
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported) June 30, 2003

Federal Realty Investment Trust

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction
of incorporation)

1-07533
(Commission
File Number)

52-0782497
(IRS Employer
Identification No.)

1626 East Jefferson Street, Rockville, Maryland
(Address of principal executive offices)

20852-4041
(Zip Code)

Registrant's telephone number including area code: 301/998-8100

Item 7. Financial Statements and Exhibits.

(c) Exhibits

99.1 Supplemental portfolio information at June 30, 2003 (including press release dated July 30, 2003)

Item 9. Regulation FD Disclosure (Information provided under Item 12-Results of Operations and Financial Condition).

The following information is being provided under Item 12-Results of Operations and Financial Condition. It is being furnished under Item 9 of this Form 8-K in accordance with interim guidance issued by the SEC in release No. 33-8216. As a result, the information in this report shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act").

On July 30, 2003, Federal Realty Investment Trust issued supplemental data pertaining to its operations as well as a press release to report its financial results for the quarter ended June 30, 2003. The supplemental data and press release are furnished as Exhibit 99.1 hereto.

SIGNATURES

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

FEDERAL REALTY INVESTMENT TRUST

/s/ Larry E. Finger

Larry E. Finger
Senior Vice President,
Chief Financial Officer and Treasurer

Date: July 30, 2003

EXHIBIT INDEX

| <u>Exh No.</u> | <u>Exhibit</u> | <u>Page No.</u> |
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FEDERAL REALTY INVESTMENT TRUST

Supplemental Information
June 30, 2003

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1626 East Jefferson Street
Rockville, Maryland 20852-4041
301/998-8100

Certain matters discussed within this Supplemental Information may be deemed to be forward looking statements within the meaning of the federal securities laws. Although we believe the expectations reflected in the forward looking statements are based on reasonable assumptions, we can give no assurance that our expectations will be attained. The factors that may impact these expectations include: (a) risks that growth will be limited if additional capital cannot be obtained; (b) risks of financing, such as our ability to consummate additional financings or obtain replacement financing on terms which are acceptable to us, our ability to meet existing financial covenants and the possibility of increases in interest rates that would result in increased interest expense; (c) risks normally associated with the real estate industry, including risks that tenants will not pay rent or that we may be unable to renew leases or relet space at favorable rents as leases expire, that new acquisitions or development, construction and renovation projects, including Santana Row, may fail to perform as expected, that competition for acquisitions could result in increased prices, that there may be environmental risks at our properties, and, because real estate is illiquid, that we may not be able to sell properties when appropriate; (d) risks related to our status as a REIT for federal income tax purposes, such as the existence of complex regulations relating to our status as a REIT, the effect of future changes in REIT requirements as a result of new legislation and the adverse consequences of the failure to qualify as a REIT; and (e) those risks detailed from time to time in our SEC reports, including our current report on Form 8-K filed with the SEC on March 25, 2003, our annual report on Form 10-K filed with the SEC on March 26, 2003 and our quarterly reports on Form 10-Q. Federal Realty assumes no obligation to update or supplement forward-looking statements that become untrue because of subsequent events.

FOR IMMEDIATE RELEASE

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**FEDERAL REALTY INVESTMENT TRUST ANNOUNCES
SECOND QUARTER 2003 OPERATING RESULTS**

ROCKVILLE, Md. (July 30, 2003) – Federal Realty Investment Trust (NYSE:FRT) today reported operating results for the quarter ended June 30, 2003.

- Funds from operations (FFO) was \$0.64 per diluted share for the second quarter and the Trust today reconfirmed its previous 2003 FFO per diluted share forecast of \$2.60.**
- Second quarter 2003 net income per diluted share was \$0.29.**
- When compared to second quarter 2002, same-center property operating income increased 4.0% excluding properties redeveloped or expanded, and 4.8% when redevelopments and expansions are included.**
- Cash rent increases on lease rollovers were 15% for the second quarter on 254,000 square feet of comparable retail space.**
- At Santana Row, 93% of the residential units and 81% of the Phase I retail square footage was leased as of July 25, 2003.**

Financial Results

Federal Realty reported FFO of \$31.1 million for the second quarter of 2003, or \$0.64 per diluted share. This compares to FFO of \$27.7 million for the second quarter of 2002, or \$0.66 per diluted share. Declines in FFO from second quarter 2002 to second quarter 2003 were attributable to Santana Row coming online. Net income available for common shareholders was \$13.6 million, or \$0.29 per diluted share for the quarter ended June 30, 2003. For the second quarter of 2002, the Trust reported net income available for common shareholders of \$30.5 million, or \$0.74 per diluted share, which included a \$19.1 million, or \$0.46 per diluted share, gain on the sale of real estate.

Portfolio Results

On a same-center basis, excluding properties redeveloped or expanded, property operating income increased 4.0% over second quarter 2002. When properties redeveloped or expanded are included in the same-center results, property operating income increased 4.8% from second quarter 2002. As of June 30, 2003, retail occupancy on a same-center basis declined, as expected, to 94.8% compared to 95.9% on June 30, 2002, and 95.8% on March 31, 2003, due primarily to the Kmart bankruptcy-related store closings at Leesburg and Flourtown, as previously announced. Same-center occupancy, as of June 30, 2003, excludes the 444,000 square feet of retail space in Phase I of Santana Row and the 472,000 square feet of retail space in South Valley Shopping Center and Mount Vernon Plaza, properties acquired late in the first quarter. Overall occupancy was 93.1% as of June 30, 2003, compared to 96.0% on June 30, 2002, and 94.3% on March 31, 2003.

“We’re pleased with the progress we’ve made at Santana Row and the further strengthening of our balance sheet in the second quarter,” stated Donald C. Wood, Federal Realty’s President and Chief Executive Officer. “We’re looking forward to redeveloping and re-leasing the sections of those shopping centers impacted by the Kmart and other anchor vacancies and are confident in our ability to create incremental value when these redevelopments are complete. This value creation is only possible because of the strong retailer demand for space at these properties.”

During the second quarter, the Trust signed 78 leases for over 325,000 square feet of retail space. On a comparable space basis (*i.e.* spaces for which there was a former tenant), the Trust leased 254,000 square feet at an average cash-basis contractual rent increase per square foot (*i.e.* excluding the impact of straight-line rents) of 15%. The weighted-average contractual rent on this comparable space for the first year of the new lease was \$21.06 per square foot compared to the weighted-average contractual rent of \$18.30 per square foot for the last year of the prior lease. The previous weighted-average contractual rent is calculated by including both the minimum rent and the percentage rent actually paid during the last year of the lease term for the re-leased space. On a GAAP basis, rent increases per square foot were 25% on the 254,000 square feet of comparable space re-leased during the second quarter. As of June 30, 2003, Federal Realty’s weighted-average contractual rent for retail space in its portfolio was \$17.35 per square foot.

Santana Row

Tenant sales performance continues to improve at Santana Row, the Trust’s mixed-use community in San Jose, Calif., as awareness of the project grows and consumer shopping patterns become established. As of

July 25, 2003, 81% of the Phase I retail space was leased with 80 tenants open and operating, representing 65% of the available retail space. In comparison, on May 5, 2003, Santana Row's Phase I retail space was 75% leased with 68 tenants open, representing 57% of the available retail space. The Trust also has made significant progress in leasing the residential component of Santana Row. As of July 25, 2003, the Phase I residential units were 93% leased and 85% occupied. By comparison, as of May 5, 2003, these units were 72% leased and 66% occupied, and as of February 4, 2003, they were 45% leased and 35% occupied. In addition, Hotel Valencia Santana Row, the 213-room boutique hotel operated by the Valencia Group, opened for business in June 2003.

Guidance

Federal Realty today reconfirmed previous expectations for 2003 FFO per diluted share of \$2.60 and increased net income per diluted share expectations to \$1.03.

Summary of Other Quarterly Activities and Recent Developments

- Ø On June 23, 2003, Federal Realty redeemed its \$75 million 5 ¼% Convertible Subordinated Debentures, due October 28, 2003. The debentures were redeemed at 100% of the principal amount plus accrued interest to the redemption date.
- Ø On June 13, 2003, Federal Realty redeemed all 4 million outstanding shares of its 7.95% Series A Cumulative Redeemable Preferred Shares at their redemption price of \$25.00 per share, plus accrued and unpaid dividends through the redemption date of \$0.23959 per share.
- Ø On May 14, 2003, Federal Realty sold 3.2 million common shares of beneficial interest in a public offering underwritten by Wachovia Securities. The sale generated \$98.6 million of proceeds to the Trust before offering expenses, including the underwriter's full exercise of its over-allotment option, or \$30.457 per share, representing a 3.25% discount from the previous day's New York Stock Exchange closing price of \$31.48.
- Ø On April 23, 2003, the Trust provided updated information relating to the status of its three Kmart locations, comprising 326,000 square feet of retail space and \$1.7 million of contractual rent, that were closed as a result of the retailer's Chapter 11 bankruptcy filing. Kohl's Corporation has assumed the previous lease for the 150,000 square foot store at Fresh Meadows in Queens, N.Y. The leases for the Kmart locations at both Flourtown Shopping Center in Flourtown, Pa., and Leesburg Plaza in Leesburg, Va., represented a combined 1.1% of portfolio occupancy and 0.15% of annualized revenues. The Trust has reclaimed both of these spaces and management believes both properties provide potential for increased earnings and increased value through redevelopment or re-tenanting.

- Ø On April 16, 2003, Federal Realty announced the appointment of David Faeder, Vice Chairman of Sunrise Assisted Living, Inc. (NYSE:SRZ), to serve on the Trust's board of trustees. Mr. Faeder also has been appointed to serve on the Trust's audit committee and has been designated by the Board as the Trust's "audit committee financial expert." Mr. Faeder will stand for election by the Trust's shareholders at the 2004 Annual Meeting of Shareholders.
- Ø On April 1, 2003, Federal Realty announced the acquisition of South Valley Shopping Center and Mount Vernon Plaza in Fairfax County, Va. The shopping centers are adjacent to one another on the west side of Route 1, approximately three miles south of the Capital Beltway, and were acquired from unrelated, private owners. The Trust purchased the fee interest in South Valley Shopping Center for approximately \$13.7 million in an all cash transaction and acquired the leasehold interest with a purchase option in Mount Vernon Plaza for aggregate consideration of approximately \$17.5 million in the form of cash, down-REIT partnership units and the assumption of debt. Management believes that both properties have significant potential for future re-leasing and redevelopment.

Conference Call Information

Federal Realty's management team will present an in-depth discussion of the Trust's operating performance on its second quarter earnings conference call, which is scheduled for Thursday, July 31, 2003, at 11 a.m. EDT. To participate, please call (800) 857-7003 five to ten minutes prior to the start time and use the Passcode EARNINGS (required). The conference leader is Andrew Blocher. Federal Realty will also provide an online Web Simulcast on the company's Web site, www.federalrealty.com, which will remain available for 14 days following the call. A telephone recording of the call will also be available for 14 days by dialing (800) 925-2730.

Federal Realty Investment Trust is an equity real estate investment trust specializing in the ownership, management, development, and redevelopment of shopping centers and street retail properties. Federal Realty's portfolio contains approximately 15.7 million square feet located in major metropolitan markets across the United States. The operating portfolio is currently over 93% occupied by over 2,000 national, regional, and local retailers with no single tenant accounting for more than 2.5% of rental revenue. Federal Realty has paid quarterly dividends to its shareholders continuously since its founding in 1962, and has increased its dividend rate for 35 consecutive years, the longest consecutive record in the REIT industry.

Shares of Federal Realty are traded on the NYSE under the symbol FRT. Additional information about Federal Realty can be found on the Internet at www.federalrealty.com.

Safe Harbor Language

Certain matters discussed within this press release may be deemed to be forward looking statements within the meaning of the federal securities laws. Although Federal Realty believes the expectations reflected in the forward looking statements are based on reasonable assumptions, it can give no assurance that its expectations will be attained. The factors that may impact these expectations include:

- risks of financing, such as our ability to consummate additional financings or obtain replacement financing on terms which are acceptable to us, our ability to meet existing financial covenants and the possibility of increases in interest rates that would result in increased interest expense;
- risks that our growth will be limited if we cannot obtain additional capital;
- risks normally associated with the real estate industry, including risks that our tenants will not pay rent or that we may be unable to renew leases or relet space at favorable rents as leases expire, that new acquisitions or our development, construction and renovation projects, including our Santana Row project, may fail to perform as expected, that competition for acquisitions could result in increased prices, that we may have environmental risks at our properties, and, because real estate is illiquid, that we may not be able to sell properties when appropriate;
- risks related to our status as a REIT for federal income tax purposes, such as the existence of complex regulations relating to our status as a REIT, the effect of future changes in REIT requirements as a result of new legislation and the adverse consequences of the failure to qualify as a REIT; and
- those risks detailed from time to time in our SEC reports, including our current report on Form 8-K filed with the SEC on March 25, 2003, our annual report on Form 10-K filed with the SEC on March 26, 2003 and our quarterly reports on Form 10-Q.

Federal Realty assumes no obligation to update or supplement forward-looking statements that become untrue because of subsequent events.

Financial Highlights
(in thousands, except per share data)
(unaudited)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|--------------------------------|------------------|------------------------------|------------------|
| | 2003 | 2002 | 2003 | 2002 |
| OPERATING RESULTS | | | | |
| Revenues | | | | |
| Rental income | \$ 80,564 | \$ 71,450 | \$ 160,555 | \$ 141,932 |
| Other property income | 4,186 | 3,505 | 8,281 | 6,981 |
| Interest and other income | 1,659 | 857 | 2,874 | 2,118 |
| | <u>86,409</u> | <u>75,812</u> | <u>171,710</u> | <u>151,031</u> |
| Expenses | | | | |
| Rental | 19,282 | 16,443 | 40,978 | 31,813 |
| Real estate taxes | 8,888 | 7,445 | 16,743 | 15,181 |
| Total property operating expenses | <u>28,170</u> | <u>23,888</u> | <u>57,721</u> | <u>46,994</u> |
| Property operating income | 58,239 | 51,924 | 113,989 | 104,037 |
| Interest | 18,252 | 15,133 | 35,831 | 31,773 |
| Administrative | 3,147 | 3,497 | 6,421 | 6,496 |
| Restructuring expenses | — | — | — | 8,489 |
| Depreciation and amortization | 18,125 | 15,920 | 35,572 | 31,738 |
| Total other expenses | <u>39,524</u> | <u>34,550</u> | <u>77,824</u> | <u>78,496</u> |
| Operating income before investors' share of operations and discontinued operations | 18,715 | 17,374 | 36,165 | 25,541 |
| Investors' share of operations | (1,134) | (1,579) | (2,204) | (2,276) |
| Income before gain on sale of real estate net of loss on abandoned developments held for sale and discontinued operations | 17,581 | 15,795 | 33,961 | 23,265 |
| Income (loss) from operations of discontinued assets | (6) | 439 | (10) | 1,285 |
| Income before gain on sale of real estate net of loss on abandoned developments held for sale | 17,575 | 16,234 | 33,951 | 24,550 |
| Gain on sale of real estate net of loss on abandoned developments held for sale | 551 | 19,101 | 551 | 9,454 |
| Net income | 18,126 | 35,335 | 34,502 | 34,004 |
| Dividends on preferred stock | (4,490) | (4,856) | (9,346) | (9,712) |
| Net income available for common shareholders | <u>\$ 13,636</u> | <u>\$ 30,479</u> | <u>\$ 25,156</u> | <u>\$ 24,292</u> |
| Funds from Operations | | | | |
| Net income available for common shareholders | \$ 13,636 | \$ 30,479 | \$ 25,156 | \$ 24,292 |
| Gain on sale of real estate net of loss on abandoned developments held for sale | (551) | (19,101) | (551) | (9,454) |
| Depreciation and amortization of real estate assets | 16,363 | 14,521 | 32,161 | 29,058 |
| Amortization of initial direct costs of leases | 1,392 | 1,200 | 2,746 | 2,371 |
| Income attributable to operating partnership units | 235 | 650 | 441 | 514 |
| Funds from operations | <u>\$ 31,075</u> | <u>\$ 27,749</u> | <u>\$ 59,953</u> | <u>\$ 46,781</u> |
| Weighted average number of common shares, diluted | <u>48,376</u> | <u>42,136</u> | <u>46,876</u> | <u>41,568</u> |
| Funds from operations per share | <u>\$ 0.64</u> | <u>\$ 0.66</u> | <u>\$ 1.28</u> | <u>\$ 1.13</u> |
| Funds from operations | \$ 31,075 | \$ 27,749 | \$ 59,953 | \$ 46,781 |
| Add back restructuring expense | — | — | — | 8,489 |
| Adjusted funds from operations | <u>\$ 31,075</u> | <u>\$ 27,749</u> | <u>\$ 59,953</u> | <u>\$ 55,270</u> |
| Earnings per common share, basic | | | | |
| Income before gain on sale of real estate net of loss on abandoned developments held for sale and discontinued operations | \$ 0.28 | \$ 0.27 | \$ 0.54 | \$ 0.34 |
| Discontinued operations | — | 0.01 | — | 0.03 |
| Gain on sale of real estate net of loss on abandoned developments held for sale | 0.01 | 0.47 | 0.01 | 0.23 |
| | <u>\$ 0.29</u> | <u>\$ 0.75</u> | <u>\$ 0.55</u> | <u>\$ 0.60</u> |
| Weighted average number of common shares, basic | 47,161 | 40,798 | 45,726 | 40,286 |

| Earnings per common share, diluted | | | | |
|---|----------------|----------------|----------------|----------------|
| Income before gain on sale of real estate net of loss on abandoned developments held for sale and discontinued operations | \$ 0.28 | \$ 0.27 | \$ 0.54 | \$ 0.34 |
| Discontinued operations | — | 0.01 | — | 0.03 |
| Gain on sale of real estate net of loss on abandoned developments held for sale | 0.01 | 0.46 | 0.01 | 0.23 |
| | <u>\$ 0.29</u> | <u>\$ 0.74</u> | <u>\$ 0.55</u> | <u>\$ 0.60</u> |
| Weighted average number of common shares, diluted | 48,376 | 42,136 | 46,876 | 41,568 |

Financial Highlights
(in thousands)

| | June 30, 2003 | December 31, 2002 |
|--|--------------------|----------------------|
| | (unaudited) | |
| BALANCE SHEET DATA | | |
| Assets | | |
| Real estate, at cost | | |
| Operating | \$2,141,958 | \$1,966,338 |
| Development | 226,789 | 340,488 |
| | <u>2,368,747</u> | <u>2,306,826</u> |
| Less accumulated depreciation and amortization | (482,758) | (450,697) |
| | <u>1,885,989</u> | <u>1,856,129</u> |
| Other Assets | | |
| Mortgage notes receivable | 37,994 | 35,577 |
| Cash and investments | 18,609 | 23,123 |
| Receivables | 22,858 | 18,722 |
| Insurance reimbursement receivable | 16,400 | — |
| Other assets | 68,618 | 65,827 |
| | <u> </u> | <u> </u> |
| Total Assets | <u>\$2,050,468</u> | <u>\$1,999,378</u> |
| Liabilities and Shareholders' Equity | | |
| Obligations under capital leases, mortgages and construction loans | \$ 355,175 | \$ 383,812 |
| Notes payable | 343,625 | 207,711 |
| Senior notes | 535,000 | 535,000 |
| 5 1/4% Convertible subordinated debentures | — | 75,000 |
| Other liabilities | 138,261 | 153,568 |
| | <u> </u> | <u> </u> |
| Total Liabilities | <u>1,372,061</u> | <u>1,355,091</u> |
| Preferred stock | 135,000 | 235,000 |
| Common Shares and Other Shareholders' Equity | <u>543,407</u> | <u>409,287</u> |
| | <u> </u> | <u> </u> |
| Total Liabilities and Shareholders' Equity | <u>\$2,050,468</u> | <u>\$1,999,378</u> |

Federal Realty Investment Trust
Funds From Operations / Funds Available for Distribution / Summary of Capital Expenditures
June 30, 2003

| | Three months ended | |
|---|--------------------|------------------|
| | June 30, 2003 | June 30, 2002 |
| (in thousands, except per share data) | | |
| Funds From Operations (FFO) (1) | | |
| Net income available for common shareholders | \$ 13,636 | \$ 30,479 |
| (Gain) on sale of assets | (551) | (19,101) |
| Depreciation and amortization of real estate assets | 16,363 | 14,521 |
| Amortization of initial direct costs of leases | 1,392 | 1,200 |
| Income attributable to operating partnership units | 235 | 650 |
| FFO | \$ 31,075 | \$ 27,749 |
| Weighted average number of common shares, diluted | 48,376 | 42,136 |
| FFO per share | \$ 0.64 | \$ 0.66 |
| Funds Available for Distribution (FAD) | | |
| FFO | \$ 31,075 | \$ 27,749 |
| Maintenance capital expenditures | (902) | (1,551) |
| FAD | \$ 30,173 | \$ 26,198 |
| Common dividends declared | \$ 23,784 | \$ 20,690 |
| Dividend payout ratio as a percentage of FFO | 77% | 75% |
| Dividend payout ratio as a percentage of FAD | 79% | 79% |
| Summary of Capital Expenditures | | |
| Non-maintenance Capital Expenditures | | |
| Development, net of insurance reimbursements | \$ 30,055 | \$ 55,248 |
| Acquisition Related (2) | 76 | 36 |
| Redevelopments and Expansions | 9,761 | 10,124 |
| Tenant Improvements | 3,308 | 3,143 |
| Total Non-maintenance Capital Expenditures | 43,200 | 68,551 |
| Maintenance Capital Expenditures | 902 | 1,551 |
| Total Capital Expenditures | \$ 44,102 | \$ 70,102 |

Note:

- (1) See Glossary of Terms.
- (2) Capital expenditures related to properties acquired in the last two years for which non-maintenance expenditures were planned at the time of the acquisition underwriting.

Federal Realty Investment Trust
Market Data / Capital Availability / Operational Statistics
June 30, 2003

| | As of | |
|---|---|---|
| | June 30, 2003 | June 30, 2002 |
| (in thousands, except per share data) | | |
| Market data | | |
| Common shares outstanding | 49,029 | 43,188 |
| Market price per common share | \$ 32.00 | \$ 27.71 |
| Series A preferred shares outstanding (1) | — | 4,000 |
| Market price per Series A preferred share | — | \$ 24.85 |
| Series B preferred shares outstanding | 5,400 | 5,400 |
| Market price per Series B preferred share | \$ 27.20 | \$ 25.75 |
| Equity market capitalization | \$ 1,715,808 | \$ 1,435,189 |
| Total debt (2) | 1,129,529 | 1,051,008 |
| Total market capitalization | \$ 2,845,337 | \$ 2,486,197 |
| Total debt to market capitalization | .40:1 | .42:1 |
| Capital availability: | | |
| Cash on hand | \$ 18,609 | \$ 18,723 |
| Tax deferred exchange escrows | — | 55,128 |
| Available capacity under line of credit | 93,000 | 256,000 |
| Available capacity under Santana Row construction loan (3) | — | 164,300 |
| Available for issuance under shelf registration statement | 400,000 | 130,240 |
| | \$ 511,609 | \$ 624,391 |
| | Six months ended June 30, 2003 | Six months ended June 30, 2002 |
| Operational statistics | | |
| Ratio of earnings to fixed charges (4) | 1.45x | 1.24x (5) |
| Ratio of earnings to combined fixed charges and preferred share dividends (4) | 1.24x | 1.05x (5) |
| Ratio of EBITDA to combined fixed charges and preferred share dividends (4) (6) | 1.63x | 1.36x (5) |
| Administrative expense as a percentage of total revenues | 3.74% | 4.30% |

Note:

- (1) Series A Preferred Shares were redeemed on June 13, 2003.
- (2) Total debt includes mortgages and construction loans payable, notes payable, senior notes and debentures and 5.25% convertible subordinated debentures.
- (3) Santana Row construction loan retired on November 19, 2002.
- (4) Earnings consist of income before gain (loss) on sale of real estate and fixed charges. Fixed charges consist of interest on borrowed funds (including capitalized interest), amortization of debt discount and expense and the portion of rent expense representing an interest factor. Preferred share dividends consist of dividends paid on outstanding Series A preferred shares and Series B preferred shares.
- (5) Includes an \$8.5 million restructuring charge incurred in the first quarter of 2002. Excluding this charge the ratio of earnings to fixed charges would have been 1.39x, the ratio of earnings to combined fixed charges and preferred share dividends would have been 1.18x and the ratio of EBITDA to combined fixed charges and preferred share dividends would have been 1.49x.
- (6) See Glossary of Terms for reconciliation of EBITDA to net income.

Federal Realty Investment Trust
Summary of Outstanding Debt
June 30, 2003

| | <u>Maturity</u> | <u>Effective Rate</u> | <u>Balance</u> | |
|--|--------------------------|-----------------------|----------------|---------------------|
| | | | (in thousands) | |
| <u>Mortgage Loans</u> | | | | |
| Leesburg Plaza | 10/01/08 | 6.510% | \$ | 9,900 |
| 164 E Houston Street | 10/06/08 | 7.500% | | 250 |
| Federal Plaza | 06/01/11 | 6.750% | | 35,732 |
| Tysons Station | 09/01/11 | 7.400% | | 6,812 |
| Barracks Road | 11/01/15 | 7.950% | | 44,300 |
| Hauppauge | 11/01/15 | 7.950% | | 16,700 |
| Lawrence Park | 11/01/15 | 7.950% | | 31,400 |
| Wildwood | 11/01/15 | 7.950% | | 27,600 |
| Wynnewood | 11/01/15 | 7.950% | | 32,000 |
| Brick Plaza | 11/01/15 | 7.415% | | 33,000 |
| Mount Vernon | 04/15/28 | 5.660% (a) | | 13,210 |
| | | | | <u>\$ 250,904</u> |
| <u>Notes payable</u> | | | | |
| Revolving credit facilities | 12/19/03 | libor + .80% | \$ | 207,000 |
| Term note with banks | 12/19/03 | 6.22% (b) | | 125,000 |
| Note issued in connection with renovation of Perring Plaza | 01/31/13 | 10.00% | | 2,180 |
| Escondido (Municipal bonds) | 10/01/16 | 3.060% (c) | | 9,400 |
| Other | various | various | | 45 |
| | | | | <u>\$ 343,625</u> |
| <u>Unsecured Public Debt</u> | | | | |
| <u>Notes and Debentures</u> | | | | |
| 6.74% Medium Term Notes (d) | 03/10/04 | 6.370% | \$ | 39,500 |
| 6.625% Notes (fixed) | 12/01/05 | 6.625% | | 40,000 |
| 6.99% Medium Term Notes (d) | 03/10/06 | 6.894% | | 40,500 |
| 6.125% Notes (e) | 11/15/07 | 6.325% | | 150,000 |
| 8.75% Notes | 12/01/09 | 8.750% | | 175,000 |
| 7.48% Debentures | 08/15/26 | 7.480% | | 50,000 |
| 6.82% Medium Term Notes | 08/01/27 | 6.820% | | 40,000 |
| | | | | <u>\$ 535,000</u> |
| | | | | <u>\$ 913,129</u> |
| | | | | <u>216,400</u> |
| | | | | <u>\$ 1,129,529</u> |
| | | | | <u>80.84%</u> |
| | | | | <u>19.16%</u> |
| | | | | <u>100.00%</u> |
| | | | | <u>7.24%</u> |
| | | | | <u>2.18%(f)</u> |
| | | | | <u>6.27%</u> |
| <u>Capital lease obligations</u> | | | | |
| | Various through 2077 (g) | | \$ | 104,271 |
| | | | | <u>\$ 1,233,800</u> |

- (a) The interest rate is fixed at 5.66% for the first ten years and then is reset to a market rate. The lender has the option to call the loan after year ten.
- (b) LIBOR plus 95 basis points. The Trust purchased interest rate swaps or hedges on this note, thereby locking in the LIBOR interest rate of 5.27%.
- (c) The bonds bear interest at a variable rate determined weekly to be the interest rate which would enable the bonds to be remarketed at 100% of their principal amount. The weighted average interest rate for the six months ended June 30, 2003, was 3.06%
- (d) The Trust purchased interest rate swaps at issuance, thereby reducing the effective interest rate on these notes.
- (e) The Trust purchased an interest rate lock to hedge the planned note offering. The \$1.5 million settlement of this hedge is being amortized into the November 2002 note offering thereby increasing the effective interest rate on these notes to 6.325%.
- (f) Weighted average interest rate on variable rate debt as of June 30, 2003.
- (g) Weighted average interest rate on capital lease obligations is 9.7% on a stated basis and 13.2% including performance based participation interest paid by the Trust.

Federal Realty Investment Trust
Summary of Debt Maturities
June 30, 2003

DEBT MATURITIES

(in thousands)

| <u>Year</u> | <u>Scheduled Amortization</u> | <u>Maturities</u> | <u>Total</u> | <u>Percent of Debt Expiring</u> | <u>Cumulative Percent of Debt Expiring</u> |
|--------------|-------------------------------|---------------------|---------------------|---------------------------------|--|
| 2003 | \$ 601 | \$ 332,000 (1) | \$ 332,601 (1) | 29.5% | 29.5% |
| 2004 | 3,068 | 39,500 | 42,568 | 3.8% | 33.3% |
| 2005 | 3,336 | 40,000 | 43,336 | 3.8% | 37.1% |
| 2006 | 3,700 | 40,500 | 44,200 | 3.9% | 41.0% |
| 2007 | 3,991 | 150,000 | 153,991 | 13.7% | 54.7% |
| 2008 | 4,241 | 9,541 | 13,782 | 1.2% | 55.9% |
| 2009 | 4,437 | 175,045 | 179,482 | 15.9% | 71.8% |
| 2010 | 4,789 | — | 4,789 | 0.4% | 72.2% |
| 2011 | 4,670 | 37,236 | 41,906 | 3.7% | 75.9% |
| 2012 | 4,638 | — | 4,638 | 0.4% | 76.3% |
| Thereafter | 23,029 | 245,207 | 268,236 | 23.7% | 100.0% |
| Total | \$ 60,500 | \$ 1,069,029 | \$ 1,129,529 | 100.00% | |

Note:

(1) Includes \$207 million balance on revolving credit facility and \$125 million balance on term loan.

Federal Realty Investment Trust
Summary of Current and Future Redevelopment Opportunities
June 30, 2003

Current Redevelopment Opportunities (1) (\$ millions)

| <u>Property</u> | <u>Location</u> | <u>Opportunity</u> | <u>Projected ROI (2)</u> | <u>Projected Cost (1)</u> | <u>Cost to Date</u> | <u>Anticipated Stabilization (3)</u> |
|--|---------------------|--|--------------------------|---------------------------|---------------------|--------------------------------------|
| Projects Anticipated to Stabilize in 2003 | | | | | | |
| Congressional Plaza | Rockville, MD | Addition of 146-unit apartment building and structured parking in existing parking field | 10% | \$ 12.4 | \$ 12.1 | 2003 |
| Bethesda Row | Bethesda, MD | Grocery expansion, new pad site, GLA expansion and re-tenanting (restaurant) | 9% | \$ 6.0 | \$ 4.6 | 2003 |
| Ellisburg Circle | Cherry Hill, NJ | Re-tenanting (new grocer) and associated expansion | 19% | \$ 2.3 | \$ 1.3 | 2003 |
| Lawrence Park | Broomall, PA | New pad site (drug store), common area improvements | 19% | \$ 1.8 | \$ 0.5 | 2003 |
| Dedham Plaza | Dedham, MA | Tenant re-location (electronics), parking lot and common area improvements | 12% | \$ 1.2 | \$ 1.1 | 2003 |
| Finley Square | Downers Grove, IL | Re-tenanting (office supply) | 15% | \$ 1.2 | \$ 0.3 | 2003 |
| Governor Plaza | Glen Burnie, MD | New pad sites (furniture and grocer) | 14% | \$ 1.2 | \$ 1.0 | 2003 |
| Quince Orchard | Gaithersburg, MD | Pad site re-tenanting (drug store) | 36% | \$ 0.5 | \$ 0.5 | 2003 |
| Wildwood | Bethesda, MD | Pad expansion and re-tenanting (bank) | 37% | \$ 0.4 | \$ 0.0 | 2003 |
| Old Town Center | Los Gatos, CA | Re-tenanting (office) and site improvements | 34% | \$ 0.3 | \$ 0.2 | 2003 |
| Subtotal: Projects Anticipated to Stabilize in 2003 (4) | | | 13% | \$ 27.3 | \$ 21.7 | |
| Projects Anticipated to Stabilize in 2004 | | | | | | |
| Santana Row Phase II | San Jose, CA | Two new pad sites (Best Buy and The Container Store) and additional parking | 17% | \$ 26.4 | \$ 6.9 | 2004 |
| Third Street Promenade | Santa Monica, CA | Retail redevelopment | 10% | \$ 10.6 | \$ 10.4 | 2004 |
| Andorra | Philadelphia, PA | Expansion and re-tenanting (new health club) | 15% | \$ 4.0 | \$ 0.2 | 2004 |
| Garden Market | Western Springs, IL | Expansion, re-tenanting (new grocer) and new pad site (existing drug store) | 10% | \$ 2.5 | \$ 2.3 | 2004 |
| Bristol Plaza | Bristol, CT | Grocer relocation, canopy and façade renovation | 10% | \$ 1.9 | \$ 0.0 | 2004 |
| Greenlawn Plaza | Greenlawn, NY | New pad site (child care center) | 12% | \$ 0.9 | \$ 0.0 | 2004 |
| Bethesda Row | Bethesda, MD | New pad site (fitness equipment) | 16% | \$ 0.8 | \$ 0.1 | 2004 |
| Willow Lawn | Richmond, VA | Grocery expansion | 5% | \$ 0.6 | \$ 0.3 | 2004 |
| Laurel | Laurel, MD | Grocery expansion | 98% | \$ 0.4 | \$ 0.4 | 2004 |
| Lawrence Park | Broomall, PA | Grocery expansion | 13% | \$ 0.3 | \$ 0.0 | 2004 |
| Hauppauge Shopping Center | Hauppauge, NY | Pad site re-tenanting (restaurant) | 14% | \$ 0.3 | \$ 0.0 | 2004 |
| Subtotal: Projects Anticipated to Stabilize in 2004 (4) | | | 15% | \$ 48.7 | \$ 20.5 | |
| Total: Projects Anticipated to Stabilize in 2003 and 2004 (4) | | | 14% | \$ 76.0 | \$ 42.2 | |

Potential Future Redevelopments Stabilizing After 2004 (5)

| | | | | | | |
|----------------------------|---------------------|--|--|--|--|--|
| Bala Cynwyd | Bala Cynwyd, PA | | | | | |
| Bethesda Row—Future Phases | Bethesda, MD | | | | | |
| Brunswick Shopping Center | North Brunswick, NJ | | | | | |
| Houston Street | San Antonio, TX | | | | | |
| Mount Vernon/South Valley | Alexandria, VA | | | | | |
| Rockville Town Square | Rockville, MD | | | | | |
| Rutgers Plaza | Franklin, NJ | | | | | |
| Santana Row—Future Phases | San Jose, CA | | | | | |
| The Village at Shirlington | Arlington, VA | | | | | |

- (1) *These current redevelopment opportunities are being pursued by the Trust. There is no guaranty that the Trust will ultimately complete any or all of these opportunities, that the Projected Return on Investment (ROI) or Projected Costs will be the amounts shown or that stabilization will occur as anticipated. The projected ROI and Projected Cost are management's best estimate based on current information and may change over time.*
- (2) *Projected ROI reflects only the deal specific cash, unleveraged Incremental Property Operating Income (POI) generated by the redevelopment and is calculated as Incremental POI divided by cost. Incremental POI is the POI generated by the redevelopment after deducting rent previously in place for the redevelopment space or space taken out of service as a result of the redevelopment. Projected ROI does NOT include peripheral impacts, such as the impact on future lease rollovers at the property or the impact on the long-term value of the property.*
- (3) *The year in which 95% occupancy of the redeveloped space is anticipated to be achieved.*
- (4) *All subtotals and totals reflect projected cost weighted-average ROIs.*
- (5) *These future redevelopment opportunities are being explored by the Trust. There is no guaranty that the Trust will ultimately pursue or complete any or all of these opportunities.*

Federal Realty Investment Trust
Santana Row Summary
June 30, 2003

Property Description:

A multi-phased, mixed-use development built on 42 acres in San Jose, California, in the heart of the Silicon Valley. Phase I of the property consists of a 1,500 foot long "main street" and eight buildings comprising approximately 444,000 square feet of retail, 255 residential units, and a 213-room boutique hotel. Phase II consists of two pad sites comprising approximately 84,000 square feet of retail space and 275 additional parking spaces. Phase II is 95% pre-leased to Best Buy and The Container Store.

Retail Summary (1)

| Building/Description | Total Retail Square Footage | | | Occupied | | | Leased (Unoccupied) | | | Available to Lease | | |
|---------------------------------|-----------------------------|----------------|--------------|-----------|----------------|--------------|---------------------|----------------|--------------|--------------------|---------------|--------------|
| | Stores | Square Feet | % Leased | Stores | Square Feet | % of Total | Stores | Square Feet | % of Total | Stores | Square Feet | % of Total |
| 1 (Crate & Barrel) | 1 | 40,000 | 100.0% | 1 | 40,000 | 100.0% | — | — | 0.0% | — | — | 0.0% |
| 3 (Primarily luxury) | 14 | 39,506 | 82.7% | 9 | 25,182 | 63.7% | 3 | 7,488 | 19.0% | 2 | 6,836 | 17.3% |
| 4 (Primarily luxury) | 14 | 33,974 | 100.0% | 13 | 30,149 | 88.7% | 1 | 3,825 | 11.3% | — | — | 0.0% |
| 5 (Hotel and lifestyle) | 16 | 56,485 | 71.6% | 10 | 27,463 | 48.6% | 1 | 13,000 | 23.0% | 5 | 16,022 | 28.4% |
| 6 (Lifestyle) | 7 | 48,894 | 85.7% | 6 | 41,923 | 85.7% | — | — | 0.0% | 1 | 6,971 | 14.3% |
| 7 (Lifestyle) | 35 | 87,837 | 87.7% | 20 | 57,124 | 65.0% | 6 | 19,913 | 22.7% | 9 | 10,800 | 12.3% |
| 8 (Lifestyle) | 14 | 40,283 | 98.3% | 13 | 39,608 | 98.3% | — | — | 0.0% | 1 | 675 | 1.7% |
| 13 (Restaurants & lifestyle) | 13 | 95,627 | 56.4% | 4 | 24,839 | 26.0% | 1 | 29,048 | 30.4% | 8 | 41,740 | 43.6% |
| Kiosks and Carts | 5 | 1,570 | 69.2% | 4 | 1,086 | 69.2% | — | — | 0.0% | 1 | 484 | 30.8% |
| Total Phase I Retail | 119 | 444,176 | 81.2% | 80 | 287,374 | 64.7% | 12 | 73,274 | 16.5% | 27 | 83,528 | 18.8% |
| Phase II Retail | 3 | 84,171 | 95.5% | — | — | 0.0% | 2 | 80,371 | 95.5% | 1 | 3,800 | 4.5% |
| Total Santana Row Retail | 122 | 528,347 | 83.5% | 80 | 287,374 | 54.4% | 14 | 153,645 | 29.1% | 28 | 87,328 | 16.5% |

Residential Summary (1)

| Building | Total Residential Units | | | Occupied | | | Leased (Unoccupied) | | | Available to Lease | | |
|----------------------------------|-------------------------|------------|--------------|----------------|------------|--------------|---------------------|-----------|-------------|--------------------|-----------|-------------|
| | Rent (2) | Units | % Leased | Rent (3) | Units | % of Total | Rent (3) | Units | % of Total | Rent (4) | Units | % of Total |
| 3 (Lofts) | \$ 2.02 | 98 | 98.0% | \$ 1.92 | 91 | 92.9% | \$ 1.91 | 5 | 5.1% | \$ 1.96 | 2 | 2.0% |
| 4 (Lofts) | \$ 2.35 | 100 | 99.0% | \$ 2.21 | 92 | 92.0% | \$ 2.01 | 7 | 7.0% | \$ 2.01 | 1 | 1.0% |
| 6 (Villas) | \$ 2.47 | 21 | 38.1% | \$ 2.45 | 6 | 28.6% | \$ 2.12 | 2 | 9.5% | \$ 2.45 | 13 | 61.9% |
| 8 (Townhouses) | \$ 2.20 | 36 | 97.2% | \$ 2.19 | 27 | 75.0% | \$ 2.20 | 8 | 22.2% | \$ 2.28 | 1 | 2.8% |
| Total Phase I Residential | \$ 2.22 | 255 | 93.3% | \$ 2.09 | 216 | 84.7% | \$ 2.05 | 22 | 8.6% | \$ 2.40 | 17 | 6.7% |

Hotel Summary

A 213 room boutique hotel owned and operated by the Valencia Group opened in the second quarter of 2003.

Financial Summary (as of June 30, 2003):

| All amounts \$ million | Projected Cost | Cost to Date (6) | Anticipated Stabilized Yield | Stabilized |
|-------------------------|----------------|------------------|------------------------------|------------|
| (5) Santana Row Phase I | \$ 445 | \$ 443 | 5% | 2004 |
| Santana Row Phase II | \$ 26 | \$ 7 | 17% | 2004 |

Notes:

- (1) Retail and residential leasing summaries are as of July 25, 2003.
- (2) Budgeted rents to meet Phase I stabilized yield target.
- (3) Gross rents, though market conditions have dictated concessions of up to one month on a 12 month lease.
- (4) Gross market rents.
- (5) Phase I includes the cost of all land and substantial infrastructure for future phases, net of anticipated insurance proceeds.
- (6) Phase I Cost to Date includes costs associated with the Building 7 fire and clean-up net of \$88.8 million of insurance reimbursements received through July 15, 2003.

Federal Realty Investment Trust
Acquisitions and Dispositions—Year to Date
June 30, 2003

Acquisitions

| <u>Date</u> | <u>Property</u> | <u>City / State</u> | <u>GLA</u> | <u>Acquisition price</u> | <u>Anchor tenant</u> |
|----------------|------------------------------|---------------------|----------------|--------------------------|-------------------------|
| | | | | (in thousands) | |
| March 21, 2003 | South Valley Shopping Center | Alexandria, VA | 214,000 | \$ 13,700 | Home Depot, TJ Maxx |
| March 31, 2003 | Mount Vernon Plaza | Alexandria, VA | 257,000 | 17,500 | Shoppers Food Warehouse |
| | | | <u>471,000</u> | <u>\$ 31,200</u> | |

Dispositions

| <u>Date</u> | <u>Property</u> | <u>City / State</u> | <u>GLA</u> | <u>Sales price</u> | <u>Anchor tenant</u> |
|---------------|----------------------|---------------------|--------------|--------------------|----------------------|
| | | | | (in thousands) | |
| June 16, 2003 | 4929 Bethesda Avenue | Bethesda, MD | 6,000 | \$ 1,500 | n/a |
| | | | <u>6,000</u> | <u>\$ 1,500</u> | |

Federal Realty Investment Trust
Real Estate Status Report
June 30, 2003

| Property Name | Type(1) | MSA Description | Year Acquired | Total Investment | Ownership Percentage | GLA (2) | % Leased | Mortgage or Capital Lease Obligation | Grocery Anchor GLA (3) | Grocery Anchor (3) | Other Principal Tenants |
|---------------------------------------|---------|--------------------------------|---------------|------------------|----------------------|-----------|----------|--------------------------------------|------------------------|-------------------------|---|
| | | | | (in thousands) | | | | | (in thousands) | | |
| Mid-Atlantic Region | | | | | | | | | | | |
| Washington Metropolitan Area | | | | | | | | | | | |
| Bethesda Row | | | | | | | | | | | Barnes & Noble / Landmark Theater |
| Congressional Plaza | SR | Washington, DC-MD-VA-WV | 1993-98 | 78,487 | (4) | 427,000 | 99% | 12,576 | 40,000 | Giant Food | Buy Buy Baby / Container Store / Tower |
| Courthouse Center | SC | Washington, DC-MD-VA-WV | 1965 | 65,128 | 55.8% | 339,000 | 95% | | 28,258 | Whole Foods | |
| Falls Plaza | SC | Washington, DC-MD-VA-WV | 1997 | 4,259 | (5) | 37,000 | 100% | | | | |
| Falls Plaza-East | SC | Washington, DC-MD-VA-WV | 1967 | 8,150 | 100.0% | 73,000 | 100% | | 51,385 | Giant Food | |
| Federal Plaza | SC | Washington, DC-MD-VA-WV | 1972 | 3,352 | 100.0% | 71,000 | 100% | | | | CVS / Staples |
| Friendship Center | SC | Washington, DC-MD-VA-WV | 1989 | 61,901 | 100.0% | 247,000 | 98% | 35,732 | | | TJ Maxx / CompUSA / Ross |
| Gaithersburg Square | SR | Washington, DC-MD-VA-WV | 2001 | 33,405 | 100.0% | 119,000 | 100% | | | | Borders / Linens 'n Things / Maggiano's |
| Idylwood Plaza | SC | Washington, DC-MD-VA-WV | 1993 | 23,812 | 100.0% | 218,000 | 89% | | | | Bed, Bath & Beyond / Borders / Ross |
| Laurel | SC | Washington, DC-MD-VA-WV | 1994 | 14,868 | 100.0% | 73,000 | 100% | | 29,556 | Whole Foods | |
| Leesburg Plaza | SC | Washington, DC-MD-VA-WV | 1986 | 45,620 | 99.9% | 384,000 | 94% | | 39,500 | Giant Food | Marshalls / Toys R Us |
| Loehmann's Plaza | SC | Washington, DC-MD-VA-WV | 1998 | 20,381 | (5) | 247,000 | 65% | 9,900 | 55,330 | Giant Food | Peebles |
| Magruder's Center | SC | Washington, DC-MD-VA-WV | 1983 | 25,307 | (5) | 242,000 | 100% | | | | Bally's / Linens 'n Things / Loehmann's |
| Mid-Pike Plaza | SC | Washington, DC-MD-VA-WV | 1997 | 10,567 | (5) | 109,000 | 100% | | 30,750 | Magruder's | Tuesday Morning |
| Mount Vernon | SC | Washington, DC-MD-VA-WV | 1982 | 17,016 | (6) | 304,000 | 100% | 10,041 | | | Linens 'n Things / Toys R Us / Bally's / AC Moore |
| Old Keene Mill | SC | Washington, DC-MD-VA-WV | 2003 | 19,525 | (5) | 254,000 | 67% | 13,210 | 53,692 | Shoppers Food Warehouse | |
| Pan Am | SC | Washington, DC-MD-VA-WV | 1976 | 5,046 | 100.0% | 92,000 | 100% | | 24,060 | Whole Foods | |
| Pentagon Row | SC | Washington, DC-MD-VA-WV | 1993 | 24,935 | 100.0% | 218,000 | 99% | | 32,725 | Safeway | Micro Center / Michaels |
| Pike 7 | SR | Washington, DC-MD-VA-WV | 1999 | 86,737 | 100.0% | 296,000 | 98% | | 44,623 | Harris Teeter | Bally's / Bed, Bath & Beyond / DSW / Cost Plus |
| Quince Orchard | SC | Washington, DC-MD-VA-WV | 1997 | 33,370 | 100.0% | 164,000 | 100% | | | | Staples / TJ Maxx / Tower |
| Rollingwood Apartments | SC | Washington, DC-MD-VA-WV | 1993 | 19,052 | 100.0% | 241,000 | 97% | | 23,640 | Magruder's | Circuit City / Staples |
| Sam's Park & Shop | SR | Washington, DC-MD-VA-WV | 1971 | 6,684 | 100.0% | N/A | 99% | | | | |
| South Valley | SR | Washington, DC-MD-VA-WV | 1995 | 11,785 | 100.0% | 50,000 | 100% | | | | Petco |
| Tower | SC | Washington, DC-MD-VA-WV | 2003 | 14,139 | (5) | 218,000 | 84% | | | | Home Depot / TJ Maxx |
| Tyson's Station | SC | Washington, DC-MD-VA-WV | 1998 | 18,233 | 100.0% | 109,000 | 91% | | | | Virginia Fine Wine / Talbot |
| Village of Shirlington | SC | Washington, DC-MD-VA-WV | 1978 | 3,350 | 100.0% | 50,000 | 100% | 6,812 | | | Trader Joes |
| Wildwood | SR | Washington, DC-MD-VA-WV | 1995 | 32,662 | 100.0% | 204,000 | 91% | | | | Cineplex |
| | SC | Washington, DC-MD-VA-WV | 1969 | 16,226 | 100.0% | 86,000 | 99% | 27,600 | 20,000 | Sutton Place Gourmet | Odeon |
| | | | | 703,997 | | 4,872,000 | 93% | | | | CVS |
| Mid-Atlantic Region -Other | | | | | | | | | | | |
| Governor Plaza | | | | | | | | | | | Bally's / Comp USA / Syms / Office Depot |
| Perring Plaza | SC | Baltimore, MD | 1985 | 18,233 | 99.9% | 268,000 | 98% | | | | Home Depot / Burlington Coat Factory |
| Barracks Road | SC | Baltimore, MD | 1985 | 23,981 | 99.9% | 412,000 | 88% | | 57,706 | Metro Foods | Bed, Bath & Beyond / Barnes & Noble / Old Navy |
| Winter Park | SC | Charlottesville, VA | 1985 | 39,529 | 100.0% | 483,000 | 99% | 44,300 | 91,032 | Harris Teeter / Kroger | |
| Eastgate | SR | Orlando, FL | 1996 | 6,876 | 100.0% | 29,000 | 100% | | | | |
| Shops at Willow Lawn | SC | Raleigh-Durham-Chapel Hill, NC | 1986 | 15,229 | 100.0% | 159,000 | 93% | | 22,938 | Southern Season (7) | Dillard's / Old Navy / Tower Records |
| | SC | Richmond-Petersburg, VA | 1983 | 62,799 | 99.9% | 492,000 | 87% | | 59,600 | Kroger | |
| | | | | 166,647 | | 1,843,000 | 93% | | | | |
| | | | | 870,644 | | 6,715,000 | 93% | | | | |
| Northeast Region | | | | | | | | | | | |
| Philadelphia Metropolitan Area | | | | | | | | | | | |
| Andorra | SC | Philadelphia, PA-NJ | 1988 | 19,153 | 99.9% | 259,000 | 96% | | 23,542 | Acme Markets | Kohl's |
| Bala Cynwyd | SC | Philadelphia, PA-NJ | 1993 | 23,917 | 100.0% | 281,000 | 100% | | 45,000 | Acme Markets | Lord & Taylor |
| Ellisburg Circle | | | | | | | | | | | Bed, Bath & Beyond / Ross |
| | SC | Philadelphia, PA-NJ | 1992 | 27,029 | 100.0% | 264,000 | 100% | | 47,366 | Genuardi's | |

| | | | | | | | | | | |
|-----------------------------|-------------------------------------|------|---------|--------|-----------|------|--------|------------|---|---|
| Feasterville | SC Philadelphia, PA-NJ | 1980 | 11,625 | 100.0% | 111,000 | 100% | 52,694 | Genuardi's | OfficeMax | |
| Flourtown | SC Philadelphia, PA-NJ | 1980 | 8,732 | 100.0% | 191,000 | 53% | 41,511 | Genuardi's | Marshalls / Drug Emporium | |
| Langhorne Square | | | | | | | | | Redner's Warehouse Mkts. | |
| Lawrence Park | SC Philadelphia, PA-NJ | 1985 | 17,565 | 100.0% | 216,000 | 93% | 55,000 | | CHI / TJ Maxx | |
| Northeast | SC Philadelphia, PA-NJ | 1980 | 24,189 | 100.0% | 333,000 | 99% | 31,400 | 43,359 | Acme Markets | |
| | | | | | | | | | Burlington Coat / Marshalls / Tower Records | |
| Willow Grove | SC Philadelphia, PA-NJ | 1983 | 21,673 | 100.0% | 292,000 | 98% | | | Barnes & Noble / Marshalls / Toys R Us | |
| Wynnewood | SC Philadelphia, PA-NJ | 1984 | 26,004 | 100.0% | 215,000 | 100% | | | Bed, Bath & Beyond / Borders / Old Navy | |
| | SC Philadelphia, PA-NJ | 1996 | 35,144 | 100.0% | 255,000 | 99% | 32,000 | 98,000 | Genuardi's | |
| | | | 215,031 | | 2,417,000 | 95% | | | | |
| New York /New Jersey | | | | | | | | | | |
| Allwood | SC Bergen-Passaic, NJ | 1988 | 4,265 | (6) | 52,000 | 100% | 3,507 | 25,025 | Stop & Shop | Mandee Shop Drug Fair / Dollar Express |
| Clifton | SC Bergen-Passaic, NJ | 1988 | 4,949 | (6) | 80,000 | 93% | 3,262 | 26,500 | Acme Markets | Kohl's / Michaels / Toys R Us / Marshalls |
| Blue Star | | | | | | | | | | |
| | SC Middlesex-Somerset-Hunterdon, NJ | 1988 | 39,229 | (6) | 407,000 | 97% | 26,769 | 43,365 | Shop Rite | |
| Brunswick | SC Middlesex-Somerset-Hunterdon, NJ | 1988 | 21,097 | (6) | 303,000 | 91% | 11,144 | 55,345 | A&P | |
| Rutgers | SC Middlesex-Somerset-Hunterdon, NJ | 1988 | 15,919 | (6) | 217,000 | 100% | 12,909 | 44,456 | Edwards Super Food | Kmart |
| Brick Plaza | | | | | | | | | | Loews Theatre / Barnes&Noble / Sports Authority |
| | SC Monmouth-Ocean, NJ | 1989 | 53,755 | 100.0% | 409,000 | 91% | 33,000 | 66,110 | A&P | |
| Greenlawn Plaza | SC Nassau-Suffolk, NY | 2000 | 10,949 | 100.0% | 92,000 | 99% | 45,958 | | Waldbaum's | |
| Hauppauge | SC Nassau-Suffolk, NY | 1998 | 26,242 | 100.0% | 131,000 | 100% | 16,700 | 60,791 | Shop Rite | |
| Huntington | | | | | | | | | | BuyBuyBaby / Toys R Us / Bed,Bath & Beyond |
| | SC Nassau-Suffolk, NY | 1988 | 22,405 | (6) | 279,000 | 90% | 14,321 | | | |

Federal Realty Investment Trust
Real Estate Status Report
June 30, 2003

| Property Name | Type(1) | MSA Description | Year Acquired | Total Investment | Ownership Percentage | GLA (2) | % Leased | Mortgage or Capital Lease Obligation | Grocery Anchor GLA (3) | Grocery Anchor (3) | Other Principal Tenants |
|--------------------------------------|---------|---|---------------|-----------------------|----------------------|-----------|-----------------------|--------------------------------------|------------------------|------------------------|--|
| | | | | (in thousands) | | | (in thousands) | | | | |
| Forest Hills | | | | | | | | | | | Midway Theatre / Duane Reade / Gap |
| Fresh Meadows | SR | New York, NY | 1997 | 23,965 | 100.0% | 86,000 | 100% | | | | Value City / Kohl's / Cineplex Odeon |
| Troy | SC | New York, NY | 1997 | 64,514 | 100.0% | 409,000 | 94% | | | | A.C.Moore / Comp USA / Toys R Us |
| Hamilton | SC | Newark, NJ | 1980 | 20,496 | 100.0% | 202,000 | 100% | | 64,209 | Pathmark | A.C.Moore / Stevens Furniture |
| | SC | Trenton, NJ | 1988 | 7,791 | (6) | 190,000 | 100% | 4,835 | 53,220 | Shop Rite | |
| | | | | 315,576 | | 2,857,000 | 95% | | | | |
| <u>New England</u> | | | | | | | | | | | |
| Coolidge Corner | SR | Boston-Worcester-Lawrence-Lowell-Brockton, MA | 1995 | 4,022 | 100.0% | 13,000 | 100% | | | | |
| Dedham Plaza | SC | Boston-Worcester-Lawrence-Lowell-Brockton, MA | 1993 | 29,320 | 100.0% | 245,000 | 97% | | | | Pier One |
| Queen Anne Plaza | SC | Boston-Worcester-Lawrence-Lowell-Brockton, MA | 1994 | 14,687 | 100.0% | 149,000 | 100% | | 50,284 | Victory Supermarket | TJ Maxx |
| Saugus Plaza | SC | Boston-Worcester-Lawrence-Lowell-Brockton, MA | 1996 | 13,070 | 100.0% | 171,000 | 100% | | 54,530 | Super Stop & Shop | Kmart |
| Bristol Plaza | SC | Hartford, CT | 1995 | 21,857 | 100.0% | 296,000 | 92% | | 56,634 | Super Stop & Shop | TJ Maxx |
| West Hartford | SR | Hartford, CT | 1994-1996 | 16,191 | 100.0% | 126,000 | 82% | | | | |
| Greenwich Avenue | SR | New Haven-Bridgeport-Stamford-Waterbury | 1994-1996 | 19,386 | 100.0% | 57,000 | 99% | | | | Saks Fifth Avenue |
| | | | | 118,533 | | 1,057,000 | 95% | | | | |
| <u>Chicago</u> | | | | | | | | | | | |
| Crossroads | SC | Chicago, IL | 1993 | 21,728 | 100.0% | 173,000 | 99% | | | | Comp USA / Golfsmith / Guitar Center |
| Finley Square | SC | Chicago, IL | 1995 | 26,655 | 100.0% | 313,000 | 100% | | | | Bed, Bath & Beyond / Sports Authority |
| Garden Market | SC | Chicago, IL | 1994 | 10,701 | 100.0% | 142,000 | 96% | | 62,937 | Dominick's | Walgreens |
| North Lake Commons | SC | Chicago, IL | 1998 | 12,981 | 100.0% | 129,000 | 96% | | 77,303 | Dominick's | |
| Evanston | SR | Chicago, IL | 1995 | 4,277 | 100.0% | 19,000 | 100% | | | | Gap |
| | | | | 76,342 | | 776,000 | 98% | | | | |
| <u>Northeast Region—Other</u> | | | | | | | | | | | |
| Gratiot Plaza | SC | Detroit, MI | 1973 | 16,647 | 100.0% | 218,000 | 100% | | 68,802 | Farmer Jack's | Bed, Bath & Beyond / Best Buy |
| Lancaster | SC | Lancaster, PA | 1980 | 9,906 | (6) | 107,000 | 95% | 4,907 | 39,404 | Giant Food | A.C.Moore |
| | | | | 26,553 | | 325,000 | 99% | | | | |
| Total Northeast Region | | | | 752,035 | | 7,433,000 | 96% | | | | |
| <u>West Region</u> | | | | | | | | | | | |
| <u>California</u> | | | | | | | | | | | |
| Colorado Blvd | SR | Los Angeles-Long Beach, CA | 1996-1998 | 14,720 | (8) | 69,000 | 95% | | | | Pottery Barn / Banana Republic |
| Hermosa Ave | SR | Los Angeles-Long Beach, CA | 1997 | 4,591 | 90.0% | 23,000 | 100% | | | | |
| Hollywood Blvd | SR | Los Angeles-Long Beach, CA | 1999 | 26,035 | 90.0% | 151,000 | 93% | | | | General Cinema / Hollywood Ent. Museum |
| Third St Promenade | SR | Los Angeles-Long Beach, CA | 1996-2000 | 71,672 | (9) | 208,000 | 95% | | | | J. Crew / Banana Republic / Old Navy |
| Escondido | SC | San Diego, CA | 1996 | 24,800 | 70.0% | 222,000 | 91% | | | | Cost Plus / TJ Maxx / Toys R Us |
| Fifth Ave | SR | San Diego, CA | 1996-1997 | 12,091 | (10) | 51,000 | 96% | | | | Urban Outfitters |
| 150 Post Street | SR | San Francisco, CA | 1997 | 28,793 | 100.0% | 103,000 | 71% | | | | Brooks Brothers / Williams Sonoma |
| Kings Court | SC | San Jose, CA | 1998 | 11,409 | (5) | 79,000 | 98% | | 24,860 | Lunardi's Super Market | Longs Drug Store |
| Old Town | SR | San Jose, CA | 1997 | 32,983 | 100.0% | 97,000 | 99% | | | | Borders / Gap Kids / Banana Republic |
| Santana Row | SR | San Jose, CA | 1997 | 443,039 | 100.0% | 444,000 | 73% | | | | Crate & Barrel / Borders |
| | | | | 670,133 | | 1,447,000 | 87% | | | | |
| <u>West Region - Other</u> | | | | | | | | | | | |
| Mill Avenue | SR | Phoenix-Mesa, AZ | 1998 | 11,036 | (11) | 40,000 | 85% | | | | Gordon Biersch |
| Houston St | SR | San Antonio, TX | 1998 | 57,522 | 100.0% | 180,000 | 46% | 250 | | | |
| Tanasbourne | SR | Portland, OR | 2000 | 7,377 | 100.0% | N/A | N/A | | | | |

| | | | | |
|--------------------------|-----------|------------|-----|---------|
| | 75,935 | 220,000 | 53% | |
| Total West Region | 746,068 | 1,667,000 | 83% | |
| Total | 2,368,747 | 15,814,000 | 93% | 355,175 |

Notes:

- (1) SR - Street Retail; SC—Shopping Center
- (2) Excludes redevelopment square footage not yet in service, Santana Row residential, Phase II and other future phases of Santana Row, and Rollingwood and Congressional Apartments.
- (3) Grocery anchor is defined as a grocery tenant leasing 15,000 square feet or more.
- (4) Portion of property subject to capital lease obligation.
- (5) Property purchased through “downreit” partnership, of which the Trust is the sole general partner, in exchange for operating partnership units.
- (6) Property subject to capital lease obligation.
- (7) There is a second grocery anchor in the center; Food Lion has vacated, but is currently paying rent.
- (8) Consists of two properties, one at 100% and one at 90%.
- (9) Consists of nine properties, seven at 100% and two at 90%.
- (10) Consists of four properties, three at 100% and one at 90%.
- (11) Consists of two properties, one at 100% and one at 85%.

Federal Realty Investment Trust
Shopping Center / Street Retail Summary
June 30, 2003

Shopping Center Summary

(in thousands, except square footage data)

| | For the six months ended June 30, | | For the year ended December 31, | | |
|--|-----------------------------------|------------------|---------------------------------|-------------------|-------------------|
| | 2003 | 2002 | 2002 | 2001 | 2000 |
| Real Estate Assets, at cost | \$ 1,334,413 | \$ 1,274,285 | \$ 1,287,887 | \$ 1,256,778 | \$ 1,248,770 |
| Rental Income | \$ 114,114 | \$ 105,291 | \$ 219,057 | \$ 211,664 | \$ 205,456 |
| Other Property Income | 4,200 | 4,313 | 8,498 | 8,989 | 7,483 |
| Interest Income | 464 | 1,169 | 1,906 | 3,175 | 3,067 |
| Total Revenues | 118,778 | 110,773 | 229,461 | 223,828 | 216,006 |
| Rental Expense | 22,785 | 19,271 | 41,066 | 40,541 | 40,599 |
| Real Estate Tax Expense | 12,431 | 11,759 | 23,976 | 22,577 | 21,515 |
| Total Property Operating Expenses | 35,216 | 31,030 | 65,042 | 63,118 | 62,114 |
| Property Operating Income (1) | \$ 83,562 | \$ 79,743 | \$ 164,419 | \$ 160,710 | \$ 153,892 |
| Square Feet (2) | 13,024,000 | 12,543,000 | 12,555,000 | 12,547,000 | 12,700,000 |

Street Retail Summary

(in thousands, except square footage data)

| | For the six months ended June 30, | | For the year ended December 31, | | |
|--|-----------------------------------|------------------|---------------------------------|------------------|------------------|
| | 2003 | 2002 | 2002 | 2001 | 2000 |
| Real Estate Assets, at cost (3) | \$ 1,034,334 | \$ 906,375 | \$ 1,018,939 | \$ 847,526 | \$ 606,143 |
| Rental Income | \$ 46,441 | \$ 36,641 | \$ 78,963 | \$ 62,839 | \$ 50,116 |
| Other Property Income | 4,081 | 2,668 | 7,095 | 4,964 | 3,540 |
| Interest Income | 2,410 | 949 | 3,250 | 3,415 | 4,465 |
| Total Revenues | 52,932 | 40,258 | 89,308 | 71,218 | 58,121 |
| Rental Expense | 18,193 | 12,542 | 32,511 | 22,167 | 15,022 |
| Real Estate Tax Expense | 4,312 | 3,422 | 7,198 | 5,761 | 4,682 |
| Total Property Operating Expenses | 22,505 | 15,964 | 39,709 | 27,928 | 19,704 |
| Property Operating Income (1) (4) | \$ 30,427 | \$ 24,294 | \$ 49,599 | \$ 43,290 | \$ 38,417 |
| Square Feet (2) | 2,790,000 | 2,144,000 | 2,690,000 | 2,232,000 | 1,876,000 |

Notes:

- (1) All components of property operating income for the periods ended June 30, 2002, December 31, 2002, December 31, 2001 and December 31, 2000 have been restated for 2003 and 2002 discontinued asset sales.
- (2) Excludes redevelopment square footage not yet in service. Street Retail includes 444,000 square feet of Santana Row Phase I only. It does not include Phase II or any future phases of Santana Row or residential square footage at Santana Row, Rollingwood Apartments or Congressional Apartments.
- (3) Street Retail includes stabilized assets and assets which are in various stages of development and redevelopment. At June 30, 2003, real estate assets include \$443 million related to the Santana Row development.
- (4) Property operating income is reduced by start-up expenses for Street Retail's development projects.

Federal Realty Investment Trust
Retail Leasing Summary (1)—Comparable Basis (cash, non-straight-lined basis)
June 30, 2003

New Lease Summary—Comparable (2)

| Quarter | Number of Leases Signed | % of Total Leases Signed | GLA Signed | Contractual Rent (3) Per Sq. Ft. | Prior Rent (4) Per Sq. Ft. | Annual Increase in Rent | Cash Basis | Straight-lined Basis | Weighted Average Lease Term (5) | Tenant Improvements (6) | Tenant Improvements Per Sq. Ft. |
|------------------------|-------------------------|--------------------------|----------------|----------------------------------|----------------------------|-------------------------|----------------------------|----------------------------|---------------------------------|-------------------------|---------------------------------|
| | | | | | | | % Increase Over Prior Rent | % Increase Over Prior Rent | | | |
| 2nd Quarter 2003 | 28 | 43% | 87,912 | \$ 25.26 | \$ 20.29 | \$ 436,197 | 24% | 28% | 8.3 | \$ 443,910 | \$ 5.05 |
| 1st Quarter 2003 | 25 | 38% | 166,415 | \$ 16.11 | \$ 12.30 | \$ 634,063 | 31% | 41% | 10.6 | \$ 3,245,153 | \$ 19.50 |
| 4th Quarter 2002 | 20 | 29% | 84,857 | \$ 16.80 | \$ 14.20 | \$ 220,227 | 18% | 22% | 10.7 | \$ 485,714 | \$ 5.72 |
| 3rd Quarter 2002 | 38 | 41% | 158,079 | \$ 22.23 | \$ 16.99 | \$ 827,936 | 31% | 41% | 10.3 | \$ 3,038,504 | \$ 19.22 |
| Total—12 months | 111 | 38% | 497,263 | \$ 19.79 | \$ 15.53 | \$ 2,118,422 | 27% | 35% | 10.0 | \$ 7,213,281 | \$ 14.51 |

Renewal Lease Summary—Comparable (2)(7)

| Quarter | Number of Renewals Signed | % of Total Leases Signed | GLA Signed | Contractual Rent (3) Per Sq. Ft. | Prior Rent (4) Per Sq. Ft. | Annual Increase in Rent | Cash Basis | Straight-lined Basis | Weighted Average Lease Term (5) | Tenant Improvements (6) | Tenant Improvements Per Sq. Ft. |
|------------------------|---------------------------|--------------------------|----------------|----------------------------------|----------------------------|-------------------------|----------------------------|----------------------------|---------------------------------|-------------------------|---------------------------------|
| | | | | | | | % Increase Over Prior Rent | % Increase Over Prior Rent | | | |
| 2nd Quarter 2003 | 37 | 57% | 165,717 | \$ 18.83 | \$ 17.24 | \$ 264,509 | 9% | 23% | 7.0 | \$ 106,700 | \$ 0.64 |
| 1st Quarter 2003 | 41 | 62% | 207,725 | \$ 16.54 | \$ 15.14 | \$ 291,261 | 9% | 24% | 5.7 | \$ 315,041 | \$ 1.52 |
| 4th Quarter 2002 | 50 | 71% | 183,151 | \$ 22.83 | \$ 20.76 | \$ 378,702 | 10% | 29% | 6.2 | \$ 564,416 | \$ 3.08 |
| 3rd Quarter 2002 | 54 | 59% | 219,027 | \$ 16.76 | \$ 15.16 | \$ 350,554 | 11% | 23% | 5.0 | \$ 75,680 | \$ 0.35 |
| Total—12 months | 182 | 62% | 775,620 | \$ 18.58 | \$ 16.92 | \$ 1,285,026 | 10% | 25% | 5.9 | \$ 1,061,837 | \$ 1.37 |

Total Lease Summary—Comparable (2)

| Quarter | Number of Leases & Renewals Signed | % of Total Leases Signed | GLA Signed | Contractual Rent (3) Per Sq. Ft. | Prior Rent (4) Per Sq. Ft. | Annual Increase in Rent | Cash Basis | Straight-lined Basis | Weighted Average Lease Term (5) | Tenant Improvements (6) | Tenant Improvements Per Sq. Ft. |
|------------------------|------------------------------------|--------------------------|------------------|----------------------------------|----------------------------|-------------------------|----------------------------|----------------------------|---------------------------------|-------------------------|---------------------------------|
| | | | | | | | % Increase Over Prior Rent | % Increase Over Prior Rent | | | |
| 2nd Quarter 2003 | 65 | 100% | 253,629 | \$ 21.06 | \$ 18.30 | \$ 700,706 | 15% | 25% | 7.5 | \$ 550,610 | \$ 2.17 |
| 1st Quarter 2003 | 66 | 100% | 374,140 | \$ 16.35 | \$ 13.88 | \$ 925,325 | 18% | 31% | 7.8 | \$ 3,560,194 | \$ 9.52 |
| 4th Quarter 2002 | 70 | 100% | 268,008 | \$ 20.92 | \$ 18.69 | \$ 598,929 | 12% | 27% | 7.4 | \$ 1,050,130 | \$ 3.92 |
| 3rd Quarter 2002 | 92 | 100% | 377,106 | \$ 19.05 | \$ 15.93 | \$ 1,178,490 | 20% | 31% | 7.6 | \$ 3,114,184 | \$ 8.26 |
| Total—12 months | 293 | 100% | 1,272,883 | \$ 19.05 | \$ 16.38 | \$ 3,403,448 | 16% | 29% | 7.6 | \$ 8,275,118 | \$ 6.50 |

Notes:

- (1) Leases on this report represent retail activity only; office and residential leases are not included.
- (2) Comparable leases represent those leases signed on spaces for which there was a former tenant.
- (3) Contractual Rent represents contractual Minimum Rent under the new lease for the first 12 months of the term.
- (4) Prior Rent represents Minimum Rent and Percentage Rent paid by the prior tenant in the final 12 months of the term.
- (5) Weighted average is determined on the basis of square footage.
- (6) See Glossary of Terms.
- (7) Renewal leases represent expiring leases rolling over with the same tenant. All other leases are categorized as new.

Federal Realty Investment Trust
Retail Leasing Summary (1)—Non-Comparable Basis (cash, non-straight-lined basis)
June 30, 2003

New Lease Summary—Non-Comparable (2)

| Quarter | Number of Leases Signed | % of Total Leases Signed | GLA Signed | Contractual Rent (3) Per Sq. Ft. | Weighted Average Lease Term (4) | Tenant Improvements | Tenant Improvements Per Sq. Ft. |
|------------------------|-------------------------|--------------------------|----------------|----------------------------------|---------------------------------|---------------------|---------------------------------|
| 2nd Quarter 2003 | 12 | 92% | 70,475 | \$ 15.35 | 18.3 | \$ 1,050,000 | \$ 14.90 |
| 1st Quarter 2003 | 10 | 91% | 150,407 | \$ 34.48 | 10.4 | \$ 436,775 | \$ 2.90 |
| 4th Quarter 2002 | 21 | 100% | 44,874 | \$ 29.89 | 7.9 | \$ 225,118 | \$ 5.02 |
| 3rd Quarter 2002 | 24 | 96% | 96,327 | \$ 31.55 | 11.3 | \$ 653,631 | \$ 6.79 |
| Total—12 months | 67 | 96% | 362,083 | \$ 29.41 | 11.1 | \$ 2,365,525 | \$ 6.53 |

Renewal Lease Summary—Non-Comparable (2),(5)

| Quarter | Number of Renewals Signed | % of Total Leases Signed | GLA Signed | Contractual Rent (3) Per Sq. Ft. | Weighted Average Lease Term (4) | Tenant Improvements | Tenant Improvements Per Sq. Ft. |
|------------------------|---------------------------|--------------------------|---------------|----------------------------------|---------------------------------|---------------------|---------------------------------|
| 2nd Quarter 2003 | 1 | 8% | 1,604 | \$ 12.00 | 5.0 | \$ — | \$ — |
| 1st Quarter 2003 | 1 | 9% | 7,473 | \$ 11.58 | 10.0 | \$ — | \$ — |
| 4th Quarter 2002 | 0 | 0% | — | \$ — | 0.0 | \$ — | \$ — |
| 3rd Quarter 2002 | 1 | 4% | 8,669 | \$ — | 0.0 | \$ — | \$ — |
| Total—12 months | 3 | 4% | 17,746 | \$ 5.96 | 9.1 | \$ — | \$ — |

Total Lease Summary—Non-Comparable (2)

| Quarter | Number of Leases & Renewals Signed | % of Total Leases Signed | GLA Signed | Contractual Rent (3) Per Sq. Ft. | Weighted Average Lease Term (4) | Tenant Improvements | Tenant Improvements Per Sq. Ft. |
|------------------------|------------------------------------|--------------------------|----------------|----------------------------------|---------------------------------|---------------------|---------------------------------|
| 2nd Quarter 2003 | 13 | 100% | 72,079 | \$ 15.28 | 18.1 | \$ 1,050,000 | \$ 14.57 |
| 1st Quarter 2003 | 11 | 100% | 157,880 | \$ 33.39 | 10.4 | \$ 436,775 | \$ 2.77 |
| 4th Quarter 2002 | 21 | 100% | 44,874 | \$ 29.89 | 7.9 | \$ 225,118 | \$ 5.02 |
| 3rd Quarter 2002 | 25 | 100% | 104,996 | \$ 28.94 | 11.3 | \$ 653,631 | \$ 6.23 |
| Total—12 months | 70 | 100% | 379,829 | \$ 28.31 | 11.1 | \$ 2,365,525 | \$ 6.23 |

Notes:
(1) Leases on this report represent retail activity only; office and residential leases are not included.

(2) Non-comparable leases represent those leases signed on spaces for which there was no former tenant, or expansion square footage for leases rolling over for which there was no former tenant.

(3) Contractual Rent represents contractual Minimum Rent under the new lease for the first 12 months of the term.

(4) Weighted average is determined on the basis of square footage.

(5) Renewal leases represent expiring leases rolling over with the same tenant. All other leases are categorized as new.

Federal Realty Investment Trust
Lease Expirations
June 30, 2003

Assumes no exercise of lease options

| Year | Anchor Tenants (1) | | | Small Shop Tenants | | | Total | | |
|------------------|--------------------|----------------|------------------|--------------------|--------------------|------------------|-------------------|---------------|------------------|
| | Expiring SF | % of Anchor SF | Minimum Rent PSF | Expiring SF | % of Small Shop SF | Minimum Rent PSF | Expiring SF | % of Total SF | Minimum Rent PSF |
| 2003 | 25,000 | 0% | \$ 6.20 | 289,000 | 4% | \$ 18.96 | 314,000 | 2% | \$ 17.94 |
| 2004 | 730,000 | 9% | \$ 7.40 | 736,000 | 11% | \$ 22.49 | 1,466,000 | 10% | \$ 14.97 |
| 2005 | 538,000 | 7% | \$ 12.21 | 900,000 | 14% | \$ 22.93 | 1,438,000 | 10% | \$ 18.92 |
| 2006 | 479,000 | 6% | \$ 11.52 | 831,000 | 13% | \$ 24.92 | 1,310,000 | 9% | \$ 20.02 |
| 2007 | 700,000 | 9% | \$ 10.12 | 953,000 | 15% | \$ 26.12 | 1,653,000 | 11% | \$ 19.35 |
| 2008 | 879,000 | 11% | \$ 12.49 | 754,000 | 12% | \$ 24.33 | 1,633,000 | 11% | \$ 17.96 |
| 2009 | 671,000 | 8% | \$ 11.16 | 433,000 | 7% | \$ 32.58 | 1,104,000 | 7% | \$ 19.56 |
| 2010 | 215,000 | 3% | \$ 12.95 | 317,000 | 5% | \$ 26.32 | 532,000 | 4% | \$ 20.92 |
| 2011 | 416,000 | 5% | \$ 21.25 | 392,000 | 6% | \$ 33.38 | 808,000 | 5% | \$ 27.14 |
| 2012 | 551,000 | 7% | \$ 12.04 | 347,000 | 5% | \$ 42.54 | 898,000 | 6% | \$ 23.83 |
| Thereafter | 3,012,000 | 37% | \$ 15.11 | 559,000 | 9% | \$ 37.32 | 3,571,000 | 24% | \$ 18.59 |
| Total (2) | 8,216,000 | 100% | \$ 13.02 | 6,511,000 | 100% | \$ 27.30 | 14,727,000 | 100% | \$ 19.34 |

Assumes lease options are exercised

| Year | Anchor Tenants (1) | | | Small Shop Tenants | | | Total | | |
|------------------|--------------------|----------------|------------------|--------------------|--------------------|------------------|-------------------|---------------|------------------|
| | Expiring SF | % of Anchor SF | Minimum Rent PSF | Expiring SF | % of Small Shop SF | Minimum Rent PSF | Expiring SF | % of Total SF | Minimum Rent PSF |
| 2003 | — | 0% | \$ — | 215,000 | 3% | \$ 18.91 | 215,000 | 1% | \$ 18.91 |
| 2004 | 156,000 | 2% | \$ 5.59 | 483,000 | 7% | \$ 23.01 | 639,000 | 4% | \$ 18.75 |
| 2005 | 19,000 | 0% | \$ 15.58 | 540,000 | 8% | \$ 23.47 | 559,000 | 4% | \$ 23.20 |
| 2006 | 54,000 | 1% | \$ 12.27 | 519,000 | 8% | \$ 27.54 | 573,000 | 4% | \$ 26.10 |
| 2007 | 153,000 | 2% | \$ 4.98 | 581,000 | 9% | \$ 26.42 | 734,000 | 5% | \$ 21.95 |
| 2008 | 150,000 | 2% | \$ 12.72 | 524,000 | 8% | \$ 24.86 | 674,000 | 5% | \$ 22.16 |
| 2009 | 327,000 | 4% | \$ 11.16 | 406,000 | 6% | \$ 33.94 | 733,000 | 5% | \$ 23.78 |
| 2010 | 158,000 | 2% | \$ 13.44 | 374,000 | 6% | \$ 29.21 | 532,000 | 4% | \$ 24.53 |
| 2011 | 114,000 | 1% | \$ 23.89 | 468,000 | 7% | \$ 27.14 | 582,000 | 4% | \$ 26.51 |
| 2012 | 390,000 | 5% | \$ 10.46 | 434,000 | 7% | \$ 36.79 | 824,000 | 6% | \$ 24.33 |
| Thereafter | 6,695,000 | 81% | \$ 17.61 | 1,967,000 | 30% | \$ 34.02 | 8,662,000 | 59% | \$ 21.34 |
| Total (3) | 8,216,000 | 100% | \$ 16.43 | 6,511,000 | 100% | \$ 29.31 | 14,727,000 | 100% | \$ 22.12 |

Notes:

- (1) Anchor is defined as a tenant leasing 15,000 square feet or more.
- (2) Minimum Rent reflects contractual rent at the end of the term or option. For leases with CPI or market based increases, such increases are excluded from analysis.
- (3) Represents occupied square footage as of June 30, 2003.

Federal Realty Investment Trust
Occupancy Summary—Overall
June 30, 2003

Overall Occupancy (1)

(Quarter to Quarter Analysis)

| Type | At June 30, 2003 (3) | | | At June 30, 2002 | | |
|---|----------------------|------------|-----------|------------------|------------|-----------|
| | Size | Leased | Occupancy | Size | Leased | Occupancy |
| Retail Properties—Excluding Santana Row (2) | 15,370,266 | 14,392,184 | 93.6% | 14,686,755 | 14,092,619 | 96.0% |
| Retail Properties—Including Santana Row Phase I (2) | 15,814,442 | 14,727,393 | 93.1% | N/A | N/A | N/A |
| Rollingwood Apartments (# of units) (4) | 282 | 277 | 98.2% | 282 | 280 | 99.3% |

Overall Occupancy (1)

(Rolling 12 Months)

| Type | At June 30, 2003 (3) | | | At March 31, 2003 (3) | | |
|---|----------------------|------------|-----------|-----------------------|------------|-----------|
| | Size | Leased | Occupancy | Size | Leased | Occupancy |
| Retail Properties—Excluding Santana Row (2) | 15,370,266 | 14,392,184 | 93.6% | 15,254,267 | 14,486,515 | 95.0% |
| Retail Properties—Including Santana Row Phase I (2) | 15,814,442 | 14,727,393 | 93.1% | 15,697,961 | 14,807,131 | 94.3% |
| Rollingwood Apartments (# of units) (4) | 282 | 277 | 98.2% | 282 | 278 | 98.6% |

| Type | At December 31, 2002 (3) | | | At September 30, 2002 | | |
|---|--------------------------|------------|-----------|-----------------------|------------|-----------|
| | Size | Leased | Occupancy | Size | Leased | Occupancy |
| Retail Properties—Excluding Santana Row (2) | 14,801,252 | 14,128,278 | 95.5% | 14,738,000 | 14,081,000 | 95.5% |
| Retail Properties—Including Santana Row Phase I (2) | 15,245,000 | 14,442,000 | 94.7% | N/A | N/A | N/A |
| Rollingwood Apartments (# of units) (4) | 282 | 275 | 97.5% | 282 | 279 | 98.9% |

Notes:

- (1) See Glossary of Terms
- (2) Leasable square feet; excludes redevelopment square footage not yet placed in service and Phase II and other future phases of Santana Row.
- (3) Includes 444,000 square feet of Santana Row Phase I.
- (4) Residential occupancy for Santana Row is included in the Santana Row Summary schedule.

Federal Realty Investment Trust
Occupancy Summary—Same Center
June 30, 2003

Same Center Occupancy (1)

(Quarter to Quarter Comparison)

| Type | At June 30, 2003 | | | At June 30, 2002 | | |
|--|------------------|------------|-----------|------------------|------------|-----------|
| | Size | Leased | Occupancy | Size | Leased | Occupancy |
| Retail Properties (leasable square feet) (2) | 14,676,207 | 13,914,141 | 94.8% | 14,250,641 | 13,669,794 | 95.9% |
| Rollingwood Apartments (# of units) | 282 | 277 | 98.2% | 282 | 280 | 99.3% |

Same Center Occupancy (1)

(Rolling 12 Months)

| Type | At June 30, 2003 | | | At March 31, 2003 | | |
|--|------------------|------------|-----------|-------------------|------------|-----------|
| | Size | Leased | Occupancy | Size | Leased | Occupancy |
| Retail Properties (leasable square feet) (2) | 14,676,207 | 13,914,141 | 94.8% | 14,688,735 | 14,075,558 | 95.8% |
| Rollingwood Apartments (# of units) | 282 | 277 | 98.2% | 282 | 278 | 98.6% |

| Type | At December 31, 2002 | | | At September 30, 2002 | | |
|--|----------------------|------------|-----------|-----------------------|------------|-----------|
| | Size | Leased | Occupancy | Size | Leased | Occupancy |
| Retail Properties (leasable square feet) (2) | 14,603,000 | 13,965,000 | 95.6% | 14,368,000 | 13,756,000 | 95.7% |
| Rollingwood Apartments (# of units) | 282 | 275 | 97.5% | 282 | 279 | 98.9% |

Notes:

(1) See Glossary of Terms.

(2) Excludes centers purchased or sold as well as properties under development and redevelopment.

Federal Realty Investment Trust
Summary of Top 25 Tenants—Prospective (July 2003 through June 2004)
June 30, 2003

| Rank | Tenant Name | Annualized Base Rent | Percentage of Total Annualized Base Rent | Tenant GLA | Percentage of Total GLA | Number of Stores Leased |
|------|---------------------------------|----------------------|--|------------|-------------------------|-------------------------|
| 1 | Gap, Inc., The | \$ 6,122,251 | 2.42% | 210,275 | 1.33% | 11 |
| 2 | Ahold USA, Inc. | 5,730,092 | 2.26% | 503,230 | 3.18% | 10 |
| 3 | Safeway, Inc. | 5,625,651 | 2.22% | 412,536 | 2.61% | 7 |
| 4 | Bed, Bath & Beyond, Inc. | 5,040,835 | 1.99% | 358,165 | 2.26% | 8 |
| 5 | CVS Corporation | 3,858,676 | 1.52% | 164,266 | 1.04% | 14 |
| 6 | Barnes & Noble, Inc. | 3,751,232 | 1.48% | 167,765 | 1.06% | 18 |
| 7 | TJX Companies, The | 3,286,668 | 1.30% | 340,547 | 2.15% | 10 |
| 8 | Toys R Us, Inc. | 3,049,460 | 1.20% | 325,582 | 2.06% | 10 |
| 9 | Borders Group, Inc. | 2,769,608 | 1.09% | 135,181 | 0.85% | 5 |
| 10 | MTS, Inc. | 2,473,316 | 0.98% | 106,479 | 0.67% | 5 |
| 11 | OPNET Technologies, Inc. | 2,405,564 | 0.95% | 60,466 | 0.38% | 1 |
| 12 | Great Atlantic & Pacific Tea Co | 2,380,178 | 0.94% | 239,215 | 1.51% | 4 |
| 13 | Dollar Tree Stores, Inc. | 2,343,040 | 0.93% | 182,932 | 1.16% | 18 |
| 14 | Home Depot, Inc. | 2,137,180 | 0.84% | 243,660 | 1.54% | 2 |
| 15 | Dress Barn, Inc. | 1,939,942 | 0.77% | 92,588 | 0.59% | 13 |
| 16 | Wakefern Food Corporation | 1,938,492 | 0.77% | 157,376 | 1.00% | 3 |
| 17 | CompUSA, Inc. | 1,921,184 | 0.76% | 108,219 | 0.68% | 4 |
| 18 | Kohl's Corporation | 1,904,874 | 0.75% | 390,626 | 2.47% | 3 |
| 19 | Bally's Health & Tennis | 1,755,889 | 0.69% | 139,546 | 0.88% | 5 |
| 20 | Linens' N Things | 1,678,374 | 0.66% | 108,169 | 0.68% | 3 |
| 21 | Whole Foods Market, Inc. | 1,670,086 | 0.66% | 81,874 | 0.52% | 3 |
| 22 | Saks & Company | 1,635,300 | 0.65% | 35,550 | 0.22% | 1 |
| 23 | Loews Cineplex Entertainment | 1,569,595 | 0.62% | 91,288 | 0.58% | 3 |
| 24 | Viacom International, Inc. | 1,564,235 | 0.62% | 65,592 | 0.41% | 12 |
| 25 | Ross Stores, Inc. | 1,525,759 | 0.60% | 84,858 | 0.54% | 3 |

| | | | | | |
|-----------------------|---------------|--------|-----------|--------|-----|
| Totals—Top 25 Tenants | \$ 70,077,481 | 27.68% | 4,805,985 | 30.39% | 176 |
|-----------------------|---------------|--------|-----------|--------|-----|

| | |
|-----------------------------|----------------|
| Total Annualized Base Rent: | \$ 253,163,212 |
|-----------------------------|----------------|

| | |
|---------------------------------|------------------|
| Total Portfolio Square Footage: | 15,814,000(1)(2) |
|---------------------------------|------------------|

- Note:**
- (1) Excludes redevelopment square footage not yet placed in service.
 - (2) Includes 444,000 square feet of Santana Row Phase I, but no future Phases of Santana Row.

Federal Realty Investment Trust
2002 Sales / Occupancy Costs (1) (2)
June 30, 2003

| | <u>Average Sales Per Square Foot</u> | <u>Average Occupancy Cost per Square Foot</u> | <u>Average Occupancy Costs as a Percentage of Sales</u> |
|--------------------------------|--|---|---|
| Total Reporting Tenants | \$ 313.08 | \$ 20.64 | 6.6% |
| Reporting Anchor Tenants | \$ 314.92 | \$ 15.65 | 5.0% |
| Reporting Small Shop Tenants | \$ 310.00 | \$ 28.97 | 9.3% |

(1) Includes only those tenants that have 12 months of reported sales in 2002.

(2) Occupancy costs include minimum rent, percentage rent, common area maintenance, real estate tax and merchant's association dues.

Federal Realty Investment Trust
Reconciliation of Non-GAAP Disclosures
June 30, 2003

1. Reconciliation of 2003 EPS to 2003 FFO Guidance (\$millions except per share amounts)

| | <u>Forecast</u> | <u>Per Share</u> |
|--|-------------------|-------------------|
| Net Income Available to Common Shareholders | \$ 51.5 | \$ 1.06 |
| (Gain) on sale of assets | \$ (0.6) | \$ (0.01) |
| Depreciation and Amortization | \$ 74.6 | \$ 1.53 |
| Income Attributable to Operating Partnership Units | \$ 1.2 | \$ 0.02 |
| | <u> </u> | <u> </u> |
| Funds from Operations | \$126.7 | \$ 2.60 |
| | <u> </u> | <u> </u> |
| Weighted-average Diluted Shares (million) | | 48.7 |

Glossary of Terms

EBITDA: EBITDA is a non-GAAP measure that means net income or loss plus interest expense, income taxes, depreciation and amortization; adjusted for gain or loss on sale of assets, impairment provisions, provision for loss on equity securities and other nonrecurring expenses. EBITDA is presented because it provides useful information regarding our ability to service debt, EBITDA should not be considered an alternative measure of operating results or cash flow from operations as determined in accordance with GAAP. The reconciliation of EBITDA, adjusted for discontinued operations, to net income for the six months ended June 30, 2003 and 2002 is as follows:

| | For the Six Months Ended June 30, | |
|---|--------------------------------------|------------------|
| | 2003 | 2002 |
| Net income (loss) | \$ 34,502 | \$ 34,004 |
| Depreciation and amortization | 35,575 | 32,030 |
| Interest | 35,831 | 31,776 |
| (Gain) on sale of real estate net of loss on abandoned developments held for sale | (551) | (9,454) |
| EBITDA | \$ 105,357 | \$ 88,356 |

Funds From Operations (FFO): FFO is a supplemental measure of real estate companies' operating performances. The National Association of Real Estate Investment Trusts ("NAREIT") defines FFO as follows: income available for common shareholders before depreciation and amortization of real estate assets and before extraordinary items less gains and losses on sale of real estate. NAREIT developed FFO as a relative measure of performance and liquidity of an equity REIT in order to recognize that the value of income-producing real estate historically has not depreciated on the basis determined under GAAP. However, FFO does not represent cash flows from operating activities in accordance with GAAP (which, unlike FFO, generally reflects all cash effects of transactions and other events in the determination of net income); should not be considered an alternative to net income as an indication of our performance; and is not necessarily indicative of cash flow as a measure of liquidity or ability to pay dividends. We consider FFO a meaningful, additional measure of operating performance because it primarily excludes the assumption that the value of the real estate assets diminishes predictably over time, and because industry analysts have accepted it as a performance measure. Comparison of our presentation of FFO to similarly titled measures for other REITs may not necessarily be meaningful due to possible differences in the application of the NAREIT definition used by such REITs.

Property Operating Income: Gross revenues, including interest income, less rental expenses and real estate taxes.

Occupancy: The portion of the property for which the Trust is collecting rent, or for which a lease has been signed but the term has not yet commenced, divided by the total square footage available for lease.

Occupancy—overall: Occupancy for the entire portfolio—includes all operating properties owned in reporting period.

Occupancy—same center: Occupancy for only those properties owned and operating in the periods being compared. Excludes centers purchased or sold as well as properties under redevelopment and development.

Tenant improvements: Represents the total dollars committed for the improvement (fit-out) of a space as it relates to a specific lease. The amounts shown represent not only the estimated cost to fit-out the tenant space, but may also include base building costs (i.e. expansion, escalators or new entrances) which are required to make the space leasable.