue to explore acquisition opportunities that may arise.

Primarily as a result of property acquisitions in fiscal 2014 and 2015, the Company's financial data shows increases in total revenues and expenses from period to period.

The Company focuses on increasing cash flow, and consequently the value of its properties, and seeks continued growth through strategic re-leasing, renovations and expansion of its existing properties and selective acquisition of income-producing properties, primarily neighborhood and community shopping centers in the northeastern part of the United States with a concentration in the metropolitan New York tri-state area outside of the City of New York.

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 on properties in the metropolitan New York tri-state area outside of the City of New York
- Hold properties for long-term investment and enhance their value through regular maintenance, periodic renovation and capital improvement
- Selectively dispose of underperforming properties and re-deploy the proceeds into properties located in the northeastern part of the United States with a concentration in the metropolitan New York tri-state area outside of the City of New York.
- 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. For a further discussion about the Company's critical accounting policies, please see Note 1 to the consolidated financial statements of the Company in this report.

LIQUIDITY AND CAPITAL RESOURCES

At October 31, 2015, the Company had unrestricted cash and cash equivalents of \$6.6 million compared to \$73.0 million at October 31, 2014. 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. In October 2014, the Company completed the sale of 2.8 million shares of Series G - 6.75% preferred stock that raised net proceeds of \$67.8 million. In November 2014, the Company completed the sale of an additional 200,000 shares of the Series G preferred stock that raised an additional \$4.8 million of net proceeds and the sale of 2,875,000 shares of Class A Common stock that raised

proceeds of \$59.9 million. The Company used the proceeds from these stock sales in connection with the following:

- On November 21, 2014, \$61.25 million was used to repurchase all of the Company's outstanding Series D Preferred Stock.
- On December 10, 2014, \$61.9 million was used to fund a portion of the \$124.6 million purchase of four retail properties located in three counties in northern New Jersey.
- In November and December 2014 and March 2015, the Company repaid a net \$9.35 million on its Unsecured Revolving Credit Facility (the "Facility").

The Company maintains a conservative capital structure with low leverage levels by commercial real estate standards. The Company maintains a ratio of total debt to total assets below 34% and a very strong fixed charge coverage ratio of over 2.75 to 1, which we believe will allow the Company to obtain additional secured mortgage borrowings if necessary. The Company does not have any fixed rate debt coming due until August 2016 and has 45 properties in its consolidated portfolio that are not encumbered by secured mortgage debt. At October 31, 2015, the Company had loan availability of \$56.2 million on its unsecured revolving line of credit.

In July 2015, one of the Company's largest tenants, A&P filed a voluntary petition under Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code"). As of November 2015, four of the nine A&P leases in our portfolio have been purchased by ACME, a division of Albertson's and one of the leases has been purchased by Key Food. As a result, there will be no negative effect on the Company for those leases. The Company has purchased and terminated the leases within its Valley Ridge and Bloomfield shopping centers from A&P and now has control of those spaces, which it expects to re-lease in due course. The Company purchased these two leases believing the base rental rate on the leases was below market, which would allow for the Company to increase its cash flow if the spaces could be re-leased to new tenants at prevailing market rates. The remaining two spaces (Pompton and Boonton) may still be sold by A&P to a new operator during the bankruptcy process. Alternatively, the leases could be rejected in bankruptcy, in which event the Company would have to re-lease those spaces. The Company believes that it will be able to re-lease the two spaces it purchased from A&P and potentially the Pompton and Boonton spaces (if necessary) but cannot predict when such re-leasing will occur.

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

The table below details information about the nine leases in Company's portfolio affected by the A&P bankruptcy.

Property	Location	Square Feet	Base Rent Per Annum	Base Rent Per Square Foot	Lease Expiration
Pompton Lakes Town Square	Pompton Lakes, NJ	63,000	\$1,244,000	\$19.80	Oct 2025*
Ferry Plaza Shopping Center	Newark, NJ	63,000	1,215,000	\$19.15	Nov 2020*
Village Shopping Center	New Providence, NJ	46,000	990,000	\$21.75	Feb 2029*
Boonton Shopping Center	Boonton, NJ	49,000	950,000	\$19.21	Oct 2024*
Valley Ridge Shopping Center	Wayne, NJ	36,000	540,000	\$15.00	Repurchased by UBP
Harrison Shopping Center	Harrison, NY	12,000	264,000	\$22.00	Sept 2024*
Bloomfield Shopping Center	Bloomfield, NJ	31,000	154,000	\$ 5.00	Repurchased by UBP
Shoppes at Eastchester	Eastchester, NY	30,000	110,000	\$ 3.71	Oct 2019**
McLean Plaza Shopping Center	Yonkers, NY	35,000	73,000	\$ 2.09	Oct 2034*
		<u>365,000</u>	<u>\$5,540,000</u>		

* Subject to further tenant renewals

** Company has amended the lease with to increase the base rent per square foot from \$3.71 to \$10.00 per square foot through 10/31/19 and to provide a new tenant option though 10/31/24 at a base rent per square foot of \$25.00.

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 2016 and to meet its dividend requirements necessary to maintain its REIT status. In fiscal 2015, 2014 and 2013, net cash flow provided by operations amounted to \$51.1 million, \$50.9 million and \$51.0 million, respectively. Cash dividends paid on common and preferred shares equaled \$50.0 million in fiscal 2015 compared to \$45.9 million in fiscal 2014 and \$46.6 million in fiscal 2013.

The Company expects to continue paying regular dividends to its stockholders. These dividends will be paid from operating cash flows which are expected to increase due to property acquisitions and growth in operating income in the existing portfolio and from other sources. The Company derives substantially all of its revenues from rents under existing leases at its properties. The Company's operating cash flow therefore depends on the rents that it is able to charge to its tenants, and the ability of its tenants to make rental payments. The Company believes that the nature of the properties in which it typically invests, primarily grocery-anchored neighborhood and community shopping centers, provides a more stable revenue flow in uncertain economic times, in that consumers still need to purchase basic staples and convenience items. However, even in the geographic areas in which the Company owns properties, general economic downturns may adversely

impact the ability of the Company's tenants to make lease payments, the Company's ability to re-lease space as leases expire, and the ability of the Company to re-lease space at rents equal to or greater than expiring rents. In any of these cases, the Company's cash flow could be adversely affected. Over the last several years, the entire retail commercial real estate industry has seen increased competition from Internet commerce, which has made it more difficult for certain types of "brick and mortar" businesses to compete, the result of which has been a reduction in the tenant pool for retail commercial real estate owners like us. If internet commerce continues to erode the need for traditional retail stores it could make it more difficult for the Company to lease available space and the Company's future cash flow could be adversely affected.

Net cash flows from:

Operating Activities

Net cash flows provided by operating activities amounted to \$51.1 million in fiscal 2015, compared to \$50.9 million in fiscal 2014, and \$51.0 million in fiscal 2013. The changes in operating cash flows were primarily the result of:

Decrease from fiscal 2014 to fiscal 2015:

The decrease was due primarily to an increase in other assets and other liabilities offset by an increase in the operating income generated by the Company's properties in the year ended October 31, 2015 versus fiscal 2014.

Decrease from fiscal 2013 to fiscal 2014:

This decrease was predominantly caused by a decrease in accounts receivable collected and an increase in restricted cash related to new escrow accounts associated with mortgages assumed with new property acquisitions in fiscal 2014 offset by the addition of the net operating results of the Company's acquired properties in fiscal 2013 and fiscal 2014.

Investing Activities

Net cash flows used in investing activities was \$105.0 million in fiscal 2015, \$54.6 million in fiscal 2014 and \$49.6 million in fiscal 2013. The change in investing cash flows was primarily the result of:

Increase in cash used from fiscal 2014 to fiscal 2015:

The increase in cash flows used in investing activities in fiscal 2015 when compared to the prior fiscal year was the result of the Company purchasing six properties totaling \$136.3 million in fiscal 2015 versus purchasing eight properties in fiscal 2014 requiring \$81.7 million.

Increase in cash used from fiscal 2013 to fiscal 2014:

The Company acquired eight properties in fiscal 2014 requiring \$81.7 million in equity versus acquiring 11 properties in fiscal 2013 requiring \$58.4 million in equity. The Company also re-tenanted two shopping centers and as a result, the Company expended \$19.3 million on improvements to its properties in fiscal 2014 versus only \$9.5 million in fiscal 2013. In addition, the Company had loaned \$13 million to one of its unconsolidated joint ventures in a prior year, which loan was repaid in fiscal 2013. This increase in cash used by investing activities was partially offset by proceeds in the amount of \$47.8 million from the sale of three of the Company's properties in fiscal 2014.

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

Financing Activities

Net cash flows used by financing activities amounted to \$12.5 million in fiscal 2015 compared with net cash provided by financing activities in fiscal 2014 of \$73.8 million and net cash used by financing activities in the amount of \$76.5 million in fiscal 2013. The change in net cash provided (used) by financing activities was primarily attributable to:

Cash generated:*Fiscal 2015: (Total \$237.6 million)*

- Proceeds from mortgage financings in the amount of \$68.2 million.
- Proceeds from revolving credit line borrowings in the amount of \$104.8 million.
- Proceeds from the issuance of Series G Preferred Stock in the amount of \$4.6 million.
- Proceeds from the issuance of Class A Common stock in the amount of \$59.8 million.

Fiscal 2014: (Total \$198.8 million)

- Proceeds from revolving credit line borrowings of \$65.1 million.
- Proceeds from unsecured term loan borrowing of \$25 million.
- Proceeds from mortgage financings of \$40.7 million.
- Proceeds from issuance of Series G preferred stock of \$67.8 million.

Fiscal 2013: (Total \$39.9 million)

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

Cash used:*Fiscal 2015: (Total \$250.1 million)*

- Dividends to shareholders in the amount of \$50.0 million.
- Repayment of mortgage notes payable in the amount of \$12.9 million.
- Repayment of revolving credit line borrowings in the amount of \$97.6 million.
- Repayment of the unsecured term loan in the amount of \$25 million.
- Redemption of preferred stock in the amount of \$61.3 million.
- Repurchase of Class A Common stock in the amount of \$3.4 million.

Fiscal 2014: (Total \$125.0 million)

- Dividends to shareholders in the amount of \$45.9 million.
- Repayments of mortgage notes payable in the amount of \$20.3 million.
- Repayments of revolving credit line borrowings in the amount of \$58.8 million.

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

Fiscal 2013: (Total \$116.3 million)

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

Capital Resources

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

Financings and Debt

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

based on outstanding borrowings during the year. The Facility contains certain representations and financial and other covenants typical for this type of facility. The Company's ability to borrow under the Facility is subject to its compliance with the covenants and other restrictions on an ongoing basis. The principal financial covenants limit the Company's level of secured and unsecured indebtedness and additionally require the Company to maintain certain debt coverage ratios. The Company was in compliance with such covenants at October 31, 2015.

In August 2014, the Company borrowed \$25.0 million under a newly executed Unsecured Term Loan (the "Term Loan") with The Bank of New York Mellon as the lender. The Term Loan had a term of six months with a Company option for a six-month extension. The interest rate was the Eurodollar rate plus 1.40% to 1.90% based on consolidated indebtedness. The Term Loan had the same financial covenants as the Facility. The Company used the borrowings to fund a portion of the purchase price of the Greenwich Properties. The Term Loan was repaid in August 2015 with proceeds from the sale of the Company's Meriden, CT property.

During the fiscal years ended October 31, 2015 and 2014, the Company borrowed \$104.8 million and \$65.1 million, respectively, on its Facility to fund a portion of the equity for property acquisitions and capital improvements to its properties. During the fiscal years ended October 31, 2015 and 2014, the Company re-paid \$97.6 million and \$58.8 million, respectively, on its Facility with proceeds from a combination of non-recourse mortgage financings, secured mortgage financings and available cash.

In December 2014, through four wholly-owned subsidiaries, the Company obtained a \$62.7 million non-recourse first mortgage loan secured by the NJ Retail Properties that were purchased in December 2014. The mortgage loan requires monthly payments of principal and interest in the amount of \$294,000 at a fixed interest rate of 3.85% per annum. The mortgage matures in January 2027. Proceeds from the mortgage were used to repay the Facility.

In July 2015, the Company repaid at maturity its \$4.5 million non-recourse first mortgage loan encumbered by its Fairfield Plaza property. The Company funded this repayment with a borrowing on its Facility.

During fiscal 2014, the Company, through a wholly-owned subsidiary, assumed an existing non-recourse first mortgage loan encumbering the Boonton Property at its estimated fair value of \$7.8 million. The mortgage loan requires monthly payments of principal and interest at a fixed rate of 4.2% per annum. The mortgage matures in September 2022.

During fiscal 2014, the Company, through a wholly-owned subsidiary, assumed an existing non-recourse first mortgage loan encumbering the Bloomfield Property at its estimated fair value of \$7.7 million. The mortgage loan requires monthly payments of principal and interest at a fixed rate of 5.5% per annum. The mortgage matures in August 2016.

During fiscal 2014, the Company, through a wholly-owned subsidiary, assumed an existing non-recourse first mortgage loan encumbering the McLean Plaza Property at its estimated fair value of \$2.8 million. The mortgage matured in November 2014 and was refinanced with a new lender. The new \$5 million mortgage matures in November 2024 and requires monthly payments of interest only at a fixed rate of interest of 3.7% per annum.

During fiscal 2014, the Company, through a wholly-owned subsidiary, placed a non-recourse first mortgage loan encumbering the Greenwich Properties in the amount of \$24.5 million. The mortgage loan requires monthly payments of principal and interest at a fixed rate of 4.07% per annum. The mortgage matures in November 2024. Proceeds from the mortgage were used to repay the Facility.

During fiscal 2014, the Company refinanced a non-recourse mortgage loan encumbering its Arcadian property in the amount of \$16.2 million. The mortgage loan requires monthly payments of principal and interest at a fixed rate of 3.995% per annum. The mortgage matures in August 2024.

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

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

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

The Company is exposed to interest rate risk primarily through its borrowing activities. There is inherent rollover risk for borrowings as they mature and are renewed at current market rates. The extent of this risk is not quantifiable or predictable because of the variability of future interest rates and the Company's future financing requirements. Mortgage notes payable and other loans in the amount of \$260.5 million consist of fixed rate mortgage loan indebtedness with a weighted average interest rate of 4.6% at October 31, 2015. The mortgage loans are secured by 22 properties with a net book value of \$454 million and have fixed rates of interest ranging from 2.8% to 6.6%. The Company made principal payments of \$12.9 million in the year ended October 31, 2015 (including the repayment of a mortgage at maturity in the amount of \$4.5 million) compared to \$20.3 million (including the refinancing of \$16.2 million mortgage) in the comparable period in fiscal 2014. The Company may refinance its mortgage loans, at or prior to scheduled maturity, through replacement mortgage loans. The ability to do so, however, is dependent upon various factors, including the income level of the properties, interest rates and credit conditions within the commercial real estate market. Accordingly, there can be no assurance that such re-financings can be achieved.

Contractual Obligations

The Company's contractual payment obligations as of October 31, 2015 were as follows (amounts in thousands):

	Payments Due by Period						There- after
	Total	2016	2017	2018	2019	2020	
Mortgage notes payable and other loans	\$260,457	\$20,493	\$55,029	\$ 4,473	\$31,065	\$ 3,801	\$145,596
Interest on mortgage notes payable	67,547	12,429	11,340	8,717	7,848	6,680	20,533
Revolving Credit Lines	22,750	22,750	—	—	—	—	—
Tenant obligations*	11,036	11,036	—	—	—	—	—
Total Contractual Obligations	<u>\$361,790</u>	<u>\$66,708</u>	<u>\$66,369</u>	<u>\$13,190</u>	<u>\$38,913</u>	<u>\$10,481</u>	<u>\$166,129</u>

*Committed tenant-related obligations based on executed leases as of October 31, 2015.

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

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

Off-Balance Sheet Arrangements

The Company has seven off-balance sheet investments in real property including a 66.67% equity interest in the Putnam Plaza shopping center, an 11.642% equity interest in the Midway Shopping Center L.P., a 50% equity interest in the Chestnut Ridge Shopping Center and Plaza 59 Shopping Centers, a 50% equity interest in the Gateway Plaza shopping center and the Riverhead Applebee's Plaza and a 20% economic interest in a partnership that owns a primarily retail real estate investment. These unconsolidated joint ventures are accounted for under the equity method of accounting as we have the ability to exercise significant influence over, but not control of, the operating and financial decisions of these investments. Our off-balance sheet arrangements are more fully discussed in Note 6, "Investments in and Advances to Unconsolidated Joint Ventures," in the Company's financial statements in this report.

Capital Expenditures

The Company invests in its existing properties and regularly incurs capital expenditures in the ordinary course of business to maintain its properties. The Company believes that such expenditures enhance the competitiveness of its properties. In fiscal 2015, the Company paid approximately \$12.2 million for property improvements, tenant improvements and leasing commission costs. The Company expects to incur approximately \$11.0 million for anticipated capital and tenant improvements and leasing costs in fiscal 2016. These expenditures are expected to be funded from operating cash flows or bank borrowings.

Significant Property Acquisitions

The Company seeks to acquire properties which are primarily shopping centers located in the northeastern part of the United States with a concentration in the metropolitan New York tri-state area outside of the City of New York.

In July 2015, the Company, through a wholly-owned subsidiary, purchased for \$10.0 million, a 26,000 square foot grocery-anchored shopping center located in Harrison (Westchester County), New York. The acquisition was funded with a borrowing on the Company's Facility.

In June 2015, the Company, through a wholly-owned subsidiary, purchased for \$4.0 million, a 7,000 square foot retail property located in Fort Lee (Bergen County), New Jersey. The Company funded the acquisition with a combination of available cash and borrowings under its Facility.

In December 2014 (fiscal 2015), the Company, through four wholly-owned subsidiaries, purchased for \$124.6 million, four retail properties totaling 375,000 square feet located in Northern New Jersey. The Company funded the acquisition with a combination of available cash remaining from the sale of Class A Common Stock and the sale of its Series G Preferred Stock, borrowings under its Facility and a non-recourse mortgage secured by the subject properties.

In October 2014, the Company, through a wholly-owned subsidiary, acquired a 51% interest in McLean Plaza Associates for a net investment of \$6.2 million. McLean Plaza's sole asset is a grocery-anchored shopping center located in Yonkers, NY. McLean Plaza is encumbered by a first mortgage payable in the amount of \$5.0 million and has a term of ten years and requires payments of interest only at the fixed rate of 3.7%.

In August 2014, the Company, through a wholly-owned subsidiary, purchased for \$47.4 million, two retail properties totaling 88,000 square feet located in Greenwich, CT. The Company funded the acquisition with a combination of available cash, borrowings under its Facility, other unsecured borrowings and a non-recourse mortgage secured by the subject property (see Note 4).

In January 2014, the Company, through a wholly-owned subsidiary, purchased for \$9 million, a 31,000 square foot retail shopping center located in Bethel, CT. The Company funded the equity needed to complete the purchase with proceeds from the sale of its two non-core properties in December 2013.

In December 2013, the Company, through a wholly-owned subsidiary, purchased for \$18.4 million, a 63,000 square foot retail shopping center located in Boonton, NJ. The acquisition required the assumption of an existing mortgage in the amount of \$7.8 million. The mortgage loan requires monthly payments of principal and interest at a fixed rate of 4.20% per annum. The mortgage matures in September 2022. The Company funded the equity needed to complete the purchase with borrowings under its Facility.

In December 2013, the Company, through a wholly-owned subsidiary, purchased for \$11 million, a 56,000 square foot retail shopping center located in Bloomfield, NJ. The acquisition required the assumption of an existing mortgage in the amount of \$7.7 million. The mortgage loan requires monthly payments of principal and interest at a

fixed rate of 5.5% per annum. The mortgage matures in August 2016. The Company funded the equity needed to complete the purchase with borrowings under its Facility.

In May 2013, the Company, through a wholly owned subsidiary, purchased two retail properties located in Greenwich, CT, with a combined GLA totaling 24,000 square feet, for \$18 million. In conjunction with the purchase, the Company assumed an existing first mortgage loan encumbering the properties at its estimated fair value of \$8.3 million. The mortgage loan requires monthly payments of principal and interest at a fixed rate of 4.00% per annum. The mortgage matures in August 2016. The Company funded the remaining equity needed to complete the purchase with proceeds from its Class A Common Stock and Series F Preferred Stock offerings completed in October 2012.

In May 2013, the Company, through a wholly owned subsidiary, purchased a 107,000 square foot retail shopping center located in New Providence, New Jersey for \$34.9 million. In connection with the purchase, the Company assumed a first mortgage loan encumbering the property at its estimated fair value of \$21.3 million. The mortgage loan requires monthly payments of principal and interest at the fixed rate of 4.00% per annum. The mortgage matures in January 2022. The Company funded the remaining equity needed to complete the purchase with proceeds from its Class A Common Stock and Series F Preferred Stock offerings completed in October 2012.

In January and March 2013, the Company purchased six free standing net leased properties located in the Company's primary marketplace with a combined GLA of 20,000 square feet. The gross purchase price of the six properties was \$7.8 million. The Company funded the equity with proceeds from its Class A Common Stock and Series F Preferred Stock offerings completed in October 2012.

Funds from Operations

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

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

However, FFO:

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

FFO as defined by us may not be comparable to similarly titled items reported by other real estate investment trusts due to possible differences in the application of the NAREIT definition used by such REITs. The table below provides a reconciliation of net income applicable to Common and Class A Common Stockholders in accordance with GAAP to FFO for each of the three years in the period ended October 31, 2015 (amounts in thousands):

	Year Ended October 31,		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Net Income Applicable to Common and Class A Common Stockholders	\$ 34,659	\$ 49,469	\$ 10,613
Real property depreciation	18,750	15,361	14,194
Amortization of tenant improvements and allowances	3,161	3,298	2,957
Amortization of deferred leasing costs	449	520	593
Depreciation and amortization on unconsolidated joint ventures	1,414	1,255	974
(Gain)/loss on sale of properties	<u>(20,377)</u>	<u>(36,871)</u>	<u>175</u>
Funds from Operations Applicable to Common and Class A Common Stockholders	<u>\$ 38,056</u>	<u>\$ 33,032</u>	<u>\$ 29,506</u>
Net Cash Provided by (Used in):			
Operating Activities	<u>\$ 51,100</u>	<u>\$ 50,915</u>	<u>\$ 50,952</u>
Investing Activities	<u>\$(105,034)</u>	<u>\$(54,624)</u>	<u>\$(49,631)</u>
Financing Activities	<u>\$ (12,472)</u>	<u>\$ 73,793</u>	<u>\$(76,468)</u>

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

FFO amounted to \$38.1 million in fiscal 2015 compared to \$33.0 million in fiscal 2014 and \$29.5 million in fiscal 2013.

The net increase in FFO in fiscal 2015 when compared with fiscal 2014 was predominantly attributable, among other things, to: a) the additional net operating income generated from properties acquired in fiscal 2014 and fiscal 2015, b) an overall increase in net operating income at properties owned in both fiscal 2014 and 2015, offset by c) an increase in acquisition costs of \$1.4 million in fiscal 2015 when compared with fiscal 2014 and d) an increase in interest expense of \$3.2 million as a result of the Company's secured mortgage borrowings increasing when we assumed the mortgage encumbering two properties we acquired in fiscal 2014 and when the Company placed

a new \$62.7 million combined mortgage on the four properties it acquired in fiscal 2015.

The net increase in FFO in fiscal 2014 when compared with fiscal 2013 was predominantly attributable, among other things, to: a) the Company incurring \$4.2 million in one-time preferred stock redemption charges in fiscal 2013 versus only \$1.87 million in fiscal 2014; b) a decrease of \$1.1 million in preferred stock dividends in fiscal 2014, mainly the result of the Company issuing a new preferred stock series in October 2012 in advance of being able to redeem its Series C Preferred Stock in fiscal 2013; and c) the additional net operating income related to the Company's acquisitions in fiscal 2013 and fiscal 2014 in excess of the financing cost of that capital.

RESULTS OF OPERATIONS

Fiscal 2015 vs. Fiscal 2014

The following information summarizes the Company's results of operations for the years ended October 31, 2015 and 2014 (amounts in thousands):

	Year Ended October 31,		Increase (Decrease)	% Change	Change Attributable to:	
	2015	2014			Property Acquisitions/ Sales	Property Held In Both Periods (Note 1)
Revenues						
Base rents	\$83,885	\$75,099	\$8,786	11.7%	\$9,010	\$(224)
Recoveries from tenants	28,703	24,947	3,756	15.1%	2,888	868
Other income	2,252	2,099	153	7.3%	225	(72)
Operating Expenses						
Property operating	21,267	18,926	2,341	12.4%	1,659	682
Property taxes	18,224	16,997	1,227	7.2%	1,203	24
Depreciation and amortization	22,435	19,249	3,186	16.6%	2,743	443
General and administrative	8,576	8,016	560	7.0%	n/a	n/a
Non-Operating Income/Expense						
Interest expense	13,475	10,235	3,240	31.7%	3,452	(212)
Interest, dividends, and other investment income	228	134	94	70.1%	n/a	n/a

Note 1—Properties held in both periods includes only properties owned for the entire periods of 2015 and 2014. All other properties are included in the property acquisition/sales column. There are no properties excluded from the analysis.

Revenues:

Base rents increased by 11.7% to \$83.9 million in fiscal 2015 as compared with \$75.1 million in the comparable period of 2014. The increase in base rents and the changes in other income statement line items were attributable to:

Property Acquisitions/Sales:

In fiscal 2014 and fiscal 2015, the Company purchased equity interests in 14 properties totaling approximately 906,000 square feet of GLA and sold three properties totaling 569,000 square feet of GLA, whose operating results are included in continuing operations. These properties accounted for all of the revenue and expense changes attributable to property acquisitions and sales in the years ended October 31, 2015 and 2014. The Company also sold three properties in fiscal 2014 that are included in discontinued operations. The revenue and expense changes for these two properties are not included in the above variance analysis.

*Properties Held in Both Periods:***Revenues**

Base rents decreased during the year ended October 31, 2015 by \$224,000 when compared with the corresponding prior period primarily as a result of the loss of rent caused by the departure of two large tenants in the Company's Westchester Pavilion property after January 31, 2015. The Company is in the process of selling this property and in order to accomplish this we had to vacate the remaining tenants from the property. The negative base rent variance for Westchester Pavilion for the year ended October 31, 2015 when compared with fiscal 2014 was \$2.0 million. This decrease was mostly offset by an increase in base rents billed to tenants as our leased rate increased from the year ended 2014 to the year ended 2015.

In fiscal 2015, the Company leased or renewed 507,000 square feet (or approximately 12.9% of total consolidated property leasable area). At October 31, 2015, the Company's consolidated properties were approximately 95.8% leased (excluding the Westchester Pavilion), an increase of 1.00% from the end of fiscal 2014. Overall property occupancy increased to 95.0% at October 31, 2015, up from 94.2% at the end of fiscal 2014.

For the year ended October 31, 2015, recoveries from tenants for properties owned in both periods (which represents reimbursements from tenants for operating expenses and property taxes) increased by a net \$868,000.

This increase was a result of an increase in the percentage of the portfolio that is leased, which allows the Company to bill and collect a higher percentage of operating costs from its tenants and an actual increase in operating costs incurred in properties held in both periods. This operating expense increase was predominantly the result of an increase in snow removal costs and parking lot repairs.

Expenses

Property operating expenses for properties held in both periods increased for the year ended October 31, 2015, when compared with fiscal 2014, by \$682,000 as a result of an increase in expenses relating to snow removal costs and parking lot repairs.

Real estate taxes for properties held in both periods were relatively unchanged for the year ended October 31, 2015 when compared with fiscal 2014 as a result of normal property tax assessment increases at a majority of the properties held in both periods, offset by a reduction in tax expense at the Company's Westchester Pavilion property caused by a property tax assessment reduction.

Depreciation and amortization for properties held in both fiscal 2015 and 2014 increased as a result of tenant improvements being completed at several properties that had significant leasing activity in the end of fiscal 2014 and 2015.

General and administrative expense increased in the year ended October 31, 2015 when compared with fiscal 2014 by \$560,000 as a result of increased compensation expense for additional staffing at the Company over the last quarter of fiscal 2014 and the first three quarters of fiscal 2015.

Interest expense for properties owned in the year ended October 31, 2015 when compared with fiscal 2014 decreased by \$212,000 as a result of normal amortization on the Company's fixed rate mortgages and the repayment of a \$4.5 million mortgage in July 2015.

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

RESULTS OF OPERATIONS

Fiscal 2014 vs. Fiscal 2013

The following information summarizes the Company's results of operations for the years ended October 31, 2014 and 2013 (amounts in thousands):

	Year Ended October 31,		Change Attributable to:			
	2014	2013	Increase (Decrease)	% Change	Property Acquisitions/ Sales	Properties Held In Both Periods (Note 1)
Revenues						
Base rents	\$75,099	\$70,052	\$5,047	7.2%	\$4,753	\$ 294
Recoveries from tenants	24,947	22,594	2,353	10.4%	1,934	419
Other income	2,099	2,343	(244)	(10.4)%	77	(321)
Operating Expenses						
Property operating	18,926	17,471	1,455	8.3%	1,260	195
Property taxes	16,997	15,524	1,473	9.5%	1,029	444
Depreciation and amortization	19,249	17,769	1,480	8.3%	1,235	245
General and administrative	8,016	8,211	(195)	(2.4)%	n/a	n/a
Non-Operating Income/Expense						
Interest expense	10,235	9,094	1,141	12.5%	1,277	(136)
Interest, dividends, and other investment income	134	1,345	(1,211)	(90.0)%	n/a	n/a

Note 1—Properties held in both periods includes only properties owned for the entire periods of 2014 and 2013. All other properties are included in the property acquisition/sales column. There are no properties excluded from the analysis.

Revenues:

Base rents increased by 7.2% to \$75.1 million in fiscal 2014 as compared with \$70.1 million in the comparable period of 2013. The increase in base rents and the changes in other income statement line items were attributable to:

Property Acquisitions and Properties Sold:

In fiscal 2013 and fiscal 2014, the Company purchased 17 properties totaling approximately 471,000 square feet of GLA. The Company also sold two properties in fiscal 2014 that are included in continuing operations. These properties accounted for all of the revenue and expense changes attributable to property acquisitions/sales in the years ended October 31, 2014 and 2013. In addition, the Company purchased a 50% equity interest in two other properties that it accounts for under the equity method of accounting. These two properties are not included in any of the variance analysis presented above.

Properties Held in Both Periods:

The net increase in base rents for properties held during the entire period of fiscal 2014 and fiscal 2013 was a result of the leasing of vacant space in our portfolio in excess of new vacancies. In fiscal 2014, we increased the lease rate at the Meriden property by 25% and those new leases began to generate cash flow at various points throughout fiscal 2014. The new leases at Meriden provided an additional \$440,000 in base rental revenue in fiscal 2014.

In fiscal 2014, the Company leased or renewed approximately 552,000 square feet (or approximately 14.6% of total consolidated property leasable area) at a combined average per square foot increase of 0.48%. At October 31, 2014, the Company's properties were approximately 94.8% leased, an increase of 1.54% from the end of fiscal 2013. The above percentages exclude the Company's Westchester Pavilion property. In November 2014, the Company obtained a zoning change from the City of White Plains that will allow this property to be converted to a higher and better use. On this basis, the Company is maintaining vacancies to make potential redevelopment possible.

For the fiscal year ended October 31, 2014, recoveries from tenants for properties owned in both periods (which represent reimbursements from tenants for operating

expenses and property taxes) increased by a net \$419,000. This net increase was a result of higher operating expenses at its properties held in both periods due predominantly to an increase in expenses relating to snow removal; this increase was partially offset by a decrease in parking lot and building repairs.

Interest, dividends and other investment income decreased in the fiscal year ended October 31, 2014 when compared to the corresponding period in the prior year by \$1.2 million, predominantly as a result of the Company investing approximately \$27 million of the proceeds from its two equity offerings completed in October 2012 in income producing securities for the first six months of fiscal 2013. These securities were sold in May 2013 and the proceeds were invested into investment properties.

Expenses

Property operating expenses for properties held in both fiscal year 2014 and 2013 increased by \$195,000 as a result of an increase in expenses relating to snow removal. This increase was partially offset by a decrease in parking lot and building repairs.

Real estate taxes for properties in both fiscal year 2014 and 2013 increased by \$444,000 as a result of normal tax assessment increases at some of our properties.

Interest expense for properties held in the fiscal year ended October 31, 2014 when compared to the corresponding prior period decreased by \$136,000 as a result of the normal amortization payments and the reduction of interest caused by the refinancing of a \$16 million mortgage on our Arcadian shopping center in August. The new mortgage reduced the interest rate to 3.995% from 6.66%.

Depreciation and amortization expense from properties held in the fiscal year ended October 31, 2014 when compared to the corresponding prior period increased by \$245,000 as a result of an increase in capital improvements on properties held in both periods, most notably our Townline Square Center in Meriden, CT. That center was in the process of being re-tenanted, which included increased tenant improvement costs and additional capital improvements on the property.

General and administrative expenses were relatively unchanged in fiscal 2014 when compared with fiscal 2013.

Lease Rollovers

For the fiscal year 2015, we signed leases for a total of 507,000 square feet of retail space in our consolidated portfolio. New leases for vacant spaces were signed for 188,000 square feet at an average rental decrease of 0.26% on a cash basis, excluding 24,000 square feet of new

leases for which there was no prior rent history available. Renewals for 295,000 square feet of space previously occupied were signed at an average rental increase of 5.14% on a cash basis.

Tenant improvements averaged \$47.63 per square foot for new leases and \$3.83 per square foot for renewals for the fiscal year ended October 31, 2015. The average term for new leases was 6.6 years and the average term for renewal leases was four years.

The rental increases/decreases associated with new and renewal leases generally include all leases signed in arms-length transactions reflecting market leverage between landlords and tenants during the period. The comparison between average rent for expiring leases and new leases is determined by including minimum rent paid on the expiring lease and minimum rent to be paid on the new lease in the first year. In some instances, management exercises judgment as to how to most effectively reflect the comparability of spaces reported in this calculation. The change in rental income on comparable space leases is impacted by numerous factors including current market rates, location, individual tenant creditworthiness, use of space, market conditions when the expiring lease was signed, the age of the expiring lease, capital investment made in the space and the specific lease structure. Tenant improvements include the total dollars committed for the improvement (fit-out) of a space as it relates to a specific lease but may also include base building costs (i.e. expansion, escalators or new entrances) which are required to make the space leasable. Incentives (if applicable) include amounts paid to tenants as an inducement to sign a lease that do not represent building improvements.

The leases signed in 2015 generally become effective over the following one to two years. There is risk that some new tenants will not ultimately take possession of their space and that tenants for both new and renewal leases may not pay all of their contractual rent due to operating, financing or other matters. However, these increases/decreases do provide information about the tenant/landlord relationship and the potential increase we may achieve in rental income over time.

In 2016, we believe our leasing volume will be in-line with our historical averages with overall positive increases in rental income for renewal leases and flat to slightly positive increases for new leases. However, changes in rental income associated with individual signed leases on comparable spaces may be positive or negative, and we can provide no assurance that the rents on new leases will continue to increase at the above described levels, if at all.

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

Property Held for Sale and Discontinued Operations

In September 2014, the Company sold, for \$31 million its property located in Springfield, MA, as that property no longer met the Company's investment objectives. In conjunction with the sale, the Company realized a gain on sale of property in the amount of \$24.3 million, which is included in continuing operations in the consolidated statement of income for the year ended October 31, 2014. The revenue and expenses of this property are included in continuing operations in the consolidated statement of income for the year ended October 31, 2014 and 2013.

In August 2015, the Company sold for \$44.5 million its property located in Meriden, CT, as that property no longer met the Company's investment objectives. In conjunction with the sale, the Company realized a gain on sale of property in the amount of \$20.0 million, which is included in continuing operations in the consolidated statement of income for the year ended October 31, 2015. The revenue and expenses of this property are included in continuing operations in the consolidated statement of income for the years ended October 31, 2015, 2014 and 2013.

The combined operating results of the Springfield property and the Meriden property, which are included in the continuing operations, were as follows (amounts in thousands):

	For Year Ended October 31,		
	2015	2014	2013
Revenues	\$ 4,566	\$ 8,028	\$ 7,806
Property operating expense	(1,687)	(3,577)	(3,387)
Depreciation and amortization	(625)	(1,564)	(1,613)
Net Income	\$ 2,254	\$ 2,887	\$ 2,806

In December 2013 (fiscal 2014), prior to the adoption of ASU 2014-08 that changed the criteria for reporting discontinued operations, the Company sold its two distribution service facilities in its non-core portfolio and one core property for \$18.1 million, resulting in a gain on sale of properties of \$12.5 million. In accordance with ASC 360 and 205 (prior to the accounting change) the operating results of the distribution service facilities are shown as discontinued operations on the consolidated statements of income for the fiscal years ended October 31, 2014 and 2013.

The combined operating results for the distribution service facilities have been reclassified as discontinued operations in the accompanying consolidated statements

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

	For The Year Ended October 31,		
	2015	2014	2013
Revenues	\$—	\$141	\$1,356
Property operating expense	—	—	—
Depreciation and amortization	—	—	(48)
Income from discontinued operations	\$—	\$141	\$1,308

INFLATION

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

ENVIRONMENTAL MATTERS

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

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

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

The Company's internal control over financial reporting includes policies and procedures that: relate to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of assets of the Company; provide reasonable assurance of the recording of all transactions necessary to permit the preparation of the Company's consolidated financial statements in accordance with generally accepted accounting principles and the proper authorization of receipts and expenditures in accordance with authorization of the Company's management and directors; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the Company's consolidated financial statements.

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

Management assessed the effectiveness of the Company's internal control over financial reporting as of October 31, 2015. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in Internal Control—Integrated Framework (2013). Based on its assessment, management determined that the Company's internal control over financial reporting was effective as of October 31, 2015. The Company's independent registered public accounting firm, PKF O'Connor Davies, a division of O'Connor Davies, LLP, has audited the effectiveness of the Company's internal control over financial reporting, as indicated in their attestation report which is included on the following page.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

We have audited Urstadt Biddle Properties Inc.'s internal control over financial reporting as of October 31, 2015, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") (2013 Framework). Urstadt Biddle Properties Inc.'s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

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

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

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

In our opinion, Urstadt Biddle Properties Inc. maintained, in all material respects, effective internal control over financial reporting as of October 31, 2015 based on criteria established in Internal Control—Integrated Framework issued by COSO (2013 Framework).

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Urstadt Biddle Properties Inc. as of October 31, 2015 and 2014, and the related consolidated statements of income, comprehensive income, stockholders' equity, and cash flows for each of the three years in the period ended October 31, 2015 and our report dated January 12, 2016 expressed an unqualified opinion thereon.

New York, New York
January 12, 2016

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

TAX STATUS

The following tables set forth the dividends declared per Common share and Class A Common share and tax status for Federal income tax purposes of the dividends paid during the fiscal years ended October 31, 2015 and 2014:

Dividend Payment Date	Common Shares				Class A Common Shares			
	Gross Dividend Paid Per Share	Ordinary Income	Capital Gain	Non- Taxable Portion	Gross Dividend Paid Per Share	Ordinary Income	Capital Gain	Non- Taxable Portion
January 16, 2015	\$0.2250	\$0.085	\$0.11375	\$0.02625	\$0.2550	\$0.09625	\$0.12875	\$0.03
April 17, 2015	\$0.2250	\$0.085	\$0.11375	\$0.02625	\$0.2550	\$0.09625	\$0.12875	\$0.03
July 17, 2015	\$0.2250	\$0.085	\$0.11375	\$0.02625	\$0.2550	\$0.09625	\$0.12875	\$0.03
October 16, 2015	<u>\$0.2250</u>	<u>\$0.085</u>	<u>\$0.11375</u>	<u>\$0.02625</u>	<u>\$0.2550</u>	<u>\$0.09625</u>	<u>\$0.12875</u>	<u>\$0.03</u>
	<u>\$0.90</u>	<u>\$0.34</u>	<u>\$0.455</u>	<u>\$0.105</u>	<u>\$1.02</u>	<u>\$0.385</u>	<u>\$0.515</u>	<u>\$0.12</u>

Dividend Payment Date	Common Shares				Class A Common Shares			
	Gross Dividend Paid Per Share	Ordinary Income	Capital Gain	Non- Taxable Portion	Gross Dividend Paid Per Share	Ordinary Income	Capital Gain	Non- Taxable Portion
January 17, 2014	\$0.225	\$0.108	\$0.031	\$0.086	\$0.2525	\$0.12125	\$0.035	\$0.09625
April 17, 2014	\$0.225	\$0.108	\$0.031	\$0.086	\$0.2525	\$0.12125	\$0.035	\$0.09625
July 18, 2014	\$0.225	\$0.108	\$0.031	\$0.086	\$0.2525	\$0.12125	\$0.035	\$0.09625
October 17, 2014	<u>\$0.225</u>	<u>\$0.108</u>	<u>\$0.031</u>	<u>\$0.086</u>	<u>\$0.2525</u>	<u>\$0.12125</u>	<u>\$0.035</u>	<u>\$0.09625</u>
	<u>\$0.90</u>	<u>\$0.432</u>	<u>\$0.124</u>	<u>\$0.344</u>	<u>\$1.01</u>	<u>\$0.485</u>	<u>\$0.140</u>	<u>\$0.385</u>

The Company has paid quarterly dividends since it commenced operations as a real estate investment trust in 1969. During the fiscal year ended October 31, 2015, the Company made distributions to stockholders aggregating \$0.90 per Common share and \$1.02 per Class A Common share. On December 17, 2015, the Company's Board of Directors approved the payment of a quarterly dividend payable January 15, 2016 to stockholders of record on January 5, 2016. The quarterly dividend rates were declared in the amounts of \$0.23 per Common share and \$0.26 per Class A Common share.

MARKET PRICE RANGES

Shares of Common Stock and Class A Common Stock of the Company are traded on the New York Stock Exchange under the symbols “UBP” and “UBA,” respectively. The following table sets forth the high and low closing sales prices for the Company’s Common Stock and Class A Common Stock during the fiscal years ended October 31, 2015 and 2014 as reported on the New York Stock Exchange:

	<u>Fiscal Year Ended</u> <u>October 31, 2015</u>		<u>Fiscal Year Ended</u> <u>October 31, 2014</u>	
	<u>Low</u>	<u>High</u>	<u>Low</u>	<u>High</u>
<u>Common shares:</u>				
First Quarter	\$11.73	\$20.00	\$15.39	\$16.39
Second Quarter	\$17.33	\$20.09	\$15.64	\$17.99
Third Quarter	\$16.53	\$17.92	\$17.28	\$18.44
Fourth Quarter	\$16.23	\$19.95	\$16.90	\$18.65
<u>Class A Common shares:</u>				
First Quarter	\$21.56	\$24.22	\$18.13	\$19.64
Second Quarter	\$20.75	\$24.01	\$18.45	\$20.96
Third Quarter	\$18.68	\$21.03	\$20.04	\$21.48
Fourth Quarter	\$17.43	\$20.52	\$19.88	\$22.08

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

The following table sets forth the Company's long-term debt obligations by principal cash payments and maturity dates, weighted average fixed interest rates and estimated fair value at October 31, 2015 (amounts in thousands, except weighted average interest rate):

	For The Fiscal Year ended October 31,						Total	Estimated Fair Value
	2016	2017	2018	2019	2020	Thereafter		
Mortgage notes payable and other loans	\$20,493	\$55,029	\$4,473	\$31,065	\$3,801	\$145,596	\$260,457	\$266,129
Weighted average interest rate for debt maturing	4.75%	5.18%	n/a	6.11%	n/a	4.17%		

At October 31, 2015, the Company had \$22.75 million in outstanding variable rate debt (based on LIBOR). If LIBOR were to increase or decrease by 1%, the Company's interest expense would increase or decrease by approximately \$227,500 annually.

The Company believes that its weighted average fixed interest rate of 4.6% on its debt is not materially different from current market interest rates for debt instruments with similar risks and maturities.

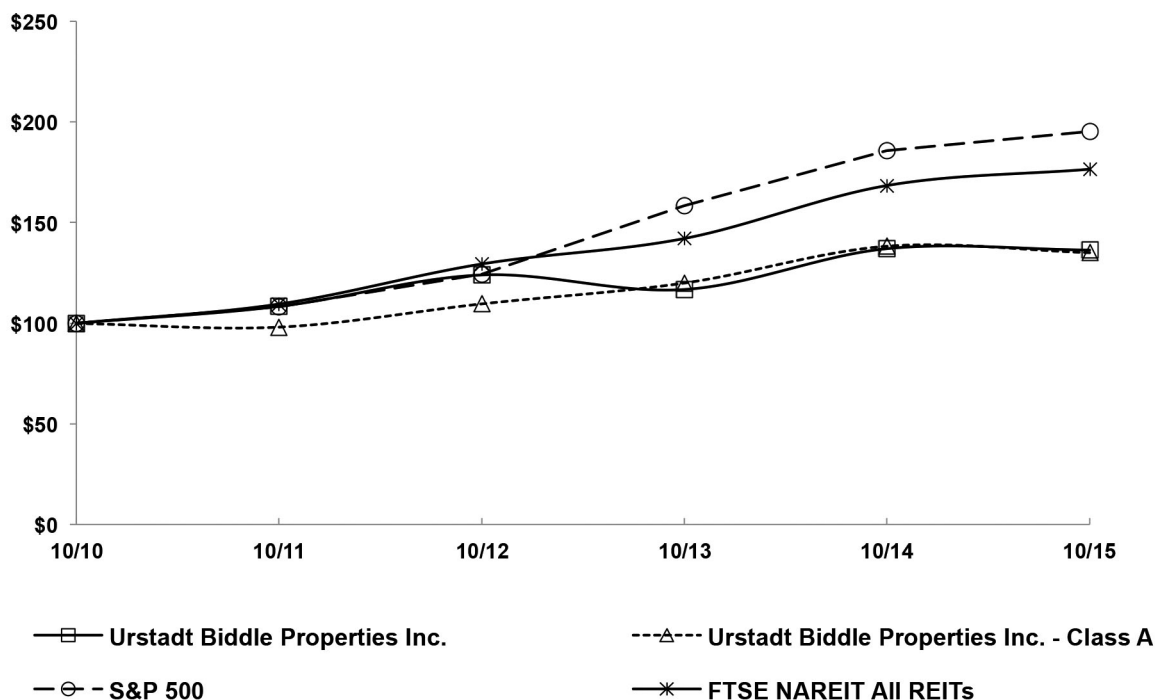
The Company may enter into certain types of derivative financial instruments to reduce exposure to interest rate risk. The Company uses interest rate swap agreements, for example, to convert some of our variable rate debt to a fixed-rate basis. As of October 31, 2015, the Company has five open derivative financial instruments. These interest rate swaps are cross collateralized with three mortgages on properties in Rye, NY, one property in Ossining, NY and a property in Yonkers, NY. The Rye swaps expire in October 2019 and the Ossining and Yonkers swaps expire in October 2024, all concurrent with the maturity of the respective mortgages.

PERFORMANCE GRAPH

The following graph compares, for the five-year period beginning October 31, 2010 and ended October 31, 2015, the Company's cumulative total return to holders of the Company's Class A Common Shares and Common Shares with the returns for the NAREIT All—REITs Total Return Index (a peer group index) published by the National Association of Real Estate Investment Trusts (NAREIT) and for the S&P 500 Index for the same period.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN*

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



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

	<u>10/10</u>	<u>10/11</u>	<u>10/12</u>	<u>10/13</u>	<u>10/14</u>	<u>10/15</u>
Urstadt Biddle Properties Inc.	100.00	108.35	123.98	116.75	137.05	136.35
Urstadt Biddle Properties Inc.—Class A	100.00	98.05	109.60	119.96	138.26	135.04
S&P 500	100.00	108.09	124.52	158.36	185.71	195.37
FTSE NAREIT All REITs	100.00	109.52	129.44	142.10	168.42	176.51

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

DIRECTORS

CHARLES J. URSTADT Chairman Urstadt Biddle Properties Inc.	KEVIN J. BANNON Director Prudential Mutual Funds	RICHARD GRELLIER Managing Director Deutsche Bank Securities Inc.	ROBERT J. MUELLER Retired Senior Executive Vice President The Bank of New York
ROBERT R. DOUGLASS Vice Chairman Urstadt Biddle Properties Inc. Previously of Counsel, Milbank, Tweed, Hadley and McCloy	CATHERINE U. BIDDLE Executive Vice President Urstadt Property Company, Inc.	GEORGE H.C. LAWRENCE Chairman and Chief Executive Officer Lawrence Properties, Inc.	CHARLES D. URSTADT President CD Property Brokerage and Consulting LLC
	WILLING L. BIDDLE President and Chief Executive Officer Urstadt Biddle Properties Inc.		

Officers

CHARLES J. URSTADT Chairman	JAMES M. ARIES Senior Vice President Acquisitions	JACKIE PERLA Vice President Leasing	JANINE IAROSSI Assistant Vice President Insurance and Benefit Administrator
WILLING L. BIDDLE President and Chief Executive Officer	LINDA LACEY Senior Vice President Leasing	HEIDI BRAMANTE Assistant Vice President and Assistant Controller	SUZANNE MOORE Assistant Vice President and Accounts Receivable Coordinator
THOMAS D. MYERS Executive Vice President, Chief Legal Officer and Secretary	ANDREW ALBRECHT Vice President Management and Construction	STEVE DUDZIEC Assistant Vice President Leasing	MARY MURRAY Assistant Vice President and Director of Operations
JOHN T. HAYES Senior Vice President, Chief Financial Officer and Treasurer	NICHOLAS CAPUANO Vice President and Real Estate Counsel	ZACH FOX Assistant Vice President Acquisitions	MONICA ROTH Assistant Vice President and Environmental Manager
STEPHAN A. RAPAGLIA Senior Vice President, Chief Operating Officer, Real Estate Counsel and Assistant Secretary	DIANE MIDOLLO Vice President and Controller	ELLEN HANRAHAN Assistant Vice President and Assistant Secretary	ROBERT WEEKS Assistant Vice President Management

Corporate Information

Securities Traded

New York Stock Exchange
Symbols: UBA, UBP, UBPPRF and UBPPRG
Stockholders of Record as of
December 31, 2015:
Common Stock: 685 and
Class A Common Stock: 694

Annual Meeting

The annual meeting of stockholders
will be held at 2:00 P.M. on March 24,
2016 at Six Landmark Square, 9th Floor,
Stamford, CT 06901.

Form 10-K

A copy of the company's 2015 Annual
Report on Form 10-K filed with the
Securities and Exchange Commission,
without exhibits, may be obtained by
stockholders without charge by writing
to the Secretary of the company at its
executive office.

Shareholder Information and Dividend Reinvestment Plan

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

Investor Relations

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

Independent Registered Public Accounting Firm

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

General Counsel

Baker & McKenzie LLP

Internal Audit

Berdon LLP, CPAs and Advisors

Executive Office of the Company

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

Memberships

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



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

 **URSTADT BIDDLE**
PROPERTIES INC.

321 RAILROAD AVENUE
GREENWICH, CONNECTICUT 06830

From Top to Bottom: Danbury Square, Danbury, Connecticut;
Goodwives Shopping Center, Darien, Connecticut;
Arcadian Shopping Center, Ossining, New York