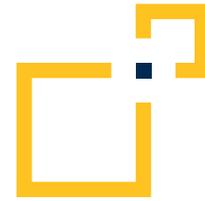




# Federal Realty

## INVESTMENT TRUST



FOUNDATIONS OF OPPORTUNITY

## FEDERAL REALTY INVESTMENT TRUST

### Spring 2017

Federal Realty is a proven leader in the ownership, operation, and redevelopment of high-quality retail real estate in the country's best markets. Built upon foundations of opportunity, we take a disciplined approach to every aspect of commercial retail real estate. Whether it's redevelopment, property management, or acquisitions, we make sound, strategic decisions based on solid demographics, broad experience, and stable resources. Federal Realty's portfolio is located in strategically selected metropolitan markets in the Northeast, Mid-Atlantic, California and Florida.

Headquartered in Rockville, MD, Federal Realty owns a high-quality portfolio of properties in the retail REIT sector. The portfolio's strong demographics are unequaled, with an average household income of \$112,000 and population of 147,000 within a three-mile radius of Federal Realty properties.<sup>(1)</sup>

A key element of the Trust's strategy for maximizing income and increasing property value is redevelopment and remerchandising. From simple improvements such as façade renovations to more comprehensive reconfigurations, these redevelopments typically improve occupancy and rental rates. In addition, the Trust has significant experience in the master planning, design, development, and operations of mixed-use properties. Investments in these developments and redevelopments are justified on a return-on-invested-capital basis, include risk mitigation measures, and compete for capital with acquisition opportunities available to the Trust.

Also contributing to the future growth of Federal Realty is the ability to acquire operating properties within our core markets that possess value-enhancing opportunities. In addition, Federal Realty seeks to acquire stabilized, supermarket-anchored shopping centers in the Trust's target markets.

Over its 50+ year history, Federal Realty has produced an outstanding track record, including growth in dividends per share. The Trust has paid quarterly dividends to its shareholders continuously since its founding in 1962, and has increased its dividend rate for 49 consecutive years, the longest consecutive record in the REIT industry.

<sup>(1)</sup> All demographic data is supplied by ESRI. Aggregated information is calculated on a weighted-average basis.

## Overview

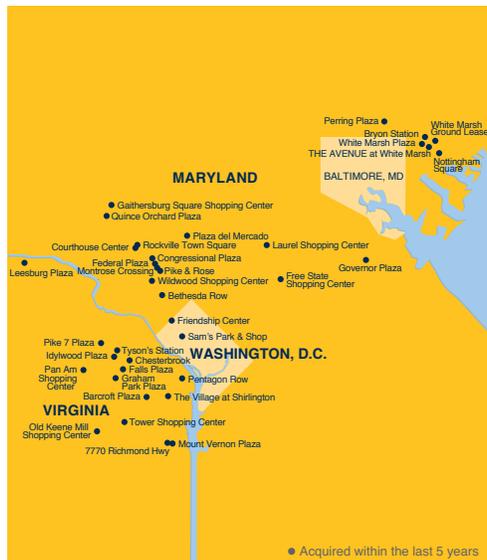
- An equity real estate investment trust (REIT) founded in 1962, one of the oldest public REITs
- Fully integrated real estate company focused on the ownership, management and redevelopment of high-quality retail properties, including shopping centers and urban, mixed-use properties
- Headquarters: Rockville, MD  
Regional Offices: Los Angeles, CA; San Jose, CA; Boston, MA; Philadelphia, PA
- 98 predominantly retail real estate projects, totaling approximately 23 million s.f.
- Member of the S&P 500
- Rated A- by Standard & Poor's, A3 by Moody's, and A- by Fitch Ratings

## Solid Performance

- Paid quarterly dividends to shareholders continuously since 1962
- Increased dividend rate for 49 consecutive years, the longest consecutive record in the REIT industry

**FRT**  
**LISTED**  
**NYSE**

[www.federalrealty.com](http://www.federalrealty.com)



## MARKET PROFILE

as of March 31, 2017

PRIMARY MARKET	FEDERAL REALTY SQUARE FOOTAGE	POPULATION	AVG. HOUSEHOLD INCOME
Washington, D.C. Metropolitan	6.0	139,000	\$ 134,000
California	4.4	190,000	\$ 110,000
New York/New Jersey	2.8	140,000	\$ 120,000
Philadelphia Metropolitan	2.4	128,000	\$ 97,000
New England	2.1	211,000	\$ 108,000
South Florida	1.4	109,000	\$ 98,000
Baltimore	1.1	94,000	\$ 76,000
Chicago	1.0	178,000	\$ 124,000
Other	1.9	81,000	\$ 80,000
<b>Total <sup>(2)</sup>/Average</b>	<b>23.1 million</b>	<b>147,000</b>	<b>\$ 112,000</b>

<sup>(1)</sup> All demographic data contained in this chart is supplied by ESRI, as of September 30, 2016. Aggregated information is calculated on a weighted-average basis.

<sup>(2)</sup> Total values may not add up exactly due to rounding.

## TOP 10 TENANTS

as of March 31, 2017

RANK	TENANT NAME	PERCENTAGE OF TOTAL ANNUALIZED BASE RENT	NUMBER OF STORES LEASED
1	Ahold USA, Inc.	3.04	17
2	TJX Companies, The	2.72	27
3	Gap, Inc., The	2.30	27
4	Bed, Bath & Beyond, Inc.	2.29	20
5	Splunk, Inc.	1.79	1
6	L.A. Fitness International, LLC	1.70	10
7	CVS Corporation	1.48	17
8	AMC Entertainment Inc.	1.14	6
9	Ascena Retail Group, Inc.	1.10	33
10	Dick's Sporting Goods, Inc.	1.08	6



Assembly Row  
Somerville, MA



Pike & Rose  
North Bethesda, MD



Tower Shops  
Davie, FL



The Point  
El Segundo, CA



Bethesda Row  
Bethesda, MD

For over 50 years, we've been innovative leaders in the retail REIT industry.

We have a portfolio of high-quality properties and strong leadership focused on long-term performance.

Every day, we seize opportunities to create and increase the value of our portfolio, which enhances value for our shareholders.

We are Federal Realty.

# Shareholder Information and Services

Shares of Federal Realty are traded on the NYSE under the symbol FRT. Shareholders are encouraged to contact the company with questions or requests for information.

## DIVIDEND REINVESTMENT AND SHARE PURCHASE PLAN

The Trust offers a Dividend Reinvestment Plan (DRIP) and Share Purchase Plan that enables its shareholders to automatically reinvest dividends and make voluntary cash payments toward the purchase of additional shares.

## AUTOMATIC CASH INVESTMENT AND DIRECT DEPOSIT

Federal Realty offers the option to automatically withdraw funds from a checking/savings or other bank account to purchase additional shares of FRT on the 1st and 15th of each month. This option is only available for DRIP participants. Federal Realty also offers shareholders the option to directly deposit their dividends.

## ENROLLMENT

To enroll in Federal Realty's DRIP or sign up for automatic cash investment and direct deposit, please visit [www.astfinancial.com](http://www.astfinancial.com). For more information or to receive an enrollment form, contact the company's investor relations department or call 877.611.8039.

## INTERNET

[www.federalrealty.com](http://www.federalrealty.com)

Visitors to the site can search for and download Securities and Exchange Commission filings, review Federal Realty's Dividend Reinvestment and Share Purchase Plan, obtain current stock quotes, and read recent press releases. Printed materials and e-mail news alerts can also be requested.

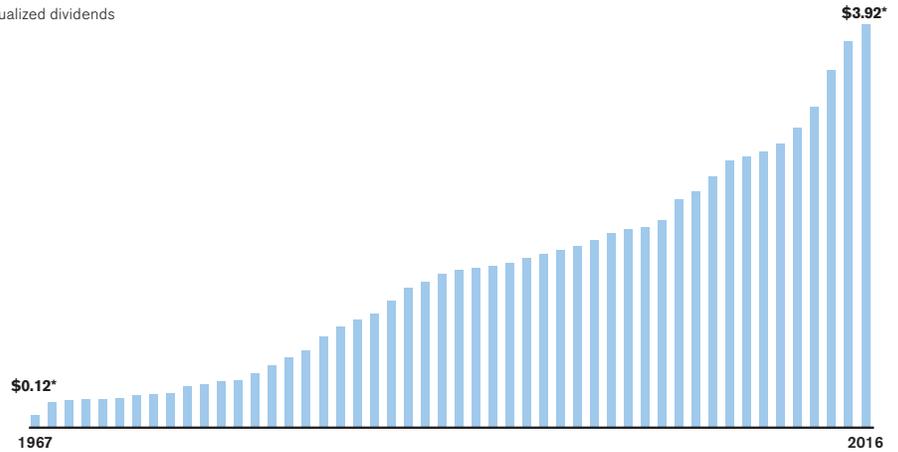
## INVESTOR RELATIONS CONTACT

You may communicate directly with Federal Realty's Investor Relations department via telephone at 800.658.8980 or by e-mail at [IR@federalrealty.com](mailto:IR@federalrealty.com).

## 49 YEARS OF INCREASED DIVIDENDS

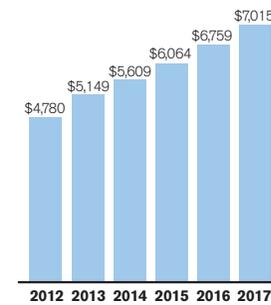
The longest consecutive record in the REIT industry.

\*Annualized dividends



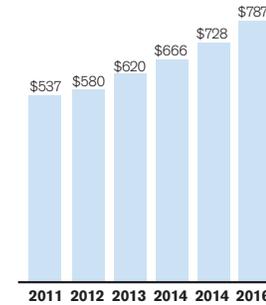
## REAL ESTATE ASSETS

(at cost, in millions)  
(as of March 31, 2017)



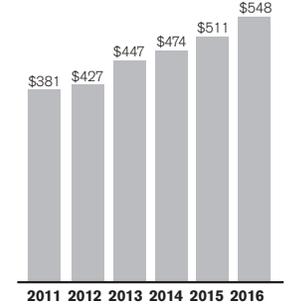
## RENTAL INCOME

(in millions)



## PROPERTY OPERATING INCOME

(in millions)



## FIRST QUARTER 2017 RESULTS

- Generated earnings per diluted share of \$0.78 for the quarter compared to \$1.10 in first quarter 2016 which included a \$0.37 gain on change in control of interests.
- Generated FFO per diluted share of \$1.45 for the quarter compared to \$1.38 in first quarter 2016, representing growth of 5.1%.
- Generated same center property operating income growth of 4.3% for the first quarter.
- Signed leases for 523,869 sf of comparable space (591,765 sf total) in the first quarter at an average rent of \$34.91 psf and achieved cash basis rollover growth on those comparable spaces of 11%.
- Acquired Riverpoint Center, 211,000 sf shopping center on 17 acres of land in Chicago, Illinois for \$107 million
- Increased our 2017 FFO per diluted share guidance range to \$5.85 - \$5.93.

## IN THE NEWS

**MARCH 31, 2017** – Federal Realty acquired Riverpoint Center, a 211,000 square foot grocery anchored community shopping center with surface parking on 17 acres of land in Chicago, Illinois. The property is located in affluent Lincoln Park and is 3.5 miles northwest of downtown Chicago. The Trust sourced the acquisition off-market for \$107 million cash.

**MARCH 28, 2017** – Federal Realty announced its exclusive partnership with Freight Farms, a Boston-based company that retrofits shipping containers with vertical farming technology capable of growing acres' worth of produce in a fraction of the space of traditional farms. The partnership empowers anyone to use this technology while repurposing Federal Realty's unused parking spaces as a place to locally and sustainably produce food that benefits the shopping centers' tenants, customers and community.

## CONTACTS

### ACQUISITIONS

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Santana Row  
San Jose, CA

## REIT FAQs<sup>(3)</sup>

### WHAT IS A REIT?

A REIT is a company that owns and, in most cases, operates income-producing real estate such as apartments, shopping centers, offices, hotels, and warehouses. Some REITs also engage in financing real estate. The shares of most REITs are freely traded, usually on a major stock exchange.

To qualify as a REIT, a company must have most of its assets and income tied to real estate investment and must distribute at least 90 percent of its taxable income to its shareholders annually. However, like other businesses, but unlike partnerships, a REIT cannot pass any tax losses through to its investors.

### WHAT TYPES OF PROPERTIES DO REITS INVEST IN?

REITs invest in a variety of property types: shopping centers, apartments, warehouses, office buildings, hotels, and others. Some REITs specialize in one property type only; others invest throughout the country or in certain other countries, one region only, or even a single metropolitan area.

### HOW ARE REITS MANAGED?

Like other public companies, a REIT's executive management team operates the company, deciding what properties it will own and manage. Management's decisions are overseen by a board of directors that is responsible to the shareholders.

### HOW ARE REIT STOCKS VALUED?

Like all companies whose stocks are publicly traded, REIT shares are priced by the market throughout the trading day. To assess their investment value, typical analysis involves one or more of the following criteria:

- Management quality and corporate structure
- Anticipated total return from the stock, estimated from the expected price change and the prevailing dividend yield
- Current dividend yields relative to other yield-oriented investments
- Dividend payout ratios as a percent of REIT FFO
- Anticipated growth in earnings per share
- Underlying asset values of the real estate and/or mortgages, and other assets

### WHY SHOULD I INVEST IN REITS?

REITs are total return investments. They typically provide high dividends plus the potential for moderate, long-term capital appreciation. There is a relatively low correlation between REIT and publicly traded real estate stock returns and the returns of other market sectors. Thus, including REITs and publicly traded real estate stocks in your investment program helps build a diversified portfolio.

REITs offer investors:

- Current, stable dividend income
- High-dividend yields
- Dividend growth that has consistently exceeded the rate of consumer price inflation
- Liquidity: Shares of publicly traded REITs are readily converted into cash because they are traded on the major stock exchanges
- Professional management: REIT managers are skilled, experienced real estate professionals
- Portfolio diversification, which reduces risk
- Performance monitoring: Performance is monitored by independent directors of the REIT, independent analysts, independent auditors, the Securities and Exchange Commission, and the business and financial media

### HOW DO I INVEST IN A REIT?

An individual may invest in a publicly traded REIT by purchasing shares through a stockbroker. An investor may also contact a REIT directly for a copy of the company's annual report, prospectus, and other financial information. Much of this information is available on a company's web site. The NAREIT web site, [www.reit.com](http://www.reit.com), also lists all publicly traded REITs with their exchange symbols. Another alternative is to buy shares in a mutual fund that specializes in investing in real estate securities. A list of such mutual funds is available at the NAREIT web site.

<sup>(3)</sup> Source: National Association of Real Estate Investment Trusts (NAREIT)