
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) July 28, 2005

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

Item 2.02. Results of Operations and Financial Condition.

The following information is being furnished under Item 12-Results of Operations and Financial Condition. This information, including the exhibits attached hereto, shall not be deemed "filed" for any purpose, including for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that Section. The information in this Current Report on Form 8-K shall not be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or under the Exchange Act, regardless of any general incorporation language in such filing.

On July 28, 2005, 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, 2005. The supplemental data and press release are furnished as Exhibit 99.1 hereto.

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits

99.1 Supplemental information at June 30, 2005 (including press release dated July 28, 2005)

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
Executive Vice President,
Chief Financial Officer and Treasurer

Date: July 28, 2005

EXHIBIT INDEX

<u>Exh No.</u>	<u>Exhibit</u>
99.1	Supplemental Information at June 30, 2005

FEDERAL REALTY INVESTMENT TRUST

Supplemental Information
June 30, 2005

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1626 East Jefferson Street
Rockville, Maryland 20852-4041
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Safe Harbor Language

Certain matters discussed within this Supplemental Information 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. These factors include, but are not limited to, the risk factors described in our Current Report on Form 8-K filed on March 2, 2005, and include the following:

- risks that our tenants will not pay rent or that we may be unable to renew leases or re-let space at favorable rents as leases expire;
- risks that we may not be able to proceed with or obtain necessary approvals for any redevelopment or renovation project, and that any redevelopment or renovation project that we do pursue may not perform as anticipated;
- risks that the number of properties we acquire for our own account, and therefore the amount of capital we invest in acquisitions, may be impacted by our real estate partnership;
- risks normally associated with the real estate industry, including risks that occupancy levels at our properties and the amount of rent that we receive from our properties may be lower than expected, that new acquisitions may fail to perform as expected, that competition for acquisitions could result in increased prices for acquisitions, 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 that our growth will be limited if we cannot obtain additional capital;
- 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 limitations imposed on our operations by those covenants, and the possibility of increases in interest rates that would result in increased interest expense; and
- risks related to our status as a real estate investment trust, commonly referred to as a REIT, for federal income tax purposes, such as the existence of complex tax 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.

Given these uncertainties, readers are cautioned not to place undue reliance on any forward-looking statements that we make, including those in this Supplemental Information. Except as required by law, we make no promise to update any of the forward-looking statements as a result of new information, future events, or otherwise. You should review the risks contained in our annual report on Form 10-K, our quarterly reports on Form 10-Q, and the risks contained in our Current Report on Form 8-K filed with the Securities and Exchange Commission on March 2, 2005.

FOR IMMEDIATE RELEASE

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**FEDERAL REALTY INVESTMENT TRUST ANNOUNCES
SECOND QUARTER 2005 OPERATING RESULTS**

ROCKVILLE, Md. (July 28, 2005) – Federal Realty Investment Trust (NYSE:FRT) today reported operating results for its second quarter ended June 30, 2005.

- **Funds from operations available for common shareholders (FFO) per diluted share was \$0.77 and net income available for common shareholders per diluted share was \$0.41 for the quarter ended June 30, 2005 versus \$0.73 and \$0.45 for second quarter 2004.**
- **FFO per diluted share was \$1.51 and net income available for common shareholders per diluted share was \$0.81 for the six months ended June 30, 2005.**
- **When compared to second quarter 2004, same-center property operating income increased 4.9% including redevelopments and expansions.**
- **Rent increases on lease rollovers for retail space for which there was a prior tenant were 34% on a cash-basis and 51% on a GAAP-basis for the quarter ended June 30, 2005.**
- **The Trust's portfolio was 95.0% leased as of June 30, 2005.**

Financial Results

Federal Realty reported FFO of \$41.2 million, or \$0.77 per diluted share, in second quarter 2005. This compares to FFO of \$38.6 million, or \$0.73 per diluted share, reported in second quarter 2004, which included \$1.0 million (\$0.02 per diluted share) of insurance recovery for lost income from the Santana Row fire. For the six months ended June 30, 2005, Federal Realty reported FFO of \$80.5 million, or \$1.51 per diluted share. This compares to FFO of \$73.4 million, or \$1.42 per diluted share, for the same six-month period in 2004, which included \$2.1 million (\$0.04 per diluted share) of Santana Row insurance proceeds.

Net income available for common shareholders was \$21.9 million, and net income available for common shareholders per diluted share was \$0.41 for the quarter ended June 30, 2005, versus \$23.5 million and \$0.45, respectively, for the second quarter of 2004. Year-to-date, Federal Realty reported net income available for common shareholders of \$43.1 million, or \$0.81 per diluted share. This compares to net income available for common shareholders of \$37.8 million, or \$0.75 per diluted share, for the six months ended June 30, 2004.

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FFO is a non-GAAP supplemental earnings measure which the Trust considers meaningful in measuring its operating performance. A reconciliation of FFO available for common shareholders and FFO per diluted share to net income available for common shareholders and net income available for common shareholders per diluted share, respectively, is attached to this press release.

Portfolio Results

On a same-center basis, including redevelopment and expansion properties, property operating income increased 4.9% over second quarter 2004. When redevelopment and expansion properties are excluded from the same-center results, property operating income increased 4.2% from second quarter 2004.

Overall, the Trust's portfolio was 95.0% leased as of June 30, 2005, compared to 94.2% on June 30, 2004. Federal Realty's same-center portfolio was 96.4% leased on June 30, 2005, compared to 96.7% on June 30, 2004.

During the second quarter of 2005, the Trust signed 84 leases for approximately 269,000 square feet of retail space. On a comparable space basis (*i.e.* spaces for which there was a former tenant), the Trust leased 241,000 square feet at a weighted-average cash-basis contractual rent increase per square foot (*i.e.* excluding the impact of straight-line rents) of 34%. The weighted-average contractual rent on this comparable space for the first year of the new lease is \$30.43 per square foot compared to the weighted-average contractual rent of \$22.63 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 (*i.e.* including the impact of straight-line rents), rent increases per square foot for comparable retail space averaged 51% for the second quarter of 2005. As of June 30, 2005, Federal Realty's weighted-average contractual rent for retail and commercial space in its portfolio is \$18.43 per square foot.

"Aggressive management of the portfolio, the strong rent increases on lease rollovers we have achieved over the past two years, and effective execution of the Trust's large redevelopment pipeline were essential components of our strong second quarter performance," commented Donald Wood, Federal Realty's President and Chief Executive Officer. "We also continue to create and capture value at Santana Row, as initial occupancy of the first apartment units in Building Seven occurred in the second quarter, and closings on the first condominium units are anticipated to occur in the current quarter."

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FEDERAL REALTY INVESTMENT TRUST ANNOUNCES

SECOND QUARTER 2005 OPERATING RESULTS

July 28, 2005

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At Santana Row, Federal Realty's mixed-use community in San Jose, Calif., 93% of the retail space was leased to 104 tenants, with 100 stores open and operating as of June 30, 2005. As previously announced, Federal Realty is pursuing the potential sale of up to 219 residential condominiums in Buildings Three, Four and Six at Santana Row. Through July 24, 2005, the Trust currently has 43 units under contract, and expects initial closings to commence in Building Four in August 2005. Initial occupancy of the 256 residential rental units on the podium of Building Seven commenced in April 2005, with 71 units leased as of July 24, 2005, and lease-up expected to continue through mid-2006.

Guidance

Federal Realty today reconfirmed guidance for 2005 FFO per diluted share to a range of \$3.03 to \$3.05, and increased guidance for 2005 net income available for common shareholders per diluted share to a range of \$1.47 to \$1.49.

Summary of Other Quarterly Activities and Recent Developments

- June 6, 2005 – Federal Realty declared a regular quarterly cash dividend of \$0.555 per common share, resulting in an indicated annual rate of \$2.22 per share, an increase of \$0.20 per share annualized. The dividend increase represents the largest dividend increase in Federal Realty's 43-year history, and the largest percentage increase in the common dividend since 1988.
- June 30, 2005 – Federal Realty announced the appointment of Jon E. Bortz, chairman, chief executive officer and president of LaSalle Hotel Properties (NYSE:LHO), to Federal Realty's board of trustees. Mr. Bortz will serve on Federal Realty's audit and compensation committees.

Conference Call Information

Federal Realty's management team will present an in-depth discussion of the Trust's operating performance on its second quarter 2005 earnings conference call, which is scheduled for July 29, 2005, at 11 a.m. Eastern Daylight Time. To participate, please call (888) 566-5771 five to ten minutes prior to the call's 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 30 days following the call. A telephone recording of the call will also be available through Monday, August 29, 2005, by dialing (866) 448-4809.

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About Federal Realty

Federal Realty Investment Trust is an equity real estate investment trust specializing in the ownership, management, development, and redevelopment of high quality retail assets. Federal Realty's portfolio (excluding joint venture properties) contains approximately 17.4 million square feet located primarily in strategic metropolitan markets in the Northeast, Mid-Atlantic, and California. In addition, the Trust has an ownership interest in approximately 0.5 million square feet of retail space through its joint venture with Clarion Lion Properties Fund in which the Trust has a 30% interest. Our operating portfolio (excluding joint venture properties) was 95.0% leased to national, regional, and local retailers as of June 30, 2005, with no single tenant accounting for more than 2.2% of rental revenue. Federal Realty has paid quarterly dividends to its shareholders continuously since its founding in 1962, and, through 2004, has increased its dividend rate for 37 consecutive years, the longest consecutive record in the REIT industry. Shares of Federal Realty are traded on the NYSE under the symbol FRT.

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- *risks that our tenants will not pay rent or that we may be unable to renew leases or re-let space at favorable rents as leases expire;*
- *risks that we may not be able to proceed with or obtain necessary approvals for any redevelopment or renovation project, and that any redevelopment or renovation project that we do pursue may not perform as anticipated;*
- *risks that the number of properties we acquire for our own account, and therefore the amount of capital we invest in acquisitions, may be impacted by our real estate partnership;*
- *risks normally associated with the real estate industry, including risks that occupancy levels at our properties and the amount of rent that we receive from our properties may be lower than expected, that new acquisitions may fail to perform as expected, that competition for acquisitions could result in increased prices for acquisitions, 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 that our growth will be limited if we cannot obtain additional capital;*
- *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 limitations imposed on our operations by those covenants, and the possibility of increases in interest rates that would result in increased interest expense; and*
- *risks related to our status as a real estate investment trust, commonly referred to as a REIT, for federal income tax purposes, such as the existence of complex tax 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.*

Given these uncertainties, readers are cautioned not to place undue reliance on any forward-looking statements that we make, including those in this press release. Except as required by law, we make no promise to update any of the forward-looking statements as a result of new information, future events, or otherwise. You should review the risks contained in our annual report on Form 10-K, our quarterly reports on Form 10-Q, and the risks contained in our Current Report on Form 8-K filed with the Securities and Exchange Commission on March 2, 2005.

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

	Three months ended June 30,		Six months ended June 30,	
	2005	2004	2005	2004
<u>CONSOLIDATED OPERATING RESULTS</u>				
Revenues				
Rental income	\$ 97,799	\$ 94,771	\$ 197,882	\$ 185,550
Other property income	2,082	2,434	4,030	4,592
Mortgage interest income	1,449	1,304	2,730	2,381
	101,330	98,509	204,642	192,523
Expenses				
Rental	20,078	22,065	43,520	43,959
Real estate taxes	10,822	9,369	20,577	18,412
General and administrative	4,981	4,588	9,484	8,770
Depreciation and amortization	22,956	22,856	45,463	43,103
	58,837	58,878	119,044	114,244
Operating income	42,493	39,631	85,598	78,279
Other interest income	1,302	301	1,693	662
Interest expense	(21,827)	(21,391)	(43,890)	(42,710)
Income from real estate partnership	153	—	224	—
Minority interests	(1,279)	(1,192)	(2,795)	(2,381)
Income from continuing operations	20,842	17,349	40,830	33,850
Discontinued operations				
Operating income from discontinued operations	363	707	90	1,394
Gain on sale of real estate	3,602	8,276	7,884	8,334
Income from discontinued operations	3,965	8,983	7,974	9,728
Net Income	24,807	26,332	48,804	43,578
Dividends on preferred stock	(2,869)	(2,869)	(5,738)	(5,738)
Net income available for common shareholders	\$ 21,938	\$ 23,463	\$ 43,066	\$ 37,840
<u>FUNDS FROM OPERATIONS AVAILABLE FOR COMMON SHAREHOLDERS</u>				
Net income	\$ 24,807	\$ 26,332	\$ 48,804	\$ 43,578
Gain on sale of real estate	(3,602)	(8,276)	(7,884)	(8,334)
Depreciation and amortization of real estate assets	20,735	21,261	41,253	39,987
Amortization of initial direct costs of leases	1,802	1,787	3,428	3,285
Depreciation on real estate partnership assets	157	—	314	—
Funds from operations	43,899	41,104	85,915	78,516
Dividends on preferred stock	(2,869)	(2,869)	(5,738)	(5,738)
Income attributable to operating partnership units	194	403	352	638
Funds from operations available for common shareholders	41,224	38,638	80,529	73,416
Weighted average number of common shares, diluted	53,408	52,681	53,305	51,593
Funds from operations available for common shareholders per diluted share	\$ 0.77	\$ 0.73	\$ 1.51	\$ 1.42
<u>NET INCOME PER COMMON SHARE, BASIC</u>				
Income from continuing operations available for common shareholders	\$ 0.34	\$ 0.28	\$ 0.67	\$ 0.56
Income from discontinued operations	0.01	0.02	—	0.03
Gain on sale of real estate	0.07	0.16	0.15	0.16
Net income available for common shareholders, basic	\$ 0.42	\$ 0.46	\$ 0.82	\$ 0.75
Weighted average number of common shares, basic	52,454	51,359	52,333	50,207
<u>NET INCOME PER COMMON SHARE, DILUTED</u>				
Income from continuing operations available for common shareholders	\$ 0.34	\$ 0.28	\$ 0.66	\$ 0.56
Income from discontinued operations	0.01	0.01	—	0.03
Gain on sale of real estate	0.06	0.16	0.15	0.16

Net income available for common shareholders, diluted	\$ 0.41	\$ 0.45	\$ 0.81	\$ 0.75
Weighted average number of common shares, diluted	52,986	52,681	52,876	51,593

Financial Highlights
(in thousands)

CONSOLIDATED BALANCE SHEETS

	June 30, 2005	December 31, 2004
	(unaudited)	
ASSETS		
Real estate, at cost		
Operating	\$2,614,198	\$2,516,610
Construction-in-progress	140,632	130,286
Discontinued operations	—	19,380
	<u>2,754,830</u>	<u>2,666,276</u>
Less accumulated depreciation and amortization	(630,861)	(595,338)
	<u>2,123,969</u>	<u>2,070,938</u>
Net real estate investments	2,123,969	2,070,938
Cash and cash equivalents	13,625	30,475
Accounts and notes receivable	34,823	34,849
Mortgage notes receivable	41,882	42,909
Investment in real estate partnership	9,519	9,631
Other assets	73,204	78,094
	<u>2,297,022</u>	<u>\$2,266,896</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Obligations under capital leases and mortgage notes	\$ 408,748	\$ 410,885
Notes payable	365,340	325,051
Senior notes and debentures	568,404	568,121
Other liabilities	157,812	153,351
	<u>1,500,304</u>	<u>1,457,408</u>
Total liabilities	1,500,304	1,457,408
Minority interests	19,134	18,954
Shareholders' equity		
Preferred stock	135,000	135,000
Common shares and other shareholders' equity	642,584	655,534
	<u>777,584</u>	<u>790,534</u>
Total shareholders' equity	777,584	790,534
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$2,297,022</u>	<u>\$2,266,896</u>

Federal Realty Investment Trust
Funds From Operations / Summary of Capital Expenditures
June 30, 2005

	Three months ended June 30,		Six months ended June 30,	
	2005	2004	2005	2004
	(in thousands, except per share data)		(in thousands, except per share data)	
Funds from Operations available for common shareholders (FFO) (1)				
Net income	\$ 24,807	\$ 26,332	\$ 48,804	\$ 43,578
Gain on sale of real estate	(3,602)	(8,276)	(7,884)	(8,334)
Depreciation and amortization of real estate assets	20,735	21,261	41,253	39,987
Amortization of initial direct costs of leases	1,802	1,787	3,428	3,285
Depreciation of real estate partnership assets	157	—	314	—
Funds from operations	43,899	41,104	85,915	78,516
Dividends on preferred stock	(2,869)	(2,869)	(5,738)	(5,738)
Income attributable to operating partnership units	194	403	352	638
Funds from operations available for common shareholders (2)	\$ 41,224	\$ 38,638	\$ 80,529	\$ 73,416
Weighted average number of common shares, diluted	53,408	52,681	53,305	51,593
Funds from operations available for common shareholders per diluted share (2)	\$ 0.77	\$ 0.73	\$ 1.51	\$ 1.42
Summary of Capital Expenditures				
Non-maintenance capital expenditures				
Acquisition related (3)	\$ 22,396	\$ 2,811	\$ 31,652	\$ 10,098
Development, redevelopment and expansions	17,335	14,133	26,571	25,822
Tenant improvements and incentives	4,194	4,603	6,403	12,552
Total non-maintenance capital expenditures	43,925	21,547	64,626	48,472
Maintenance capital expenditures	833	1,661	1,540	4,468
Total capital expenditures	\$ 44,758	\$ 23,208	\$ 66,166	\$ 52,940
Dividends and Payout Ratios				
Common dividends declared	\$ 29,229	\$ 25,321	\$ 55,735	\$ 49,488
Dividend payout ratio % - FFO	71%	66%	69%	67%

Notes:

- (1) See Glossary of Terms.
- (2) For the three and six months ended June 30, 2004, includes \$1.0 million (\$.02 per dilutive share) and \$2.1 million (\$.04 per dilutive share) for Santana Row fire insurance proceeds. For the three and six months ended June 30, 2005, the amount of insurance proceeds were insignificant and had no per dilutive share impact.
- (3) 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
June 30, 2005

	<u>June 30, 2005</u>	<u>June 30, 2004</u>
	(in thousands, except per share data)	
Market data		
Common shares outstanding (1)	52,665	51,686
Market price per common share	\$ 59.00	\$ 41.59
Common equity market capitalization	\$ 3,107,235	\$ 2,149,621
Series B preferred shares outstanding	5,400	5,400
Market price per Series B preferred share	\$ 26.54	\$ 26.45
Preferred equity market capitalization	\$ 143,316	\$ 142,830
Equity market capitalization	\$ 3,250,551	\$ 2,292,451
Total debt (2)	1,342,492	1,319,010
Total market capitalization	\$ 4,593,043	\$ 3,611,461
Total debt to market capitalization	29%	37%
Total debt to market capitalization at constant common share price of \$41.59	37%	37%
Fixed rate debt ratio:		
Fixed rate debt	84%	86%
Variable rate debt	16%	14%
	100%	100%
Capital availability:		
Cash and cash equivalents on hand	\$ 13,625	\$ 45,103
Available capacity under line of credit	196,000	223,000
Available for issuance under shelf registration statement	225,000	225,000
	\$ 434,625	\$ 493,103

Notes:

- (1) Consists of 54,145,519 shares issued net of 1,480,201 shares held in Treasury as of June 30, 2005. As of June 30, 2004, consists of 53,156,349 shares issued net of 1,470,275 shares held in Treasury. Amounts do not include 423,576 and 842,455 Operating Units outstanding at June 30, 2005 and June 30, 2004, respectively.
- (2) Total debt includes capital leases and mortgages payable, notes payable, and senior notes and debentures. It does not include the \$14.2 million which is the Trust's 30% share of the total \$47.2 million debt of the partnership with Clarion Lion Properties Fund.

Federal Realty Investment Trust
Components of Rental Income
June 30, 2005

	Three months ended June 30,		Six months ended June 30,	
	2005	2004	2005	2004
Components of Rental Income				
Minimum rents				
Retail and commercial properties (1)	\$ 74,043	\$ 69,649	\$ 147,556	\$ 137,217
Residential (2)	3,115	3,170	6,324	6,146
Cost reimbursements	18,119	18,665	38,218	36,069
Percentage rents	1,266	1,504	3,063	2,865
Other rental income	1,256	1,783	2,721	3,253
Total rental income	\$ 97,799	\$ 94,771	\$ 197,882	\$ 185,550

Notes:

- (1) Minimum rents include \$3.8 million and \$2.4 million for the six months ended June 30, 2005 and 2004, respectively, and \$1.7 million and \$1.6 million for the three months ended June 30, 2005 and 2004, respectively, that represent amounts included in minimum rents in order to reflect the recognition of minimum rents on a straight line basis as required by GAAP. Minimum rents include \$0.8 million and \$0.6 million for the six months ended June 30, 2005 and 2004, respectively and \$0.4 million for both the three months ended June 30, 2005 and 2004, that represent amounts included in minimum rents in order to reflect the recognition of income attributable to market lease adjustments on acquired properties in accordance with SFAS 141. Minimum rents include fire insurance proceeds attributable to rental income lost at Santana Row as a result of the August 2002 fire of \$2.1 million for the six months ended June 30, 2004 and \$1.0 million for the three months ended June 30, 2004. For 2005, the amount of insurance proceeds was insignificant.
- (2) Residential minimum rents comprise the rents at Rollingwood Apartments, The Crest at Congressional Apartments and the residential units at Santana Row.

Federal Realty Investment Trust
Summary of Outstanding Debt and Capital Lease Obligations
June 30, 2005

		Interest Rate as of June 30, 2005		Balance	
					(in thousands)
Mortgage Loans (a)					
<i>Secured Fixed Rate</i>					
Leesburg Plaza	10/01/08	6.510%		\$ 9,900	
164 E Houston Street	10/06/08	7.500%		168	
Mercer Mall	04/01/09	8.375%		4,608	
Federal Plaza	06/01/11	6.750%		34,895	
Tyson's Station	09/01/11	7.400%		6,570	
Barracks Road	11/01/15	7.950%		43,465	
Hauppauge	11/01/15	7.950%		16,385	
Lawrence Park	11/01/15	7.950%		30,809	
Wildwood	11/01/15	7.950%		27,080	
Wynnewood	11/01/15	7.950%		31,397	
Mount Vernon	04/15/28	5.660%	(b)	12,694	
Brick Plaza	11/01/15	7.415%		32,320	
				<u>\$ 250,291</u>	
Notes Payable					
<i>Unsecured Fixed Rate</i>					
Perring Plaza Renovation	01/31/13	10.000%		\$ 1,895	
Other	various	various		45	
<i>Unsecured Variable Rate</i>					
Revolving credit facility	10/08/06	LIBOR + .75%	(c)	104,000	
Term note with banks	10/08/06	LIBOR + .95%		100,000	
Term note with banks	10/08/08	LIBOR + .95%	(d)	150,000	
Escondido (Municipal bonds)	10/01/16	2.300%	(e)	9,400	
				<u>\$ 365,340</u>	
Notes and Debentures					
<i>Unsecured Fixed Rate</i>					
6.625% Notes (fixed)	12/01/05	6.625%		\$ 40,000	
6.99% Medium Term Notes	03/10/06	6.894%	(f)	40,500	
6.125% Notes	11/15/07	6.325%	(g)	150,000	
8.75% Notes	12/01/09	8.750%		175,000	
4.50% Notes	02/15/11	4.500%		75,000	
7.48% Debentures	08/15/26	7.480%		50,000	
6.82% Medium Term Notes	08/01/27	6.820%		40,000	
				<u>570,500</u>	
Subtotal				570,500	
Less: Unamortized Debt Discount				(2,096)	
				<u>\$ 568,404</u>	
Capital Lease Obligations					
		various through 2077	(h)	\$ 158,457	
Total Debt and Capital Lease Obligations				<u>\$ 1,342,492</u>	
					Weighted Average Effective Rate at June 30, 2005 (i)
Total fixed rate debt and capital lease obligations				\$ 1,129,092	84.10%
Total variable rate debt				213,400	15.90%
TOTAL DEBT AND CAPITAL LEASES				<u>\$ 1,342,492</u>	<u>100.00%</u>
					Three months ended June 30,
				2005	2004
					Six months ended June 30,
				2005	2004
Operational Statistics					
Ratio of EBITDA to combined fixed charges and preferred share dividends (j)				2.57	2.74
				2.58	2.51
Ratio of Adjusted EBITDA to combined fixed charges and preferred share dividends (j)				2.43	2.42
				2.43	2.35

Notes:

(a) Mortgage loans do not include the Trust's 30% share (\$14.2 million) of the \$47.2 million debt of the partnership with Clarion Lion Properties Fund.

- (b) The lender has the option to call the loan on April 15, 2013 or anytime thereafter.
- (c) A \$300 million three-year revolving credit facility, with a one-year extension option. The weighted average effective rate, including the amortization of deferred financing fees, was 3.52% for the three months ended June 30, 2005.
- (d) In January 2004, the Trust purchased an interest rate swap on this note thereby locking in the LIBOR portion of the interest rate at 2.401% through October 2006.
- (e) The bonds bear interest at a variable rate determined weekly which would enable the bonds to be remarketed at 100% of their principal amount. The weighted average effective interest rate, including the amortization of deferred financing fees, was 3.68% for the three months ended June 30, 2005.
- (f) The Trust purchased interest rate swaps at issuance, thereby reducing the effective interest on these notes.
- (g) The Trust purchased an interest rate lock to hedge this note offering. A loss of \$1.5 million associated with this hedge is being amortized into the note offering thereby increasing the effective interest rate on these notes to 6.325%.
- (h) The average annualized interest rate on capital lease obligations as of June 30, 2005 is 8.84% on a basis of minimum rent and 11.31% including performance-based participation rent paid by the Trust.
- (i) The weighted average effective interest rate includes the amortization of any deferred financing fees and discounts, if applicable.
- (j) 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 B preferred shares. Adjusted EBITDA is defined and reconciled to net income in the Glossary of Terms.

Federal Realty Investment Trust
Summary of Debt Maturities
June 30, 2005

DEBT MATURITIES

(in thousands)

<u>Year</u>	<u>Scheduled Amortization</u>	<u>Maturities</u>	<u>Total</u>	<u>Percent of Debt Maturing</u>	<u>Cumulative Percent of Debt Maturing</u>
2005	\$ 2,138	\$ 40,000	\$ 42,138	3.1%	3.1%
2006	5,037	244,500	249,537(1)	18.6%	21.7%
2007	5,437	149,404	154,841	11.5%	33.2%
2008	5,829	159,541	165,370	12.3%	45.5%
2009	6,163	178,440	184,603	13.8%	59.3%
2010	6,639	—	6,639	0.5%	59.8%
2011	6,670	111,680	118,350	8.8%	68.6%
2012	6,801	—	6,801	0.5%	69.1%
2013	5,361	—	5,361	0.4%	69.5%
2014	5,771	—	5,771	0.4%	69.9%
Thereafter	157,874	245,207	403,081	30.1%	100.0%
Total	\$ 213,720	\$1,128,772	\$1,342,492	100.0%	

Note:

(1) Maturities in 2006 include a \$100 million term loan and \$104 million drawn under the Trust's \$300 million three-year revolving credit facility.

Federal Realty Investment Trust
Summary of Redevelopment Opportunities
June 30, 2005

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>
Projects Anticipated to Stabilize in 2005 (3)					
Bala Cynwyd	Philadelphia, PA	Grocer re-location and expansion and re-tenanting (new health club)	>20%	\$ 6	\$ 5
Andorra	Philadelphia, PA	Re-tenanting (new health club)	12%	5	4
Pan Am	Fairfax, VA	Grocer expansion, small shop re-tenanting and site improvements	6%	2	2
Greenlawn Plaza	Greenlawn, NY	Re-tenanting and new pad site (child care)	>20%	2	2
Bristol Plaza	Bristol, CT	Grocer relocation, canopy and façade renovation	10%	2	<1
Brunswick	North Brunswick, NJ	Re-tenanting (new health club)	11%	2	2
Rutgers Plaza	Franklin, NJ	Grocer re-location and expansion and backfill of existing grocer space	20%	1	<1
Lancaster	Lancaster, PA	New pad site (bank)	12%	1	<1
Subtotal: Projects Anticipated to Stabilize in 2005 (3) (4)			17%	\$ 21	\$ 16
Projects Anticipated to Stabilize in 2006 (3)					
Santana Phase IV	San Jose, CA	Building Seven residential re-build	11%	\$ 67	\$ 44
Mount Vernon /South Valley	Alexandria, VA	Grocer expansion, anchor & small shop re-tenanting, four new "main street" buildings & a bank pad.	10%	37	16
Mercer Mall	Lawrenceville, NJ	Demolish, redevelop and re-tenant	12%	26	15
Leesburg Plaza	Leesburg, VA	Re-demise the former Kmart & Peebles buildings, re-tenant, and add three pad sites.	12%	14	5
Village at Shirlington	Arlington, VA	New ground floor retail and parking garage	12%	6	0
Brick Plaza	Brick, NJ	Re-tenanting (electronics)	9%	2	2
Hauppauge Shopping Center	Hauppauge, NY	Pad site re-tenanting (restaurant)	6%	<1	<1
Subtotal: Projects Anticipated to Stabilize in 2006 (3) (4)			11%	\$ 153	\$ 73
Total: Projects Anticipated to Stabilize in 2005 and 2006 (3) (4)			12%	\$ 174	\$ 89

Redevelopments anticipated to stabilize in 2007 and 2008 include the final phase of Bethesda Row, Galaxy Building, Rockville Town Square, Shops at Willow Lawn, Loehmann's Plaza, and Flourtown representing \$150 million to \$200 million of redevelopment capital. Projects anticipated to stabilize after 2008 include future phases of Santana Row, redevelopment phases of Assembly Square, and future phases of Bala Cynwyd. (3) (5)

Notes:

- (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 being paid for the redevelopment space and any other space taken out of service to accommodate 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. ROI for Mount Vernon/South Valley and Mercer Mall (properties acquired on the basis of redevelopment potential) are calculated as the increase in POI between acquisition and stabilization divided by the increase in cost basis between acquisition and stabilization.
- (3) Anticipated Stabilization is the year in which 95% occupancy of the redeveloped space is anticipated to be achieved. Individual items may not sum to total as a result of rounding.
- (4) All subtotals and totals reflect 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 (1)
June 30, 2005

	<u>Description</u>	<u>Comments</u>
Operational - Phases I, II and III (2)		
Retail	558,000 sf	Retail was 93% leased as of June 30, 2005. New store openings from May through July 2005 include Brooks Brothers, Tumi, Thea, El Jardin, Style & Form and Lavande. Sino and Vintage Wine Bar are scheduled to open in third quarter 2005.
Residential	255 units	219 loft and villa units are planned for sale as condominiums with the first closings expected in August 2005. Units in Buildings Three, Four and Six are being allowed to remain vacant as leases expire to facilitate condominium sales. 36 townhouse units in Building Eight will remain as rentals and were 92% leased on June 30, 2005.
In Progress (3)		
Residential - for rent Phase IV	256 units	256 rental units being built on the Building Seven podium. Initial occupancy commenced in April 2005 with lease-up expected to continue through mid-2006. As of July 24, 2005, 71 units (37 townhomes and 34 flats) have been leased at an average rental rate of \$2.58 per square foot per month. 31 residents of Buildings Three, Four and Six (the buildings planned to be sold as condominiums) have signed leases to relocate to new units in Building Seven. Projected cost of \$67 million is expected to yield 11% upon stabilization in 2006.
Residential - for sale	219 units	Currently seeking approval from the California Department of Real Estate to sell 219 loft and villa units as condominiums, with closings expected to commence in August 2005. Projected gross sales proceeds of approximately \$135 million. Over 4,300 people have registered as "interested" in owning units and over 400 of these people have been pre-qualified by approved lenders. (4)
Commitments: (as of July 24, 2005)		43 units are under binding contracts 11 units are reserved and being converted to contracts Four units are currently being marketed 18 of the units that are reserved or under contract are with existing Santana Row tenants
Approvals:	<i>Building Four (100 lofts):</i>	Approval in place to sign contracts Approval to close sales expected in August 2005 Closings expected to commence in August 2005
	<i>Building Six (21 villas):</i>	Approval in place to sign contracts Approval to close sales expected in September/October 2005 Closings expected to commence in September/October 2005
	<i>Building Three (98 lofts):</i>	Approval to sign contracts expected in September/October 2005 Approval to close sales expected in November/December 2005 Closings expected to commence in December 2005/January 2006
Future (5)		
Retail	125,000 sf	Currently being master planned
Residential	690 units	Currently being master planned
Hotel	191 rooms	Currently being master planned

- Notes:**
- (1) All costs are projected final costs. Yield represents stabilized projected Property Operating Income divided by projected final costs.
 - (2) The portions of the property currently open and operating which include luxury and lifestyle retail components, loft, townhome and villa residential units, and the 213-room Hotel Valencia Santana Row. \$480 million projected final cost (net of \$129 million of fire insurance proceeds, \$11 million of which was recognized as income in 2003 and 2004) is expected to yield 6% upon stabilization in 2005.
 - (3) Developments and other significant activities being actively pursued at Santana Row.
 - (4) Projected gross sales proceeds represent management's current estimate of total sales prices for the 219 units expected to be sold without taking into account any costs of sale, including, without limitation, any income taxes that may be paid.
 - (5) Remaining entitlements for development or sale.

Federal Realty Investment Trust
2005 Acquisitions and Dispositions
Through June 30, 2005

Federal Realty Investment Trust Acquisitions

<u>Date</u>	<u>Property</u>	<u>City / State</u>	<u>GLA</u>	<u>Purchase price</u>	<u>Anchor tenants</u>
				(in thousands)	
March 1, 2005	Assembly Square/Sturtevant Street	Somerville, MA	551,233	\$ 63,900	K-Mart /Good Times Emporium (1)

Federal Realty Investment Trust Dispositions

<u>Date</u>	<u>Property</u>	<u>City / State</u>	<u>GLA</u>	<u>Sales price</u>
				(in thousands)
February 15, 2005	420 South Mill Avenue	Tempe, AZ	15,966	\$ 7,385
February 15, 2005	501 South Mill Avenue	Tempe, AZ	24,013	\$ 6,265
June 2, 2005	Andary Building	Winter Park, FL	3,600	\$ 1,560
June 2, 2005	Cone Building	Winter Park, FL	24,846	\$ 9,500
Various	Other			\$ 1,401
	Total		68,425	\$ 26,111

Note:

(1) Property currently under redevelopment. Tenants with signed leases who were not in occupancy as of June 30, 2005 include, TJ Maxx, Bed, Bath & Beyond, Staples, Sports Authority and AC Moore.

Federal Realty Investment Trust
Real Estate Status Report
June 30, 2005

Property Name	MSA Description	Year Acquired	Total Investment	Ownership Percentage	GLA (1)	% Leased	Mortgage or Capital Lease Obligation	Grocery Anchor GLA (2)	Grocery Anchor (2)	Other Principal Tenants	
			(in thousands)								(in thousands)
<u>East Region</u>											
<u>Washington Metropolitan Area</u>											
Bethesda Row	Washington, DC-MD-VA	1993-98	81,806	(3)	440,000	97%	12,575	40,000	Giant Food	Barnes & Noble / Landmark Theater	
Congressional Plaza	Washington, DC-MD-VA	1965	68,019(4)	64.1%	334,000	100%		28,000	Whole Foods	Buy Buy Baby / Container Store / Tower Records	
Courthouse Center	Washington, DC-MD-VA	1997	4,576	(5)	38,000	100%					
Falls Plaza	Washington, DC-MD-VA	1967	8,155	100.0%	73,000	100%		51,000	Giant Food		
Falls Plaza-East	Washington, DC-MD-VA	1972	3,402	100.0%	71,000	100%				CVS / Staples	
Federal Plaza	Washington, DC-MD-VA	1989	62,142	100.0%	247,000	99%	34,895			TJ Maxx / CompUSA / Ross	
Friendship Center	Washington, DC-MD-VA	2001	33,309	100.0%	119,000	100%				Borders / Linens 'n Things / Maggiano's	
Gaithersburg Square	Washington, DC-MD-VA	1993	24,002	100.0%	204,000	95%				Bed, Bath & Beyond / Borders / Ross	
Idylwood Plaza	Washington, DC-MD-VA	1994	15,028	100.0%	73,000	100%		30,000	Whole Foods		
Laurel	Washington, DC-MD-VA	1986	46,340	99.9%	387,000	98%		61,000	Giant Food	Marshalls / Toys R Us	
Leesburg Plaza	Washington, DC-MD-VA	1998	23,648	(5)	235,000	89%	9,900	55,000	Giant Food	Pier One / Office Depot	
Loehmann's Plaza	Washington, DC-MD-VA	1983	23,701	100.0%	251,000	99%				Bally's / Linens 'n Things / Loehmann's	
Mid-Pike Plaza	Washington, DC-MD-VA	1982	17,458	(6)	309,000	100%	10,041			Linens 'n Things / Toys R Us / Bally's / AC Moore / Filene's Basement	
Mount Vernon	Washington, DC-MD-VA	2003	33,815	(5)	236,000	95%	12,694	54,000	Shoppers Food Warehouse		
Old Keene Mill	Washington, DC-MD-VA	1976	5,124	100.0%	92,000	97%		24,000	Whole Foods		
Pan Am	Washington, DC-MD-VA	1993	26,804	100.0%	227,000	100%		63,000	Safeway	Micro Center / Michaels	
Pentagon Row	Washington, DC-MD-VA	1999	87,365	100.0%	296,000	98%		45,000	Harris Teeter	Bally's / Bed, Bath & Beyond / DSW / Cost Plus	
Pike 7	Washington, DC-MD-VA	1997	33,613	100.0%	164,000	100%				Staples / TJ Maxx / Tower Records	
Quince Orchard	Washington, DC-MD-VA	1993	19,801	100.0%	252,000	96%		24,000	Magruders	Circuit City / Staples	
Rockville Town Square	Washington, DC-MD-VA	N/A	4,105	(7)	N/A	N/A			Magruders (Signed)		
Rollingwood Apartments	Washington, DC-MD-VA	1971	6,764	100.0%	N/A	95%					
Sam's Park & Shop	Washington, DC-MD-VA	1995	12,112	100.0%	51,000	100%				Petco	
South Valley	Washington, DC-MD-VA	2003	17,552	(5)	218,000	93%				Home Depot / TJ Maxx	
Tower	Washington, DC-MD-VA	1998	18,882	100.0%	109,000	96%				Virginia Fine Wine / Talbots	
Tyson's Station	Washington, DC-MD-VA	1978	3,482	100.0%	50,000	100%	6,570			Trader Joes	
Village at Shirlington	Washington, DC-MD-VA	1995	30,543	100.0%	201,000	99%				Cineplex Odeon / Carlyle Grand Café	
Wildwood	Washington, DC-MD-VA	1969	17,497	100.0%	86,000	100%	27,080	20,000	Balducci's	CVS	
Total Washington			729,045		4,763,000	98%					

Metropolitan Area												
New York / New Jersey												
Allwood	Bergen-Passaic, NJ	1988	4,298	(6)	52,000	100%	3,482	25,000	Stop & Shop	Mandee Shop		
Blue Star	Middlesex-Somerset-Hunterdon, NJ	1988	39,857	(6)	407,000	100%	26,600	43,000	Shop Rite	Kohl's / Michaels / Toys R Us / Marshalls		
Brick Plaza	Monmouth-Ocean, NJ	1989	55,306	100.0%	409,000	98%	32,320	66,000	A&P	Loews Theatre / Barnes & Noble / Sports Authority		
Brunswick	Middlesex-Somerset-Hunterdon, NJ	1988	23,708	(6)	303,000	96%	11,062	55,000	A&P	A.J. Wright / L.A. Fitness		
Clifton	Bergen-Passaic, NJ	1988	5,372	(6)	80,000	96%	3,238		Drug Fair / Dollar Express			
Forest Hills	New York, NY	1997	24,000	100.0%	86,000	100%	Midway Theatre / Duane Reade / Gap					
Fresh Meadows	New York, NY	1997	65,481	100.0%	403,000	90%	Filene's Basement / Kohl's / Cineplex Odeon					
Greenlawn Plaza	Nassau-Suffolk, NY	2000	11,962	100.0%	102,000	100%	46,000		Waldbaum's			
Hamilton	Trenton, NJ	1988	8,126	(6)	190,000	94%	4,800	53,000	Shop Rite	AC Moore / Stevens Furniture		
Hauppauge	Nassau-Suffolk, NY	1998	26,536	100.0%	131,000	99%	16,385	61,000	Shop Rite	AC Moore		
Huntington	Nassau-Suffolk, NY	1988	22,741	(6)	279,000	100%	14,216				Buy Buy Baby / Toys R Us / Bed, Bath & Beyond / Barnes & Noble	
Mercer Mall	Trenton, NJ	2003	89,225	(6)	493,000	96%	59,356	75,000	Shop Rite	Bed, Bath & Beyond / DSW / TJ Maxx / Raymour & Flanigan		
Rutgers	Middlesex-Somerset-Hunterdon, NJ	1988	16,026	(6)	267,000	100%	12,814	44,000	Stop & Shop	Kmart		
Troy	Newark, NJ	1980	20,611	100.0%	202,000	92%	64,000		Pathmark	AC Moore / Comp USA / Toys R Us		
			Total New York / New Jersey		413,249		3,404,000		97%			
Philadelphia Metropolitan Area												
Andorra	Philadelphia, PA-NJ	1988	22,629	99.9%	267,000	100%	24,000		Acme Markets	Kohl's / Staples / L.A. Fitness		
Bala Cynwyd	Philadelphia, PA-NJ	1993	25,797	100.0%	280,000	100%	45,000		Acme Markets	Lord & Taylor / L.A. Fitness		
Ellisburg Circle	Philadelphia, PA-NJ	1992	29,112	100.0%	267,000	100%	47,000		Genuardi's	Bed, Bath & Beyond / Stein Mart		
Feasterville	Philadelphia, PA-NJ	1980	11,680	100.0%	111,000	100%	53,000		Genuardi's	OfficeMax		
Flourtown	Philadelphia, PA-NJ	1980	9,155	100.0%	187,000	54%	42,000		Genuardi's			
Langhorne Square	Philadelphia, PA-NJ	1985	17,886	100.0%	216,000	91%	55,000		Redner's Warehouse Mkts.	Marshalls		
Lawrence Park	Philadelphia, PA-NJ	1980	27,697	100.0%	354,000	97%	30,808	53,000	Acme Markets	CHI / TJ Maxx / CVS		
Northeast	Philadelphia, PA-NJ	1983	22,005	100.0%	292,000	91%	Burlington Coat / Marshalls / Tower Records					
Willow Grove	Philadelphia, PA-NJ	1984	26,324	100.0%	215,000	100%	Barnes & Noble / Marshalls / Toys R Us					
Wynnewood	Philadelphia, PA-NJ	1996	35,360	100.0%	255,000	98%	31,397	98,000	Genuardi's	Bed, Bath & Beyond / Borders / Old Navy		
			Total Philadelphia		227,645		2,444,000		94%			

Metropolitan Area

Boston

Assembly Square/Sturtevant Street	Boston-Worcester-Lawrence-Lowell-Brockton, MA	2005	80,946	100.0%	552,000	100%			Kmart
Dedham Plaza	Boston-Worcester-Lawrence-Lowell-Brockton, MA	1993	29,736	100.0%	243,000	98%	80,000	Star Market	Pier One
Queen Anne Plaza	Boston-Worcester-Lawrence-Lowell-Brockton, MA	1994	14,807	100.0%	149,000	100%	50,000	Victory Supermarket	TJ Maxx
Saugus Plaza	Boston-Worcester-Lawrence-Lowell-Brockton, MA	1996	13,430	100.0%	171,000	100%	55,000	Super Stop & Shop	Kmart
Shaw's Plaza (8)	Boston-Worcester-Lawrence-Lowell-Brockton, MA	2004	4,027	100.0%	75,000	93%	43,000	Shaw's Supermarket	
	Total Boston		<hr/> 142,946		<hr/> 1,190,000	<hr/> 99%			

Federal Realty Investment Trust
Real Estate Status Report
June 30, 2005

Property Name	MSA Description	Year Acquired	Total Investment	Ownership Percentage	GLA (1)	% Leased	Mortgage or Capital Lease Obligation	Grocery Anchor GLA (2)	Grocery Anchor (2)	Other Principal Tenants
Chicago			(in thousands)				(in thousands)			
Crossroads	Chicago, IL	1993	22,293	100.0%	173,000	97%				Comp USA / Golfsmith / Guitar Center
Finley Square	Chicago, IL	1995	28,997	100.0%	313,000	99%				Bed, Bath & Beyond / Sports Authority
Garden Market	Chicago, IL	1994	11,123	100.0%	140,000	95%		63,000	Dominick's	Walgreens
North Lake Commons	Chicago, IL	1994	12,897	100.0%	129,000	100%		77,000	Dominick's	
Total Chicago			75,310		755,000	98%				
East Region - Other										
Barracks Road	Charlottesville, VA	1985	40,671	100.0%	483,000	98%	43,465	91,000	Harris Teeter / Kroger	Bed, Bath & Beyond / Barnes & Noble / Old Navy
Bristol Plaza	Hartford, CT	1995	22,280	100.0%	277,000	95%		74,000	Stop & Shop	TJ Maxx
Eastgate	Raleigh-Durham-Chapel Hill, NC	1986	16,875	100.0%	159,000	86%		23,000	Earth Fare	Stein Mart
Governor Plaza	Baltimore, MD	1985	18,592	99.9%	269,000	74%				Bally's / Comp USA / Office Depot
Gratiot Plaza	Detroit, MI	1973	18,022	100.0%	217,000	100%		69,000	Farmer Jacks	Bed, Bath & Beyond / Best Buy / DSW
Greenwich Avenue	New Haven-Bridgeport-Stamford-Waterbury	1995	15,993	100.0%	42,000	100%				Saks Fifth Avenue
Lancaster	Lancaster, PA	1980	10,787	(6)	107,000	100%	4,907	39,000	Giant Food	Michaels
Perring Plaza	Baltimore, MD	1985	26,171	99.9%	401,000	97%		58,000	Shoppers Food Warehouse	Home Depot / Burlington Coat Factory / Jo-Ann Stores
Shops at Willow Lawn	Richmond-Petersburg, VA	1983	61,166	99.9%	488,000	69%		60,000	Kroger	Old Navy / Tower Records / Staples
Total East Region - Other			230,557		2,443,000	89%				
Total East Region			1,818,752		14,999,000	96%				
West Region										
California										
Colorado Blvd	Los Angeles-Long Beach, CA	1996-1998	16,663	100.0%	69,000	100%				Pottery Barn / Banana Republic
Escondido	San Diego, CA	1996	25,277	70.0%	222,000	99%				Cost Plus / TJ Maxx / Toys R Us
Fifth Ave	San Diego, CA	1996-1997	12,625	(9)	51,000	96%				Urban Outfitters
Hermosa Ave	Los Angeles-Long Beach, CA	1997	4,721	90.0%	23,000	100%				
Hollywood Blvd	Los Angeles-Long Beach, CA	1999	25,245	90.0%	149,000	78%				Hollywood Entertainment Museum
Kings Court	San Jose, CA	1998	11,250	(5)	79,000	100%		25,000	Lunardi's Super Market	Longs Drug Store
Old Town Center	San Jose, CA	1997	33,293	100.0%	95,000	98%				Borders / Gap Kids / Banana Republic
Santana Row (Phase I, II & III)	San Jose, CA	1997	519,294	100.0%	558,000	93%				Crate & Barrel / Container Store / Best Buy / Borders /

Third St Promenade	Los Angeles- Long Beach, CA	1996-2000	75,239	(10)	209,000	98%		CineArts Theatre J. Crew / Banana Republic / Old Navy / Abercrombie & Fitch
Westgate	San Jose, CA	2004	114,387	100.0%	640,000	98%	38,000 Safeway	Target / Burlington Coat Factory / Barnes & Noble / Ross Brooks Brothers
150 Post Street	San Francisco, CA	1997	34,365	100.0%	102,000	68%		
	Total California		872,359		2,197,000	94%		
West Region – Other								
Houston St	San Antonio, TX	1998	63,719	100.0%	171,000	68%	168	Hotel Valencia
	Total West Region		936,077		2,368,000	92%		
Total			2,754,830		17,367,000	95%	408,773	

Notes:

- (1) Excludes redevelopment square footage not yet in service, Santana Row residential, future phases of Santana Row, Rollingwood and The Crest at Congressional Apartments.
- (2) Grocery anchor is defined as a grocery tenant leasing 15,000 square feet or more.
- (3) Portion of property subject to capital lease obligation.
- (4) Total investment includes dollars associated with the 146 units of The Crest at Congressional.
- (5) Property owned in a “downreit” partnership, of which a wholly owned subsidiary of the Trust is the sole general partner, with third party partners holding operating partnership units.
- (6) Property subject to capital lease obligation.
- (7) Currently under contract to acquire the retail square footage upon completion of development.
- (8) In July 2005 the Trust disposed of Shaw’s Plaza for \$4 million.
- (9) Consists of four properties, three at 100% and one at 90%.
- (10) Consists of nine properties, eight at 100% and one at 90%.

Federal Realty Investment Trust
Retail Leasing Summary (1)
June 30, 2005

Renewal Lease Summary - Comparable (2)(7)

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 % Increase Over Prior Rent	Straight-lined Basis % Increase Over Prior Rent	Weighted Average Lease Term (5)	Tenant Improvements & Incentives (6)	Tenant Improvements & Incentives Per Sq. Ft.
2nd Quarter 2005	47	66%	121,201	\$ 28.51	\$26.12	\$ 289,432	9%	18%	4.9	\$ 267,390	\$ 2.21
1st Quarter 2005	34	64%	162,672	\$ 25.43	\$22.86	\$ 418,304	11%	22%	7.1	\$ —	\$ —
4th Quarter 2004	58	67%	212,409	\$ 25.16	\$22.65	\$ 533,083	11%	23%	4.5	\$ 392,568	\$ 1.85
3rd Quarter 2004	42	55%	183,428	\$ 24.44	\$19.56	\$ 893,800	25%	39%	6.8	\$ 190,135	\$ 1.04
Total - 12 months	181	63%	679,710	\$ 25.63	\$22.48	\$2,134,619	14%	25%	5.8	\$ 850,093	\$ 1.25

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 % Increase Over Prior Rent	Straight-lined Basis % Increase Over Prior Rent	Weighted Average Lease Term (5)	Tenant Improvements & Incentives (6)	Tenant Improvements & Incentives Per Sq. Ft.
2nd Quarter 2005	24	34%	120,207	\$ 32.37	\$19.10	\$1,594,789	69%	95%	12.8	\$ 1,775,952	\$ 14.77
1st Quarter 2005	19	36%	62,410	\$ 27.05	\$21.97	\$ 316,818	23%	36%	8.0	\$ 1,785,819	\$ 28.61
4th Quarter 2004	29	33%	185,703	\$ 18.77	\$14.30	\$ 830,620	31%	41%	8.9	\$ 3,616,757	\$ 19.48
3rd Quarter 2004	35	45%	225,497	\$ 21.50	\$17.99	\$ 791,958	20%	28%	10.3	\$ 5,302,465	\$ 23.51
Total -12 months	107	37%	593,817	\$ 23.43	\$17.48	\$3,534,185	34%	47%	10.3	\$ 12,480,993	\$ 21.02

Total 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 % Increase Over Prior Rent	Straight-lined Basis % Increase Over Prior Rent	Weighted Average Lease Term (5)	Tenant Improvements & Incentives (6)	Tenant Improvements & Incentives Per Sq. Ft.
2nd Quarter 2005	71	100%	241,408	\$ 30.43	\$22.63	\$1,884,221	34%	51%	9.0	\$ 2,043,342	\$ 8.46
1st Quarter 2005	53	100%	225,082	\$ 25.88	\$22.61	\$ 735,122	14%	25%	7.3	\$ 1,785,819	\$ 7.93
4th Quarter 2004	87	100%	398,112	\$ 22.18	\$18.75	\$1,363,703	18%	30%	6.2	\$ 4,009,325	\$ 10.07
3rd Quarter 2004	77	100%	408,925	\$ 22.82	\$18.69	\$1,685,758	22%	33%	8.6	\$ 5,492,600	\$ 13.43
Total -12 months	288	100%	1,273,527	\$ 24.60	\$20.15	\$5,668,804	22%	34%	7.8	\$ 13,331,086	\$ 10.47

Total Lease Summary - Comparable and Non-Comparable (2)

Quarter	Number of Leases Signed	GLA Signed	Contractual Rent (3) Per Sq. Ft.	Weighted Average Lease Term (5)	Tenant Improvements & Incentives (6)	Tenant Improvements & Incentives Per Sq. Ft.
2nd Quarter 2005	84	268,926	\$ 30.78	9.1	\$ 2,965,405	\$ 11.03
1st Quarter 2005	60	256,897	\$ 25.39	7.5	\$ 2,696,110	\$ 10.49
4th Quarter 2004	96	454,190	\$ 22.78	7.3	\$ 5,187,840	\$ 11.42
3rd Quarter 2004	79	417,534	\$ 23.55	8.7	\$ 5,492,600	\$ 13.15
Total - 12 months	319	1,397,547	\$ 25.03	6.0	\$ 16,341,955	\$ 11.69

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. 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) 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
Lease Expirations
June 30, 2005

Assumes no exercise of lease options

Year	Anchor Tenants (1)			Small Shop Tenants			Total		
	Expiring SF	% of Anchor SF	Minimum Rent PSF (2)	Expiring SF	% of Small Shop SF	Minimum Rent PSF (2)	Expiring SF	% of Total SF	Minimum Rent PSF (2)
2005	48,000	1%	\$ 13.96	380,000	6%	\$ 20.54	428,000	3%	\$ 19.81
2006	446,000	5%	\$ 10.02	722,000	11%	\$ 24.53	1,168,000	7%	\$ 18.98
2007	942,000	10%	\$ 8.61	960,000	14%	\$ 24.52	1,902,000	12%	\$ 16.64
2008	867,000	9%	\$ 11.17	914,000	14%	\$ 22.93	1,781,000	11%	\$ 17.21
2009	1,147,000	12%	\$ 11.74	931,000	14%	\$ 26.79	2,078,000	13%	\$ 18.48
2010	634,000	7%	\$ 12.92	760,000	11%	\$ 24.71	1,394,000	9%	\$ 19.35
2011	410,000	4%	\$ 17.27	584,000	9%	\$ 28.89	994,000	6%	\$ 24.10
2012	540,000	6%	\$ 12.68	428,000	6%	\$ 33.08	968,000	6%	\$ 21.70
2013	607,000	7%	\$ 14.72	269,000	4%	\$ 32.96	876,000	5%	\$ 20.31
2014	651,000	7%	\$ 18.56	271,000	4%	\$ 33.40	922,000	6%	\$ 22.91
Thereafter	3,023,000	32%	\$ 13.15	517,000	8%	\$ 27.00	3,540,000	22%	\$ 15.17
Total (3)	9,315,000	100%	\$ 12.80	6,736,000	100%	\$ 26.22	16,051,000	100%	\$ 18.43

Assumes lease options are exercised

Year	Anchor Tenants (1)			Small Shop Tenants			Total		
	Expiring SF	% of Anchor SF	Minimum Rent PSF (2)	Expiring SF	% of Small Shop SF	Minimum Rent PSF (2)	Expiring SF	% of Total SF	Minimum Rent PSF (2)
2005	—	0%	\$ —	268,000	4%	\$ 21.97	268,000	2%	\$ 21.97
2006	54,000	1%	\$ 12.34	423,000	6%	\$ 27.43	477,000	3%	\$ 25.73
2007	162,000	2%	\$ 7.28	540,000	8%	\$ 25.04	702,000	4%	\$ 20.93
2008	255,000	3%	\$ 11.49	590,000	9%	\$ 23.23	845,000	5%	\$ 19.69
2009	244,000	3%	\$ 11.87	552,000	8%	\$ 28.37	796,000	5%	\$ 23.31
2010	142,000	2%	\$ 13.05	456,000	7%	\$ 25.95	598,000	4%	\$ 22.88
2011	61,000	1%	\$ 14.86	528,000	8%	\$ 24.48	588,000	4%	\$ 23.49
2012	245,000	3%	\$ 12.49	433,000	6%	\$ 28.93	678,000	4%	\$ 23.00
2013	199,000	2%	\$ 12.85	330,000	5%	\$ 25.87	529,000	3%	\$ 20.97
2014	304,000	3%	\$ 13.11	397,000	6%	\$ 28.62	701,000	4%	\$ 21.89
Thereafter	7,649,000	82%	\$ 12.97	2,219,000	33%	\$ 26.62	9,869,000	61%	\$ 16.04
Total (3)	9,315,000	100%	\$ 12.80	6,736,000	100%	\$ 26.22	16,051,000	100%	\$ 18.43

Notes:

- (1) Anchor is defined as a tenant leasing 15,000 square feet or more.
- (2) Minimum Rent reflects in-place contractual rent as of June 30, 2005.
- (3) Represents occupied square footage as of June 30, 2005. Individual items may not add up to total as a result of rounding.

Federal Realty Investment Trust
Portfolio Leased Statistics
June 30, 2005

Overall Portfolio Statistics (1)

<u>Type</u>	<u>At June 30, 2005</u>			<u>At June 30, 2004</u>		
	<u>Size</u>	<u>Leased</u>	<u>Leased %</u>	<u>Size</u>	<u>Leased</u>	<u>Leased %</u>
Retail Properties (2) (sf)	17,367,000	16,500,000	95.0%	16,862,000	15,878,000	94.2%
Residential Properties (3) (units)	683	604	88.4%	683	645	94.4%

Same Center Statistics (1)

<u>Type</u>	<u>At June 30, 2005</u>			<u>At June 30, 2004</u>		
	<u>Size</u>	<u>Leased</u>	<u>Leased %</u>	<u>Size</u>	<u>Leased</u>	<u>Leased %</u>
Retail Properties (2) (4) (sf)	12,941,000	12,477,000	96.4%	12,889,000	12,462,000	96.7%
Residential Properties (3) (units)	428	410	95.8%	428	419	97.9%

Notes:

- (1) See Glossary of Terms.
- (2) Leasable square feet; excludes redevelopment square footage not yet placed in service.
- (3) Includes Rollingwood, Santana Row residential and The Crest at Congressional Apartments for overall portfolio. Does not include Santana Row residential for Same Center. 219 loft and villa units are planned for sale as condominiums with the first sales expected in August 2005. Units in buildings three, four and six are being allowed to remain vacant as leases expire to facilitate condominium sales.
- (4) Excludes properties purchased, sold or under redevelopment.

Federal Realty Investment Trust
Summary of Top 25 Tenants
June 30, 2005

<u>Rank</u>	<u>Tenant Name</u>	<u>Annualized Base Rent</u>	<u>Percentage of Total Annualized Base Rent</u>	<u>Tenant GLA</u>	<u>Percentage of Total GLA</u>	<u>Number of Stores Leased</u>
1	Safeway, Inc.	\$ 6,609,000	2.23%	481,000	2.77%	8
2	Gap, Inc.	\$ 6,460,000	2.18%	224,000	1.29%	11
3	Ahold USA, Inc.	\$ 6,159,000	2.08%	502,000	2.89%	10
4	Bed, Bath & Beyond, Inc.	\$ 5,650,000	1.91%	396,000	2.28%	9
5	TJX Companies	\$ 4,810,000	1.63%	482,000	2.78%	15
6	CVS Corporation	\$ 3,943,000	1.33%	150,000	0.87%	14
7	Barnes & Noble, Inc.	\$ 3,703,000	1.25%	174,000	1.00%	7
8	Best Buy Stores, L.P.	\$ 3,530,000	1.19%	101,000	0.58%	3
9	Wakefern Food Corporation	\$ 3,077,000	1.04%	232,000	1.34%	4
10	Retail Ventures (DSW/Filene's Basement)	\$ 2,994,000	1.01%	155,000	0.89%	5
11	Borders Group, Inc.	\$ 2,939,000	0.99%	129,000	0.74%	5
12	OPNET Technologies, Inc.	\$ 2,552,000	0.86%	60,000	0.35%	1
13	Michaels Stores, Inc.	\$ 2,512,000	0.85%	165,000	0.95%	8
14	MTS, Inc. (Tower Records)	\$ 2,441,000	0.83%	91,000	0.52%	5
15	Great Atlantic & Pacific Tea Co	\$ 2,380,000	0.80%	236,000	1.36%	4
16	CompUSA, Inc.	\$ 2,371,000	0.80%	134,000	0.77%	5
17	The Container Store, Inc.	\$ 2,354,000	0.80%	52,000	0.30%	2
18	Dress Barn, Inc.	\$ 2,244,000	0.76%	109,000	0.63%	15
19	Home Depot, Inc.	\$ 2,207,000	0.75%	218,000	1.26%	3
20	Albertsons, Inc.	\$ 2,147,000	0.73%	245,000	1.41%	5
21	Dollar Tree Stores, Inc.	\$ 2,116,000	0.72%	162,000	0.93%	16
22	Office Depot, Inc.	\$ 2,108,000	0.71%	142,000	0.82%	6
23	Bally's Health & Tennis	\$ 2,104,000	0.71%	156,000	0.90%	5
24	Toys R Us, Inc.	\$ 2,079,000	0.70%	259,000	1.49%	7
25	Staples, Inc.	\$ 2,004,000	0.68%	106,000	0.61%	6
Totals - Top 25 Tenants		\$ 81,493,000	27.54%	5,162,000	29.73%	179
Total:		\$295,894,000(1)		17,367,000(2)		2,176

Notes:

- (1) Reflects annual in-place contractual rent as of June 30, 2005.
- (2) Excludes redevelopment square footage not yet placed in service.

Federal Realty Investment Trust
Reconciliation of 2005 Net Income to 2005 FFO Guidance
June 30, 2005

(\$ millions except per share amounts) (1)

	<u>Forecast</u>	
	to	
Net income	\$ 90	\$ 91
Gain on sale of real estate	(8)	(8)
Depreciation and amortization of real estate & joint venture assets	84	84
Amortization of initial direct costs of leases	7	7
	<u>173</u>	<u>174</u>
Funds from operations	173	174
Income attributable to operating partnership units	1	1
Dividends on preferred stock	(11)	(11)
	<u>162</u>	<u>163</u>
Funds from operations available for common shareholders	162	163
	<u>53.4</u>	
Weighted Average Shares (diluted)	53.4	
	<u>\$3.03</u>	<u>\$3.05</u>
Funds from operations available for common shareholders per diluted share	\$3.03	\$3.05

Note:

(1) Individual items may not add up to total due to rounding.

Clarion Lion Properties Fund

Federal Realty Investment Trust
Summarized Operating Results and Balance Sheet - Joint Venture
June 30, 2005

Financial Highlights
(in thousands)

<u>CONSOLIDATED OPERATING RESULTS</u>	<u>Six months ended June 30, 2005</u>	<u>Three months ended June 30, 2005</u>
Revenues		
Rental income	\$ 4,154	\$ 2,118
Other property income	35	21
	<u>4,189</u>	<u>2,139</u>
Expenses		
Rental	843	332
Real estate taxes	320	159
Depreciation and amortization	1,045	524
	<u>2,208</u>	<u>1,015</u>
Operating income	1,981	1,124
Interest expense	(1,235)	(615)
Net Income	\$ 746	\$ 509
 CONSOLIDATED BALANCE SHEET		
	<u>As of June 30, 2005</u>	<u>As of December 31, 2004</u>
ASSETS		
Real estate, at cost	\$ 81,051	\$ 80,970
Less accumulated depreciation and amortization	(1,669)	(625)
Net real estate investments	79,382	80,345
Cash and cash equivalents	2,278	2,108
Accounts receivable	781	583
Other assets	2,642	2,836
TOTAL ASSETS	\$ 85,083	\$ 85,872
LIABILITIES AND PARTNERS' CAPITAL		
Liabilities		
Mortgages	\$ 47,225	\$ 47,225
Other liabilities	6,117	6,544
Total liabilities	53,342	53,769
Partners' Capital	31,741	32,103
TOTAL LIABILITIES AND PARTNERS' CAPITAL	\$ 85,083	\$ 85,872

Federal Realty Investment Trust
Summary of Outstanding Debt and Debt Maturities - Joint Venture
June 30, 2005

OUTSTANDING DEBT

	<u>Maturity</u>	<u>Interest Rate as of June 30, 2005</u>	<u>Balance</u>
(in thousands)			
<u>Mortgage Loans</u>			
<i>Secured Fixed Rate</i>			
Campus Plaza	12/01/09	4.530% (a)	\$ 11,000
Pleasant Shops	12/01/09	4.530% (a)	12,400
Plaza del Mercado	07/05/14	5.770% (b)	13,325
Atlantic Plaza	12/01/14	5.120% (a)	10,500
Total Fixed Rate Debt			\$ 47,225

DEBT MATURITIES

(in thousands)

<u>Year</u>	<u>Scheduled Amortization</u>	<u>Maturities</u>	<u>Total</u>	<u>Percent of Debt Maturing</u>	<u>Cumulative Percent of Debt Maturing</u>
2005	—	—	—	—	—
2006	—	—	—	—	—
2007	70	—	70	0.2%	0.2%
2008	175	—	175	0.4%	0.6%
2009	185	23,400	23,585	49.9%	50.5%
2010	196	—	196	0.4%	50.9%
2011	208	—	208	0.4%	51.3%
2012	220	—	220	0.5%	51.8%
2013	233	—	233	0.5%	52.3%
2014	142	22,396	22,538	47.7%	100.0%
Total	\$ 1,429	\$ 45,796	\$ 47,225	100.00%	

Notes:

- (a) Interest only until maturity.
(b) Loan is interest only until July 5, 2007, after which principal and interest payments are due based on a 30-year amortization schedule.

Federal Realty Investment Trust
Real Estate Status Report - Joint Venture
June 30, 2005

Property Name	MSA Description	Year Acquired	Total Investment	GLA	% Leased	Mortgage or Capital Lease Obligation	Grocery Anchor GLA (1)	Grocery Anchor (1)	Other Principal Tenants
			(in thousands)			(in thousands)			
<u>East Region</u>									
<u>Washington Metropolitan Area</u>									
Plaza del Mercado	Washington, DC-MD-VA	2004	21,614	96,000	100%	13,325	25,000	Giant Food	CVS
Total Washington Metropolitan Area			21,614	96,000	100%				
<u>New England</u>									
Plaza Atlantic Campus	Boston-Worcester-Lawrence-Lowell-Brockton, MA	2004	15,828	123,000	100%	10,500	63,000	Shaw's Supermarket	Sears
Plaza Pleasant Shops	Boston-Worcester-Lawrence-Lowell-Brockton, MA	2004	22,424	117,000	99%	11,000	46,000	Roche Brothers	Burlington Coat Factory
Shops	Boston-Worcester-Lawrence-Lowell-Brockton, MA	2004	16,222	130,000	97%	12,400	38,000	Foodmaster	Marshalls
Total New England			54,474	370,000	99%				
Total East Region			76,088	466,000	99%				
Total			76,088	466,000	99%	47,225			

Note:
(1) Grocery anchor is defined as a grocery tenant leasing 15,000 square feet or more.

Glossary of Terms

Adjusted EBITDA: Adjusted 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 and impairment provisions. Adjusted EBITDA is presented because we believe that it provides useful information to investors regarding our ability to service debt and because it approximates a key covenant in material notes. Adjusted 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 Adjusted EBITDA, to net income for the six months ended June 30, 2005 and 2004 is as follows:

	For the Six Months Ended June 30,	
	(in thousands)	
	2005	2004
Net income	\$ 48,804	\$ 43,578
Depreciation and amortization	45,587	43,858
Interest expense	43,890	42,710
Other interest income	(1,693)	(662)
EBITDA	136,588	129,484
(Gain) on sale of real estate	(7,884)	(8,334)
Adjusted EBITDA	<u>\$128,704</u>	<u>\$121,150</u>

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 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: Rental income, other property income and mortgage interest income, less rental expenses and real estate taxes.

Overall Portfolio: Includes all operating properties owned in reporting period.

Same Center: Information provided on a same center basis is provided for only those properties that were owned and operated for the entirety of both periods being compared, excludes properties that were redeveloped, expanded or under development and properties purchased or sold at any time during the periods being compared.

Tenant improvements and incentives: Represents not only 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 include amounts paid to tenants as an inducement to sign a lease that do not represent building improvements.