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FINAL TRANSCRIPT

Conference Call Transcript

HOLX - Hologic at Citigroup Healthcare Conference

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CORPORATE PARTICIPANTS

Jack Cumming

Hologic - Chairman, CEO

CONFERENCE CALL PARTICIPANTS

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PRESENTATION

Jack Cumming - *Hologic - Chairman, CEO*

(audio begins in progress) Tim Adams, the CFO, doesn t feel left out at, of Cytyc. He is sitting right there. And I m sure he d be happy to answer questions you have.

Moving right along. First I d like to talk about Hologic.

This chart has changed since the last time that we ve all gotten together. We have added 2007 and that the announced agreement with Cytyc. I m sure you ve all read about it by now. It was in a few papers.

We ve announced the $6.2 billion acquisition of Cytyc, bringing together two of what I consider great companies to be the world s largest dedicated women s health company.

Talking about Hologic today. Our overview obviously is our core business, which is mammography. It represents 75%, 80% of our business. It is driven by our Selenia Full Field Digital System.

That product continues to rise in sales every quarter. We had 282 units sold last quarter. We see no reason for this to slow down.

Quite frankly we see continued growth over the next three to five years with that product as the international markets come on and as we bring the tomosynthesis on.

The distribution in the United States has changed. When we bought Suros we added 30 sales people. When we bought R2 we added net about another 10 sales people.

So we now have a sound capital formation. If you would look at our last quarterly results, you d see that the $40 million that we had in debt we paid off last quarter.

Today this is the way we look as a Company. It is highlighted by the, and I don t I probably have a highlighter and couldn t find it - our Selenia Full Field Digital System.

But what it says is that when a women comes through a health suite, we are offering that health suite the opportunity to use our imaging system to capture that image, use our CAD product from R2, use CAD for breast MRI, now that we can read on our work station.

If the woman has to have a biopsy done, it would be done on our table, the multi-care table. It could be now used with the Suros biopsy system. The woman can have a bone densitometry study at that time.

And we re moving on in the new area to three-dimensional bone studies to look at the integrity and architecture of the bone itself.

Cause a woman can have normal bone mass but could have had repeat previous spinal fractures, or in fact can have distortion in her bones, which means that she should be put on Fosamax or Activil or something else.

And Selenia, we re going to talk about that because that is the future of digital for the market.

Q2 revenues were $180 million, up 79%. We had a record of pre-tax income that was up 94%. And our backlog was $216 million at the end of the quarter. And that was up 41% over the number in 2006, so obviously very strong growth.

The driver is LORAD mammography. We have about 55 plus percent now in the United States.

When you look out at 04, when we had $129 million in revenue in the first half of this year, we ve already done $270 million. Again, driven by our Selenia systems, up 99% over last year.

The Selenia itself in 06 we sold 555 systems. This was first installed in 2003. General Electric and Fischer were the two companies on the market. GE had a quite a head start in us.

We believe right now that our installed base world-wide is just a little bit under theirs or equal to them after their head start because of the surge that we ve had.

First quarter we sold 228 Selenias, 282 were sold in Q2. And we re projecting I think we said 300, Glenn, didn t we on our conference call? And obviously we re going to try to surpass that number.

That 282 is up 154% over the same quarter last year and our backlog increased to 533 systems up an incredible 248 systems from the same quarter of last year.

Here you can see what the ramp up has been. It s been very steady, dynamic quarter to quarter. And the arrow will keep accelerating on the number of systems that we take revenue on.

We are not constrained by production as we get asked that every quarter. We got asked it when we delivered three in the quarter. We get asked it when we deliver 282 in a quarter. The answer still is no.

It is a function of the number of service people, the number of applications people that there is a threshold that says this makes good economic sense. If you want to add a lot more people, it doesn t make good economic sense.

And if the customer can wait 90, 120 days then it works out fine. And we have ramped up production to be able to produce certainly over 300 a quarter.

Looking at the MQSA scoreboard that you can look at yourselves just by going on the web site listed at fda.gov, there are 8,800 facilities in the United States.

That s down probably 1,000 from about five years ago just because of the reimbursement of mammography, the limited number of qualified, certified mammographers and techs.

The facilities with Full Field has now reached 20%, which is 1,795. And the accredited units out there is 2,600 or 19% in the United States.

This is, I think that was almost a 1% or 2% rise in the last quarter or last month actually. So this is going very fast. It s going faster, the adoption, than we thought it would go.

We haven t made any predictions yet on 08 s adoption rate. But the adoption certainly is accelerating.

And a total annual mammography procedures is 34.7 million this is government statistics. That s going to go probably up to 37 million out a year or so and clearly over 40 million in the next seven years.

And our installed base as of the end of the quarter was 1,130, which was 45% of the units out there. We will be at the 50% mark, probably, we think in this quarter.

Tomosynthesis, we ve talked about it for the last two years. We had six systems out in clinical trials. Our clinical trials are finished for the tomosynthesis submission.

But trials continue for doing studies on contrast, doing studies, fusing tomosynthesis with PET, fusing tomosynthesis with ultrasound. These will continue. There ll be an expanded number of sites as we ve discussed this year.

Probably it looks like six, if not 10 more sites for tomosynthesis and those will be delivered at year s end.

What we have found that there clearly is going to be a lower recall rate with tomosynthesis because you re able to leaf through the breast just like the pages of a book because of overlapping tissue.

You will be able to see with tomosynthesis. You ll be able to visualize better and be able to make a better decision on whether a woman should have a biopsy or not.

And this is crucial.

Today the recall rates are anywhere from a low of maybe 10% to 12% up to 20%, meaning as many as 20% of the women that have conventional mammograms would have to come back for another set of mammograms because they re suspicious, there may be a cancerous lesion.

We are looking to incorporate this as a screening tool. It will first come out in a diagnostic tool. We believe the institutions will then get familiar with it. The software will get improved. But it is a 2D, 3D system. It is capable of doing both.

So those radiologists that want to take their time in learning it can learn it in 2D and can use 3D as they desire.

We re still looking for approval at the end of this calendar year. 08 will be the commercial release. We are not, as we continue to tell you, we are not looking for a lot of units to go out in 08, mainly because it s going to be early adopters.

And because the fact is that this system will end up replacing the Selenia at some point. And it will be a 2D, 3D version. And we re not going to put that system out until we can produce 300 or 400 in a quarter.

So when you roll out any new system, you re going to make sure that you re putting one out that is pretty bulletproof. Because we think our Selenia today is pretty bulletproof.

So it s going to be a slow rollout in 08. In 09 we think it s going to be huge because every product that goes out in 09 will be actually a tomo product. The classic Selenia is a tomo-ready product. And that s what you re going to see.

Suros, we bought the Suros product last July. Just a couple of sound bites $38 million in approximately in sales in 06. This year we re looking to reach almost $60 million. And next year we believe that 30% growth is certainly achievable if not beatable.

We introduced a new product this year. I just wanted to give you a sense of the 1.8 million biopsy procedures in the U.S. What we re trying to do is convert the core needles and the open surgical biopsies to use a vacuum assist or a non-tethered device.

And the non-tethered device just introduced is this Celero, the first vacuum assisted, spring-loaded, core biopsy device for ultrasound. We re very excited about this. It goes against a new market for us.

But a market where if a radiologist can do a biopsy utilizing ultrasound, they will do that over vacuum assisted. And this device would give them that opportunity.

It s very light. The core sample is twice the size of the conventional spring. And we think you ll get a more accurate clinical diagnosis. Excited, it s going to bring a great revenue surge to the Company next year.

Moving forward, and concentrating now on where we are going as a Company. Our goal is to create a global leader in women s healthcare, continuing our legacy. And we believe the way to do that is from combining forces with Cytyc.

Cytyc is our neighbor. They re 15 miles away. Their sales are the same level as ours.

We think that this strategic rationale is compelling.

First of all, you have an expanded portfolio. Cytyc s products they re most well known for their thin prep pap test. However, what has been the revenue grower is their NovaSure product for endometrial ablation.

We are going to leverage the OB/GYN channel that they have.

Cytyc has 230 sales people calling on the OB/GYN. We find this critical to us in the fact of one; bone densitometry has been flat, as you all know.

But their 230 people calling the OB/GYN, which is the call point we should be selling at, will help tremendously.

We only have 12 people in primary care calling on this market today. We also use a distributor in this market today who is, although very good also, is distracted by other products.

So we expect that the Cytyc channel, calling to OB/GYN in the United States, will be formidable.

They also have 58 people that call on breast surgeons. It s a perfect product to help compliment our Suros sales force.

Take our Suros sales force of 30 talented people with the 58 people from Cytyc and we can now cover the radiology and the breast surgery market.

So there s great cross selling.

In addition, the international presence, we have 50 people internationally of which 8 are direct sales people calling on our distributors, 120 or 30 distributors, selling in over 125 countries around the world.

Cytyc has 170 direct people overseas. We believe these folks, with some of our products, will be able to increase penetration, accelerate the growth, work with our distributors in large countries. Let the distributors the larger distributors look at those Cytyc s products to see if they fit in.

And give us a foothold in certain markets where we have options in the way we can grow the Company over the long-term basis.

They re the market share leader in every product category that they compete. We are in everything but in our biopsy. And that is our goal to become number one.

I think both management teams have proven that one, they know how to integrate. Cytyc has done, I think, four acquisitions in the last six years. We have done four in the last probably three years.

So we know the pitfalls in integration. We see this as a growth story.

From a cash standpoint, the combined entities are going to have about $450 million in projected EBITDA in 2008. It s going to be accretive to adjusted EPS within the first full year.

This is a best in class solution. It is a solution sell to the OB/GYN, to the mammographer, to the radiation oncologist, and to the breast surgeon.

From when you think of testing that a woman does every year, it is generally a pap test, a mammogram, and she should have a bone density test. She doesn t have the bone density test and that education has to be given by the sales force for Cytyc.

We believe they can be instrumental in this.

When we look at growth for this Company, we know, and you all have seen, the quarter-over-quarter growth for 13 consecutive quarters led by our Selenia Full Field Digital.

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We believe we have years of growth ahead of us. The growth is strong. This is not a merger of companies, an acquisition of companies for underpinning softness in any one of our markets.

This is to make us a major force across all of the markets in women s health that is going to give us a platform for other acquisitions to grow the Company.

This Company is going to be $1.5 billion plus when we get together at the end of this year. I think that when people have asked us questions about what s the big deal.

I mean someone said what s the big deal about being the world s biggest healthcare company? Well, I think that Medtronic or St. Jude or J&J might have been told when they were starting to diversify the same thing. But they kept going.

So we ll do the same thing. But we ll have a much tighter focus on women s health.

And with that tighter focus there are going to be the synergies we talked about. We let me go back one, excuse me.

When we look at the women affected here, one in eight in America, we re in number one market position all the way across.

There s the U.S. market size, $1 billion for breast, $550 million for cervical, $2.5 billion for the area that the menorrhagia that the NovaSure product sells. And we have strong markets in the U.S. alone to sell in.

Here is the estimated worldwide revenue of $600 million for breast for us, $425 million in the pap area, $230 million they re going to do in the NovaSure area. Leading brands that are growing.

And you look at the growth; breast cancer is high because of Selenia. The NovaSure is high in the area of endometrial ablation. It is a medium in the pre-term labor market, which is the Adeza FullTerm. And it certainly is going to be high in permanent contraception.

We re not going to make any predictions yet in the endometriosis area because it is under-penetrated. But with the Cytyc sales force we think it will be highly penetrated with their new product.

And here you can see in the left side the products that are going to address these areas.

We re going to leverage the OB/GYN channel. We re going to use them to drive utilization. If utilization goes up in any of our products, we will win by that.

Also, there is a new model that is being introduced, not by Cytyc, not by Hologic, but by radiologists in the country who are using a distributed model of reading mammograms.

And they are now negotiating to put systems into OB offices. This has started because we re in the middle of negotiations with that right now.

We ve been called in. We will put our Selenia S model, which doesn t have the workstations, which sells in the $200,000 low, low, $200,000 range, where the images would be read at a central read for radiologists.

This is not going to happen overnight. But we think over the next three years it will happen. And we will certainly be the prime player in there. Because we have more call points than any of our competitors right now.

And as you can see, and this ll be posted on our web site, we have best technology, minimally invasive. We have the channel to the treatment decision makers. And we have targeted minimally invasive products to sell.

And the bottom line is we re looking for improved outcomes.

Well, this isn t moving forward so let s try this.

This is the in-depth channel coverage we talked about, over 425 reps in the U.S. Why is it important? We do 80%, about 75% of our business in the U.S. That s where the margins are.

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Cytyc does the greater portion of their sales in the U.S.

International is where long-term growth is going to happen. But now, the penetration in the U.S. to all these radiologists, radiation oncologists, breast surgeons, it s going to be substantial.

Product pipeline, in the pipeline today at Hologic we have an international product being developed by Suros to address extraction of benign fibroid adenomas. 350,000 to 500,000 procedures are done per year.

This could be a $60 million taking a not the leading share of the market, taking a 25% share of the market, which we think we re capable of, when we introduce this product.

This is a product that has sold two breast surgeons. A percutaneous removal of confirmed breast cancers, there are 75,000 to 100,000 procedures done I m sorry for the typo here per year. And that is another market of considerable revenue that we expect.

These are products that are currently in our pipeline that now we do not have to build a distribution channel for in the breast surgery market.

And we are working on a radiation oncology product for the treatment of breast cancer. Somewhat stimulated by some company that brought Proxima a couple of years ago.

We are I know Pat. Thank you. That is a product that we re working on today. And that is a product sold to radiation oncologists, of which we have no distribution channel. And we will now under the combined companies.

So it s from a revenue standpoint we re looking at driving top-line growth 20% forever, as long as we can see. I was told to say forever by one of you guys today.

Someone said, Well you d be growing 40% isn t that better? It s better if we can continue to grow 40% with Selenia. But as our numbers, there s a little math that says as your numbers get higher sometimes the growth can t be as high.

We expect Selenia to grow for a long time, but it can t sustain 40%. We all know that.

We would much rather be a company that expands horizontally, which has always been the goal of this Company, with number one products and have 20% growth year in, year out top and bottom line. This is highly achievable for this Company.

And I guess most importantly, by having the best in class products, our goal is, our mission earlier and better detection, improved diagnosis, less invasive treatment, and better outcome.

I m going to now imitate Glenn Muir. Everyone go to sleep, no.

Here is the transaction. Glenn didn t want to get up unless he had a certain number of slides, so he s pouting over there because it was one less than what his union allows.

The deal is 0.52 Hologic shares and $16.50 for each Cytyc share, valued at $46.46 or a premium of 33%, consideration of $2.2 billion in cash and $4 billion in stock.

The Pro Forma ownership will be 55%, 45% in favor of Cytyc. The company s name will continue as Hologic, HOLX.

There ll be six Directors nominated from our side, five from Cytyc s side. I will become the Chief Executive Officer and Pat Sullivan will be the Chairman.

Customary closing conditions, permanent financees anticipate to be a combination of pre-payable term loan and equity linked securities.

Financing has been secured by a commitment from Goldman Sachs that if our term loan is not in place, which we expect it to be at the close, then they will write us a check, which is very nice. And we thank them for writing us the check.

Third quarter, about early September we expect it to close. Financial rationale is we re estimated to do more than 10% accretive to adjusted EPS, enhanced cash flow.

The revenue synergies let me I m going to flip through because I wanted to make sure that I covered this because this is what s been asked a lot.

Can t you guys do better than $75 million in revenue for God s sake, for a company that s going to be $1.4 billion?

The answer is yes we can. The answer is yes we will. The answer is we needed to have a placeholder for a number.

We ve given you a number and you all want a higher number. So why don t we say $750 billion in revenue assumptions?

It s a number, folks. It s going to be greater. We shouldn t have a heart attack over it. It s going to be greater. Our $25 million to $30 million is most doable in the two years.

The synergies in the service side alone in logistics alone are going to be substantial. In manufacturing, substantial.

So we have a great opportunity to drive these synergies. And when you look at the companies going forward, we re going to have 40% breast health, 16% gynecology and interventional, 33% gynecology and diagnostics, but we re going to have a 60%, 40% split of consumables and capital equipment.

We re going to have a blended margin of plus 60%. We re at 47% right now. They re at 75%.

We re going to have 60% plus, probably 65% in 08. We are going to be doing our budget in July for 08. We will then come back to you at the close and give you new guidance that ll be better than the 75 and the 25 and 30.

And with that they re asking me to stop. So I will say here we are. I m going to leave these up so you can look at them, expansive U.S. channel, enhanced presence, platform for new entry, best in class technologies.

I d like to thank Pat Sullivan, Tim Adams for coming. They re going to be available in the breakout.

Glenn, do not ask him any questions because he s pouting. And I d like to thank Amit for bringing us here and inviting us.

Amit Bhalla - *Citigroup - Analyst*

Thanks a lot, Jack. The breakout session is going to be in the Clinton Suite here on the second floor. So we ll go there right now.

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In the conference calls upon which Event Transcripts are based, companies may make projections or other forward-looking statements regarding a variety of items. Such forward-looking statements are based upon current expectations and involve risks and uncertainties. Actual results may differ materially from those stated in any forward-looking statement based on a number of important factors and risks, which are more specifically identified in the companies   most recent SEC filings. Although the companies mayindicate and believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the results contemplated in the forward-looking statements will be realized.

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Information set forth in this communication contains forward-looking statements, which involve a number of risks and uncertainties. Such forward-looking statements include, but are not limited to, statements about the anticipated benefits of Hologic s products, statements about the timing of the completion of the transaction, the anticipated benefits of the business combination transaction involving Hologic and Cytyc, including future financial and operating results, the expected permanent financing for the transaction, the combined company s plans, objectives, expectations and intentions and other statements that are not historical facts. Hologic and Cytyc caution readers that any forward-looking information is not a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking information.

These include risks and uncertainties relating to: the ability to obtain regulatory approvals of the transaction on the proposed terms and schedule; the parties may be unable to complete the transaction because conditions to the closing of the transaction may not be satisfied; the risk that the businesses will not be integrated successfully; the transaction may involve unexpected costs or unexpected liabilities; the risk that the cost savings and any other synergies from the transaction may not be fully realized or may take longer to realize than expected; disruption from the transaction making it more difficult to maintain relationships with customers, employees or suppliers; competition and its effect on pricing, spending, third-party relationships and revenues; the need to develop new products and adapt to significant technological change; implementation of strategies for improving internal growth; use and protection of intellectual property; dependence on customers capital spending policies and government funding policies, including third-party reimbursement; realization of potential future savings from new productivity initiatives; general worldwide economic conditions and related uncertainties; future legislative, regulatory, or tax changes as well as other economic, business and/or competitive factors; and the effect of exchange rate fluctuations on international operations. In addition, the transaction will require the combined company to obtain significant financing. While Hologic has obtained a commitment to obtain such financing, including a bridge to the permanent financing contemplated in the presentation, the combined company s liquidity and results of operations could be materially adversely affected if such financing is not available on favorable terms. Moreover, the substantial leverage resulting from such financing will subject the combined company s business to additional risks and uncertainties. The risks included above are not exhaustive. The annual reports on Form 10-K, the quarterly reports on Form 10-Q, current reports on Form 8-K and other documents Hologic and Cytyc have filed with the SEC contain additional factors that could impact the combined company s businesses and financial performance. The parties expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any such statements to reflect any change in the parties expectations or any change in events, conditions or circumstances on which any such statement is based.

Important Information for Investors and Stockholders

Hologic and Cytyc will file a joint proxy statement/prospectus with the SEC in connection with the proposed merger. HOLOGIC AND CYTYC URGE INVESTORS AND STOCKHOLDERS TO READ THE JOINT PROXY STATEMENT/PROSPECTUS WHEN IT BECOMES AVAILABLE AND ANY OTHER RELEVANT DOCUMENTS FILED BY EITHER PARTY WITH THE SEC BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.

Investors and stockholders will be able to obtain the joint proxy statement/prospectus and other documents filed with the SEC free of charge at the website maintained by the SEC at www.sec.gov. In addition, documents filed with the SEC by Hologic will be available free of charge on the investor relations portion of the Hologic website at www.hologic.com. Documents filed with the SEC by Cytyc will be available free of charge on the investor relations portion of the Cytyc website at www.cytyc.com.

Participants in the Solicitation

Hologic, and certain of its directors and executive officers, may be deemed participants in the solicitation of proxies from the stockholders of Hologic in connection with the merger. The names of Hologic s directors and executive officers and a description of their interests in Hologic are set forth in the proxy statement for Hologic s 2006 annual meeting of stockholders, which was filed with the SEC on January 25, 2007. Cytyc, and certain of its directors and executive officers, may be deemed to be participants in the solicitation of proxies from its stockholders in connection with the merger. The names of Cytyc s directors and executive officers and a description of their interests in Cytyc is set forth in Cytyc s Annual Report on Form 10-K/A for the fiscal year ended December 31, 2006, which was filed with the SEC on April 30, 2007. Investors and stockholders can obtain more detailed information regarding the direct and indirect interests of Hologic s and Cytyc s directors and executive officers in the merger by reading the definitive joint proxy statement/prospectus when it becomes available.

Use of Non-GAAP Financial Measures

In addition to the financial measures prepared in accordance with generally accepted accounting principles (GAAP), we use the non-GAAP financial measures adjusted EPS and EBITDA . Adjusted EPS excludes the write-off and amortization of acquisition-related intangible assets, and tax provisions/benefits related thereto. EBITDA is defined as net earnings (loss) before interest, taxes, depreciation and amortization expense. Neither adjusted EPS nor EBITDA is a measure of operating performance under GAAP. We believe that the use of these non-GAAP measures helps investors to gain a better understanding of our core operating results and future prospects, consistent with how management measures and forecasts our performance, especially when comparing such results to previous periods or forecasts. When analyzing our operating performance, investors should not consider these non-GAAP measures as a substitute for net income prepared in accordance with GAAP.

CitiGroup
Investor Conference
Jack W. Cumming
Chairman & CEO
Glenn Muir
Exec VP & CFO
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Disclaimer Regarding

Forward-Looking Statements (continued)

growth; use and protection of intellectual property; dependence on customers' capital spending policies and government funding policies, including third-party reimbursement; realization of potential future savings from new productivity initiatives; general worldwide economic conditions and related uncertainties; future legislative, regulatory, or tax changes as well as other economic, business and/or competitive factors; and the effect of exchange rate fluctuations on international operations. In addition, the transaction will require the combined company to obtain significant financing. While Hologic has obtained a commitment to obtain such financing, including a bridge to the permanent financing contemplated in the presentation, the combined company s liquidity and results of operations could be materially adversely affected if such financing is not available on favorable terms. Moreover, the substantial leverage resulting from such financing will subject the combined company s business to additional risks and uncertainties. The risks included above are not exhaustive. The annual reports on Form 10-K, the quarterly reports on Form 10-Q, current reports on Form 8-K and other documents Hologic and Cytyc have filed with the SEC contain additional factors that could impact the combined company s businesses and financial performance. The parties expressly disclaim any obligation or undertaking to release publicly any updates

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Hologic, and certain of its directors and executive officers, may be deemed participants in the solicitation of proxies from the stockholders of Hologic in connection with the merger. The names of Hologic s directors and executive officers and a description of their interests in Hologic are set forth in the proxy statement for Hologic s 2006 annual meeting of stockholders,
which

was filed with the SEC on January 25, 2007. Cytyc, and certain of its directors and executive officers, may be deemed to be participants in the solicitation of proxies from its stockholders in connection with the merger. The names of Cytyc s directors and executive officers and a description of their interests in Cytyc is set forth in Cytyc s Annual Report on Form 10-K/A for the fiscal year ended December 31, 2006, which was filed with the SEC on April 30, 2007. Investors and stockholders can obtain more detailed information regarding the direct and indirect interests of Hologic s and Cytyc s directors and executive officers in the merger by reading

Date Sold
January 2006
February 2006
March 2006
April 2006
May 2006

June 2006

July 2006
August 2006
September 2006
November 2006
December 2006

Long-Term Investment Project -
During 2006, the Company acquired land in Chambersburg, PA, for a purchase price of approximately $8.9 million. The land v
Operating Real Estate Joint Venture Investments -
Kimco Prudential Joint Venture (KimPru   ) -
On July 9, 2006, the Company entered into a definitive merger agreement with Pan Pacific. Under the terms of the agreement,
On September 25, 2006, Pan Pacific stockholders approved the proposed merger and the closing occurred on October 31, 2006
The transaction had a total value of approximately $4.1 billion, including Pan Pacific   s outstanding loans totaling approximate
Funding for this transaction was provided by approximately $1.3 billion of new individual non-recourse mortgage loans encum
Immediately following the merger, the Company commenced its joint venture agreements with Prudential Real Estate Investor

Table of Contents

behalf of institutional investors in three of its portfolios. The Company holds 15% non-controlling ownership interests in each
During November 2006, KimPru sold an operating property for a sales price of approximately $5.3 million. There was no gain

Kimco Income REIT (KIR) -

The Company has a non-controlling limited partnership interest in KIR, manages the portfolio and accounts for its investment
During 2006, KIR disposed of two operating properties and one land parcel, in separate transactions, for an aggregate sales pri
In April 2005, KIR entered into a three-year $30.0 million unsecured revolving credit facility, which bears interest at LIBOR p
As of December 31, 2006, the KIR portfolio was comprised of 66 operating properties aggregating approximately 14.0 million

KROP Venture (KROP) -

During 2001, the Company formed the KROP joint venture with GE Capital Real Estate (GECRE), in which the Company
During 2006, the Company recognized equity in income of KROP of approximately $34.0 million, including profit participatio
During 2006, KROP acquired one operating property from the Company for an aggregate purchase price of approximately $3.
During 2006, KROP sold three operating properties to a joint venture in which the Company has a 20% non-controlling interes
Also during 2006, KROP sold nine operating properties, one out-parcel and one land parcel, in separate transactions, for an ag
During 2006, KROP obtained one non-recourse, non-cross collateralized variable rate mortgage for $14.0 million on a property
Additionally during 2006, KROP obtained a one-year $15.0 million unsecured term loan, which bears interest at LIBOR plus 0
As of December 31, 2006, the KROP portfolio was comprised of 25 operating properties aggregating approximately 3.6 millio

Table of Contents

During August 2006, the Company and GECRE agreed to market for sale the remaining properties within the KROP venture.

PL Retail LLC (PL Retail   ) -

The Company has a 15% non-controlling limited partnership interest in PL Retail, manages the portfolio and accounts for its ir
During May 2006, PL Retail sold one operating property for a sales price of approximately $42.1 million, which resulted in a g
Additionally during 2006, PL Retail sold one of its operating properties to a newly formed joint venture in which the Company
Proceeds of approximately $17.0 million from these sales were used by PL Retail to fully repay the remaining balance of mezz
During 2005, PL Retail entered into a $39.5 million unsecured revolving credit facility, which bears interest at LIBOR plus 0.6
As of December 31, 2006, the PL Retail portfolio was comprised of 23 operating properties aggregating approximately 5.8 mil

Kimco/UBS Joint Ventures (KUBS   ) -

The Company has joint venture investments with UBS Wealth Management North American Property Fund Limited (UBS   )
During 2006, KUBS acquired 15 operating properties for an aggregate purchase price of approximately $447.8 million, which
Additionally during 2006, KUBS acquired one operating property from the Company, and five operating properties from joint
As of December 31, 2006, the KUBS portfolio was comprised of 31 operating center properties aggregating approximately 5.0

Other Real Estate Joint Ventures

During 2006, the Company acquired, in separate transactions, 18 operating properties and one ground lease, through joint vent

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Property Name
Crème de la Crème (2 Locations)

Five free-standing locations

Edgewater Commons

Long Gate Shopping Ctr

Clackamas Promenade

Crow Portfolio (3 Locations)

Great Northeast Plaza

Crème de la Crème

Westmont Portfolio

Cypress Towne Center

Bustleton Dunkin Donuts (ground lease)

Conroe Marketplace

During 2006, joint ventures, in which the Company has non-controlling interests ranging from 10% to 50%, disposed of, in sep
The Company s maximum exposure to losses associated with its unconsolidated joint ventures is primarily limited to its carry

International Real Estate Investments -

Canadian Investments -

During March 2006, the Company acquired an interest in a portfolio of eight properties located in various cities throughout Ca
During 2006, the Company provided through 12 separate Canadian preferred equity investments, an aggregate of approximatel
The Company applies the equity method of accounting for the Canadian investments described above.

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Mexican Investments -

During January 2006, the Company transferred 50% of its 60% interest in an operating property in Guadalajara, Mexico, to a j

During June 2006, the Company acquired, through a newly formed joint venture, in which the Company has a non-controlling

Additionally, during June 2006, the Company transferred 50% of its 60% interest in a development property located in Tijuana

During July 2006, the Company acquired the completed improvements on a recently acquired development property located in

During August 2006, the Company sold 50% of its 100% interest in a development property located in Monterrey, Mexico, to

During November 2006, the Company acquired an operating property for a purchase price of MXP 180.0 million (approximate

During 2006, the Company acquired, in separate transactions, ten operating properties, through a joint venture in which the Co

During 2006, the Company acquired, in separate transactions, nine parcels of land in various cities throughout Mexico for an a

Other Real Estate Investments -

Preferred Equity Capital -

The Company maintains a Preferred Equity program, which provides capital to developers and owners of real estate properties

Other Investments -

Kimsouth -

During November 2002, the Company, through its taxable REIT subsidiary, together with Prometheus Southeast Retail Trust,

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During May 2006, the Company acquired an additional 48% interest in Kimsouth for approximately $22.9 million, which incre
During June 2006, Kimsouth contributed approximately $51.0 million, of which $47.2 million, or 92.5% was provided by the C
During July 2006, Kimsouth contributed approximately $3.7 million to fund its 15% non-controlling interest in a newly formed
During 2006, Kimsouth sold two properties for an aggregate sales price of approximately $9.8 million and transferred two prop
Mortgages and Other Financing Receivables -
During January 2006, the Company provided approximately $16.0 million as its share of a $50.0 million junior participation in
Additionally, during January 2006, the Company provided approximately $5.2 million as its share of an $11.5 million term loa
During February 2006, the Company committed to provide a one-year $17.2 million credit facility at a fixed rate of 8.0% for a
During April 2006, the Company provided two separate mortgages aggregating $14.5 million on a property owned by a real es
During May 2006, the Company provided a CAD $23.5 million collateralized credit facility at a fixed rate of 8.5% per annum

During September 2005, a newly formed joint venture, in which the Company had an 80% interest, acquired a 90% interest in
During August 2006, the Company provided $8.8 million as its share of a $13.2 million 12-month term loan to a retailer for ge
During September 2006, the Company provided a MXP 57.3 million (approximately USD $5.3 million) loan to an owner of an
During November 2006, the Company committed to provide a MXP 124.8 million (approximately USD $11.5 million) loan to
During December 2006, the Company provided $5.0 million as its share of a one-year $27.5 million mortgage loan to a real es

Financing Transactions -

Non-Recourse Mortgage Debt -

During 2006, the Company (i) obtained an aggregate of approximately $52.7 million of individual non-recourse mortgage debt

Unsecured Debt -

During March 2006, the Company issued $300.0 million of fixed rate unsecured senior notes under its MTN program. This fix
During June 2006, the Company entered into a third supplemental indenture, under the indenture governing its medium-term n

Table of Contents

real estate assets to total assets, with total assets being defined as undepreciated real estate assets, plus other assets (but excludi
During 2006, the Company repaid its $30.0 million 6.93% fixed rate notes, which matured on July 20, 2006, $100.0 million flo
During August 2006, Kimco North Trust III, a wholly-owned subsidiary of the Company, completed the issuance of $200.0 mi
In connection with the October 31, 2006, Pan Pacific merger transaction, the Company assumed $650.0 million of unsecured n

Construction Loans -

During 2006, the Company obtained construction financing on three ground-up development projects for an original loan com

Credit Facility -

The Company has a CAD $250.0 million unsecured revolving credit facility with a group of banks. This facility originally bor

Equity -

During March 2006, the Company completed a primary public stock offering of 10,000,000 shares of Common Stock. The net
During March 2006, the shareholders of Atlantic Realty approved a proposed merger with the Company, and the closing occur
During May 2006, the Company filed a shelf registration statement on Form S-3ASR, which is effective for a three-year term,
On September 25, 2006, Pan Pacific stockholders approved the proposed merger with the

Table of Contents

Company and the closing occurred on October 31, 2006. Under the terms of the merger agreement, the Company agreed to acq
During 2006, the Company received approximately $43.8 million through employee stock option exercises and the dividend re
Exchange Listings
The Company s common stock and Class F Depositary Shares are traded on the NYSE under the trading symbols KIM and
Item 1A. Risk Factors
Set forth below are the material risks associated with the purchase and ownership of the Company s equity and debt securities
i) Loss of the Company s tax status as a real estate investment trust could have significant adverse consequences to the Compa
The Company elected to be taxed as a REIT for federal income tax purposes under the Code commencing with the taxable yea
Qualification as a REIT involves the application of highly technical and complex Code provisions for which there are only lim
If the Company loses its REIT status, it will face serious tax consequences that will substantially reduce the funds available to

the Company would not be al

the Company also could be su

unless the Company was entit

In addition, if the Company fails to qualify as a REIT, it would not be required to make distributions to stockholders.
As a result of all these factors, the Company s failure to qualify as a REIT could impair its ability to expand its business and ra

of the Company s securities.
ii) Adverse market conditions and competition may impede the Company s ability to generate sufficient income to pay expens
The economic performance and value of the Company s properties are subject to all of the risks associated with owning and o

changes in the national, region

local conditions, including an

the attractiveness of the Comp

the ability of tenants to pay re

competition from other availa

changes in market rental rates

the need to periodically pay fo

changes in operating costs, in

the fact that the expenses of o

changes in laws and governm

iii) Downturns in the retailing industry likely will have a direct impact on the Company s performance.
The Company s properties consist primarily of community and neighborhood shopping centers and other retail properties. The
iv) Failure by any anchor tenant with leases in multiple locations to make rental payments to the Company because of a deterio
The Company s performance depends on its ability to collect rent from tenants. At any time, the Company s tenants may expe
v) The Company may be unable to collect balances due from tenants in bankruptcy.
The Company cannot give assurance that any tenant that files for bankruptcy protection will continue to pay rent. A bankruptcy

Table of Contents

bankruptcy debts from the tenant or the lease guarantor, or their property, unless the Company receives an order permitting it t
vi) Real estate property investments are illiquid, and therefore the Company may not be able to dispose of properties when app
Real estate property investments generally cannot be disposed of quickly. In addition, the federal tax code imposes restrictions
vii) We may acquire or develop properties or acquire other real estate related companies and this may create risks.
We may acquire or develop properties or acquire other real estate related companies when we believe that an acquisition or dev
viii) There is a lack of operating history with respect to our recent acquisitions and development of properties and we may not
These properties may not have characteristics or deficiencies currently unknown to us that affect their value or revenue potenti
ix) The Company does not have exclusive control over its joint venture investments, so the Company is unable to ensure that it
The Company has invested in some cases as a co-venturer or partner in properties, instead of owning directly. These investmen
x) We have significant international operations that carry additional risks.

Table of Contents

We invest in, and conduct, operations outside the United States. The inherent risks that we face in international business operat

- currency risks, including curr
- unexpected changes in legisla
- potential adverse tax burdens;
- burdens of complying with di
- obstacles to the repatriation o
- regional, national and local po
- economic slowdown and/or d
- difficulties in staffing and ma
- reduced protection for intelle

Each of these risks might impact our cash flow or impair our ability to borrow funds, which ultimately could adversely affect o

xi) The Company s financial covenants may restrict its operating and acquisition activities.

The Company s revolving credit facilities and the indentures under which the Company s senior unsecured debt is issued con

xii) The Company may be subject to environmental regulations.

Under various federal, state, and local laws, ordinances and regulations, the Company may be considered an owner or operator

xiii) The Company s ability to lease or develop properties is subject to competitive pressures.

The Company faces competition in the acquisition, development, operation and sale of real property from individuals and busi

xiv) Changes in market conditions could adversely affect the market price of the Company s publicly traded securities.

As with other publicly traded securities, the market price of the Company s publicly traded securities depends on various mar

- the extent of institutional inve

the reputation of REITs gener

the attractiveness of the secur

the Company s financial con

the market s perception of th

an increase in market interest

general economic and financi

Item 1B. Unresolved Staff Comments

None

Item 2. Properties

Real Estate Portfolio As of January 1, 2007, the Company s real estate portfolio was comprised of interests in approximately 1

The Company s neighborhood and community shopping center properties, generally owned and operated through subsidiaries

The Company s neighborhood and community shopping centers are usually anchored by a national or regional discount de

A substantial portion of the Company s income consists of rent received under long-term leases. Most of the leases provide fo

Table of Contents

Approximately 1,960 of the Company s 8,260 leases also contain provisions requiring the payment of additional rent calculate
Minimum base rental revenues and operating expense reimbursements accounted for approximately 99% of the Company s to
For the period January 1, 2006, to December 31, 2006, the Company increased the average base rent per leased square foot in i
The Company seeks to reduce its operating and leasing risks through geographic and tenant diversity. No single neighborhood
The Company s management believes its experience in the real estate industry and its relationships with numerous national an
Retail Store Leases In addition to neighborhood and community shopping centers, as of January 1, 2007, the Company had int
Ground-Leased Properties The Company has interests in 83 shopping center properties that are subject to long-term ground lea
Ground-Up Development Properties The Company is engaged in ground-up development projects which consists of (i) mercha

total of 45 ground-up development projects including 23 merchant building projects, six domestic ground-up development proj
As of January 1, 2007, KDI has currently in progress 23 ground-up development projects located in ten states, which are expec
Undeveloped Land The Company owns certain unimproved land tracts and parcels of land adjacent to certain of its existing sh
The table on pages 29 to 41 sets forth more specific information with respect to each of the Company s property interests.

Item 3. Legal Proceedings

The Company is not presently involved in any litigation nor, to its knowledge, is any litigation threatened against the Company

Item 4. Submission of Matters to a Vote of Security Holders

None.

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LOCATION

ALABAMA
HOOVER
MOBILE (9)
ALASKA
ANCHORAGE (4)
KENAI
ARIZONA
CHANDLER (4)
GILBERT (4)
GLENDALE
GLENDALE (12)
GLENDALE (8)
MARANA
MARANA (4)
MESA
MESA (12)
MESA (4)
MESA (4)
NORTH PHOENIX
PEORIA (4)
PHOENIX
PHOENIX
PHOENIX
PHOENIX
PHOENIX (7)
SURPRISE (4)
TEMPE (12)
TUCSON
CALIFORNIA
ALHAMBRA
ANAHEIM
ANAHEIM (7)
ANAHEIM (7)
ANAHEIM (7)
ANGEL S CAMP (7)
ANTELOPE (7)
BAKERSFIELD (7)
BELLFLOWER (7)
CALSBAD (7)
CARMICHAEL
CHICO
CHICO (7)
CHICO (7)
CHINO (7)
CHINO (7)

CHINO HILLS
CHINO HILLS (7)
CHULA VISTA
COLMA (14)
CORONA
COVINA (8)
CUPERTINO
DALY CITY (3)
DOWNEY (7)
DUBLIN (7)
EL CAJON
EL CAJON (12)
ELK GROVE
ELK GROVE
ELK GROVE (7)
ELK GROVE (7)
ENCINITAS (7)
ESCONDIDO (7)
FAIR OAKS (7)
FOLSOM
FOLSOM (7)
FREMONT (13) (6)
FREMONT (7)
FRESNO (12)
FRESNO (7)
FULLERTON (7)
GARDENA (7)
GRANITE BAY (7)
GRASS VALLEY (7)
HACIENDA HEIGHTS (7)
HAYWARD (7)
HUNTINGTON BEACH (7)
JACKSON
LA MIRADA
LA VERNE (7)
LIVERMORE (7)
LOS ANGELES (7)
LOS ANGELES (7)
LOS BANOS (7)
MANTECA
MANTECA (7)
MANTECA (7)
MERCED
MODESTO (7)
MODESTO (7)
MONTEBELLO (8)
MORAGA (7)
MORGAN HILL
NAPA
NORTHRIDGE

NOVATO (7)
OCEANSIDE (7)
OCEANSIDE (7)

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LOCATION

OCEANSIDE (7)
ONTARIO (7)
ONTARIO (7)
ORANGEVALE (7)
OXNARD (8)
PACIFICA (11)
PACIFICA (7)
PALMDALE (7)
PORTERVILLE (7)
POWAY
RANCHO CUCAMONGA (7)
RANCHO CUCAMONGA (7)
RANCHO MIRAGE (7)
RED BLUFF
REDDING
REDDING (7)
REDWOOD CITY (12)
RIVERSIDE
ROSEVILLE (12)
SACRAMENTO (7)
SACRAMENTO (7)
SACRAMENTO (7)
SACRAMENTO (7)
SAN DIEGO (12)
SAN DIEGO (12)
SAN DIEGO (7)
SAN DIEGO (8)
SAN DIMAS (7)
SAN JOSE (7)
SAN LEANDRO (7)
SAN LUIS OBISPO
SAN RAMON (8)
SANTA ANA
SANTA CLARITA (7)
SANTA ROSA
SANTEE
SIGNAL HILL (12)
STOCKTON
SUISON CITY (7)
TEMECULA (12)
TEMECULA (7)
TEMECULA (8)
TORRANCE (8)
TRUCKEE
TULARE (7)

TURLOCK (7)
TUSTIN
TUSTIN (4)
TUSTIN (7)
TUSTIN (7)
UKIAH (7)
UPLAND (7)
VALENCIA (7)
VALLEJO (7)
VALLEJO (7)
VISALIA (7)
VISTA (7)
WALNUT CREEK (7)
WESTMINSTER (7)
WINDSOR (7)
WINDSOR (7)
YREKA (7)
COLORADO
AURORA
AURORA
AURORA (3)
COLORADO SPRINGS
DENVER
ENGLEWOOD
FORT COLLINS (3)
GREELEY (13)
GREENWOOD VILLAGE
LAKEWOOD
PUEBLO
CONNECTICUT
BRANFORD (8)
DERBY
ENFIELD (8) (3)
FARMINGTON
HAMDEN
NORTH HAVEN
WATERBURY
DELAWARE
DOVER
ELSMERE
MILFORD (9)
WILMINGTON (11)
FLORIDA
ALTAMONTE SPRINGS
ALTAMONTE SPRINGS
BOCA RATON
BONITA SPRINGS (14)
BOYNTON BEACH (8)
BRADENTON
BRADENTON

BRANDON (8)
CAPE CORAL (14)
CAPE CORAL (14)
CLEARWATER
CLEARWATER

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LOCATION
CORAL SPRINGS
CORAL SPRINGS
CORAL WAY
CUTLER RIDGE
DELRAY BEACH (14)
EAST ORLANDO
FORT LAUDERDALE (12)
FORT MEYERS (14)
HIALEAH
HOLLYWOOD
HOLLYWOOD (12)
HOLLYWOOD (12)
HOMESTEAD
JACKSONVILLE
JACKSONVILLE
JACKSONVILLE (14)
JACKSONVILLE (4)
JACKSONVILLE (4)
JENSEN BEACH
JENSEN BEACH (9)
KEY LARGO (8)
KISSIMMEE
LAKELAND
LAKELAND
LARGO
LARGO
LARGO
LAUDERDALE LAKES
LAUDERHILL
LEESBURG
MARGATE
MELBOURNE
MELBOURNE
MERRITT ISLAND (14)
MIAMI
MIAMI
MIAMI
MIAMI
MIAMI
MIAMI
MIAMI
MIAMI (12)
MIAMI (14)
MIDDLEBURG (4)
MIRAMAR (4)

MOUNT DORA
NORTH LAUDERDALE (13) (6)
NORTH MIAMI BEACH
OCALA (3)
ORANGE PARK
ORLANDO
ORLANDO
ORLANDO
ORLANDO
ORLANDO (12)
ORLANDO (3)
ORLANDO (8)
OVIEDO (14)
PLANTATION
POMPANO BEACH
POMPANO BEACH (13)
PORT RICHEY (8) (3)
RIVIERA BEACH
SANFORD
SARASOTA
SARASOTA
SARASOTA (14)
ST. AUGUSTINE
ST. PETERSBURG
TALLAHASSEE
TAMPA
TAMPA (3)
TAMPA (8)
WEST PALM BEACH
WEST PALM BEACH
WEST PALM BEACH (12)
WINTER HAVEN
YULEE (4)
GEORGIA
AUGUSTA
AUGUSTA (8)
DULUTH (14)
SAVANNAH
SAVANNAH (3)
SNELLVILLE (8)
VALDOSTA
HAWAII
KIHEI
IDAHO
NAMPA (4)
NAMPA (4)
ILLINOIS
ALTON
ARLINGTON HEIGHTS
AURORA

AURORA (14)
BATAVIA (8)
BELLEVILLE
BLOOMINGTON

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LOCATION
BLOOMINGTON
BRADLEY
CALUMET CITY
CARBONDALE
CHAMPAIGN
CHAMPAIGN (8)
CHICAGO
CHICAGO
COUNTRYSIDE
CRESTWOOD
CRYSTAL LAKE
DOWNERS GROVE
DOWNERS GROVE
DOWNERS GROVE
ELGIN
FAIRVIEW HEIGHTS
FOREST PARK
GENEVA
KILDEER (14)
MATTESON
MOUNT PROSPECT
MUNDELIEN
NAPERVILLE
NORRIDGE
OAK LAWN
OAKBROOK TERRACE
ORLAND PARK
OTTAWA
PEORIA
ROCKFORD (9)
ROLLING MEADOWS
SCHAUMBURG
SCHAUMBURG
SKOKIE
STREAMWOOD
WAUKEGAN
WOODRIDGE
INDIANA
EVANSVILLE
GREENWOOD
GRIFFITH
INDIANAPOLIS
LAFAYETTE
LAFAYETTE
LAFAYETTE

MISHAWAKA
SOUTH BEND
SOUTH BEND (3)
IOWA
CLIVE
COUNCIL BLUFFS (4)
DAVENPORT
DES MOINES
DUBUQUE
SOUTHEAST DES MOINES
WATERLOO
KANSAS
EAST WICHITA (8)
OVERLAND PARK
WEST WICHITA (8)
WICHITA (8)
KENTUCKY
BELLEVUE
FLORENCE (11)
HINKLEVILLE
LEXINGTON
MAYSVILLE (7)
LOUISIANA
BATON ROUGE
BATON ROUGE
HARVEY (9)
HOUMA
LAFAYETTE
MAINE
BANGOR
S. PORTLAND
MARYLAND
BALTIMORE
BALTIMORE (11) (3)
BALTIMORE (13)
BALTIMORE (14)
BALTIMORE (5)
BALTIMORE (9)
BALTIMORE (9)
BALTIMORE (9)
BALTIMORE (9)
BEL AIR (13) (3)
CLINTON
CLINTON
COLUMBIA
COLUMBIA
COLUMBIA
COLUMBIA (13)
COLUMBIA (14)
COLUMBIA (14)

COLUMBIA (14)
COLUMBIA (14)
COLUMBIA (9)
COLUMBIA (9) (3)

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LOCATION

EASTON (11)
ELLICOTT CITY (11)
ELLICOTT CITY (13) (6)
FREDRICK COUNTY (3)
GAITHERSBURG
GLEN BURNIE (13)
HAGERSTOWN (3)
HUNT VALLEY
LAUREL
LAUREL
LINTHICUM
LUTHERVILLE (9)
NORTH EAST (9)
OWINGS MILLS (13)
PASADENA
PERRY HALL (11)
PERRY HALL (3)
TIMONIUM (3)
TIMONIUM (9)
TOWSON (11)
TOWSON (13)
WALDORF
WALDORF
WOODSTOCK (9)
MASSACHUSETTS
GREAT BARRINGTON
HYANNIS (11)
MARLBOROUGH
PITTSFIELD (11)
QUINCY (13)
SHREWSBURY
STURBRIDGE (14)
MICHIGAN
CLARKSTON
CLAWSON (3)
FARMINGTON
KALAMAZOO
LIVONIA
MUSKEGON
NOVI
TAYLOR
TROY (13)
WALKER
MINNESOTA
MAPLE GROVE

MAPLE GROVE (8)
MAPLEWOOD (9)
MINNETONKA (8)
MISSISSIPPI
HATTIESBURG (4)
JACKSON
MISSOURI
BRIDGETON
CRYSTAL CITY
ELLISVILLE
INDEPENDENCE
JOPLIN
JOPLIN (8)
KANSAS CITY
KIRKWOOD
LEMAY (3)
MANCHESTER (8)
SPRINGFIELD
SPRINGFIELD
SPRINGFIELD
ST. CHARLES
ST. CHARLES
ST. LOUIS
ST. LOUIS
ST. LOUIS
ST. LOUIS
ST. LOUIS
ST. LOUIS
ST. PETERS
NEBRASKA
OMAHA (4)
NEVADA
CARSON CITY (7)
ELKO (7)
HENDERSON (4)
HENDERSON (7)
LAS VEGAS (7)
LAS VEGAS (7)
LAS VEGAS (7)
LAS VEGAS (7)
LAS VEGAS (7)
LAS VEGAS (7)
LAS VEGAS (7)
LAS VEGAS (7)
RENO
RENO
RENO (7)
RENO (7)
RENO (7)
WINNEMUCCA (7)

NEW HAMPSHIRE
NASHUA (11)
NEW LONDON
SALEM

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LOCATION

NEW JERSEY
BAYONNE
BRIDGEWATER (8)
CHERRY HILL
CHERRY HILL
CHERRY HILL (9)
CINNAMINSON
DELRAN (8)
DELRAN (8) (3)
EAST WINDSOR
EDGEWATER (13)
HILLSBOROUGH
HOLMDEL
HOLMDEL (3)
LINDEN
MOORESTOWN (12)
NORTH BRUNSWICK (3)
PISCATAWAY
RIDGEWOOD
WAYNE (12)
WESTMONT
NEW MEXICO
ALBUQUERQUE
ALBUQUERQUE
ALBUQUERQUE
LAS CRUCES
RIO RANCHO ALBUQUERQUE (7)
NEW YORK
BAYRIDGE
BAYSHORE
BELLMORE
BRIDGEHAMPTON
BRONX
BRONX
BROOKLYN
BROOKLYN
BROOKLYN
BROOKLYN
BROOKLYN
BROOKLYN (8)
BUFFALO
BUFFALO, AMHERST
CENTEREACH
CENTEREACH
CENTRAL ISLIP (4)

COMMACK
COPIAGUE (8)
EAST NORTHPORT
EAST NORTHPORT (4)
ELMONT
FARMINGDALE (14)
FRANKLIN SQUARE
FREEPORT (8)
GLEN COVE (8)
GLENVILLE (5)
HAMPTON BAYS
HEMPSTEAD (8)
HICKSVILLE
JAMAICA
LATHAM (8)
LAURELTON
LEVITTOWN
LITTLE NECK
MANHASSET
MANHATTAN
MASPETH
MERRICK (8)
MIDDLETOWN (8)
MUNSEY PARK (8)
NESCONSET (12)
NORTH MASSAPEQUA
OCEANSIDE
PLAINVIEW
POUGHKEEPSIE
QUEENS VILLAGE
ROCHESTER
STATEN ISLAND
STATEN ISLAND
STATEN ISLAND
STATEN ISLAND
STATEN ISLAND (8)
SYOSSET
WESTBURY (12)
WHITE PLAINS
YONKERS
YONKERS
YONKERS (8) (6)
NORTH CAROLINA
BURLINGTON (5)
CARY
CARY
CARY (8)
CARY (9)
CHARLOTTE
CHARLOTTE

CHARLOTTE
DURHAM
DURHAM (8)

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LOCATION
FRANKLIN
GREENSBORO
HILLSBOROUGH (5)
KNIGHTDALE (4)
PINEVILLE (13)
RALEIGH
RALEIGH (10)
RALEIGH (4)
RALEIGH (4)
RALEIGH (4)
WINSTON-SALEM
OHIO
AKRON
AKRON
BARBERTON
BEAVERCREEK
BRUNSWICK
CAMBRIDGE
CANTON
CENTERVILLE
CINCINNATI
CINCINNATI
CINCINNATI
CINCINNATI
CINCINNATI
CINCINNATI (8)
COLUMBUS
COLUMBUS
COLUMBUS
COLUMBUS
COLUMBUS
COLUMBUS (8)
COLUMBUS (8)
DAYTON
DAYTON
DAYTON
HUBER HEIGHTS (8)
KENT
MENTOR
MENTOR
MIAMISBURG
MIDDLEBURG HEIGHTS
NORTH OLMSTEAD
ORANGE TOWNSHIP (4)
SHARONVILLE

SPRINGDALE (8)
TROTWOOD
UPPER ARLINGTON
WESTERVILLE
WICKLIFFE
WILLOUGHBY HILLS
OKLAHOMA
NORMAN (8)
OKLAHOMA CITY
OKLAHOMA CITY
SOUTH TULSA
OREGON
ALBANY
ALBANY (7)
CANBY (7_
CLACKAMAS (13) (6)
GRESHAM (7)
GRESHAM (7)
GRESHAM (7)
GRESHAM (7)
HERMISTON (7)
HILLSBORO (7)
HILLSBORO (7)
HOOD RIVER (7)
MCMINNVILLE (4)
MEDFORD (7)
MEDFORD (7)
MILWAUKIE (7)
MILWAUKIE (7)
OREGON CITY (7)
PORTLAND (7)
PORTLAND (7)
PORTLAND (7)
SANDY (7)
SPRINGFIELD (7)
TROUTDALE (7)
PENNSLYVANIA
BLUE BELL
CARLISLE (14)
CHAMBERSBURG (4)
CHAMBERSBURG (9)
CHIPPEWA
DUQUESNE
EAGLEVILLE
EAST NORRITON
EAST STROUDSBURG
EASTWICK
EXTON
EXTON
FEASTERVILLE

GETTYSBURG
GREENSBURG
HAMBURG
HARRISBURG

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LOCATION

HAVERTOWN
HORSHAM (14)
LANDSDALE
MONROEVILLE (14)
MONTGOMERY (8)
MORRISVILLE
NEW KENSINGTON
PHILADELPHIA
PHILADELPHIA
PHILADELPHIA
PHILADELPHIA
PHILADELPHIA
PHILADELPHIA (3)
PHILADELPHIA (3)
PIITSBURGH
POTTSTOWN (9)
RICHBORO
SCOTT TOWNSHIP
SHREWSBURY (13)
SPRINGFIELD
UPPER DARBY
WEST MIFFLIN
WHITEHALL
WHITEHALL
YORK
YORK
PUERTO RICO
BAYAMON
CAGUAS
CAROLINA
MANATI
MAYAGUEZ
PONCE
TRUJILLO ALTO
RHODE ISLAND
CRANSTON
PROVIDENCE
SOUTH CAROLINA
CHARLESTON
CHARLESTON
FLORENCE
GREENVILLE
GREENVILLE (12)
NORTH CHARLESTON
TENNESSEE

BELLEVUE (4)
CHATTANOOGA
CHATTANOOGA
MADISON
MADISON
MADISON (8)
MEMPHIS
MEMPHIS
MEMPHIS (7)
MEMPHIS (8)
NASHVILLE
NASHVILLE
NASHVILLE (8)
TEXAS
ALLEN
AMARILLO (8)
AMARILLO (8)
ARLINGTON
AUSTIN
AUSTIN
AUSTIN (13) (6)
AUSTIN (13) (6)
AUSTIN (8)
BAYTOWN
BROWNSVILLE (4)
BURLESON (4)
COLLEYVILLE
CONROE (13)
COPPELL
CORPUS CHRISTI
DALLAS
DALLAS (8)
DALLAS (9) (6)
EAST PLANO
FORT WORTH (4)
FRISCO (4)
GRAND PRAIRIE (4)
HARRIS COUNTY (14)
HOUSTON
HOUSTON
HOUSTON
HOUSTON
HOUSTON (13)
HOUSTON (14)
HOUSTON (4)
HOUSTON (9)
LAREDO (9)
LEWISVILLE
LEWISVILLE
LEWISVILLE

LUBBOCK
MESQUITE
MESQUITE
N. BRAUNFELS

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LOCATION

PASADENA (8)
PASADENA (8)
PLANO
RICHARDSON (8)
STAFFORD (8)
TEMPLE (14)
WOODLANDS (4)
UTAH
OGDEN
VERMONT
MANCHESTER
VIRGINIA
BURKE (11)
COLONIAL HEIGHTS
DUMFRIES (13)
FAIRFAX (8)
FREDERICKSBURG (13)
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FREDERICKSBURG (13)
FREDERICKSBURG (13)
HARRISONBURG (9) (3)
MANASSAS
MANASSAS (14)
PENTAGON CITY (12)
RICHMOND
RICHMOND
RICHMOND (13)
ROANOKE
ROANOKE (9)
STAFFORD (13)
STAFFORD (13)
STAFFORD (13)
STAFFORD (13)
STAFFORD (13)
STAFFORD (14)
STERLING (14)
STERLING (9)
WOODBRIDGE
WOODBRIDGE (8) (3)
WOODBRIDGE (9)
WASHINGTON
AUBURN (7)
BELLEVUE (3)
BELLINGHAM (7)
BELLINGHAM (8)
BLAINE (7)
EVERETT (7)
FEDERAL WAY (8)
KENT (7)
KENT (7)
LAKE STEVENS (7)
MILL CREEK (7)
OAK HARBOR (7)
OLYMPIA (7)
OLYMPIA (7)
SEATTLE (7)
SILVERDALE (7)
SILVERDALE (7)
SPANAWAY (7)
SPOKANE (14)
TACOMA (7)

TUKWILA (8)
VANCOUVER (4)
VANCOUVER (7)

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LOCATION	YEAR DEVELOPED OR ACQUIRED
WEST VIRGINIA	
CHARLES TOWN	1985
HUNTINGTON	1993
MARTINSBURG	1986
SOUTH CHARLESTON	1999
CANADA	
ALBERTA	
SHOPPES @ SHAWNESSEY	2002
SHAWNESSY CENTRE	2002
BRENTWOOD	2002
SOUTH EDMONTON COMMON	2002
GRANDE PRAIRIE III	2002
BRITISH COLUMBIA	
TILLICUM	2002
PRINCE GEORGE	2001
STRAWBERRY HILL	2002
MISSION	2001
ABBOTSFORD	2002
CLEARBROOK	2001
SURREY	2001
LANGLEY POWER CENTER	2003
LANGLEY GATE	2002
ONTARIO	
THICKSON RIDGE	2002
SHOPPERS WORLD ALBION	2002
SHOPPERS WORLD DANFORTH	2002
LINCOLN FIELDS	2002
404 TOWN CENTRE	2002
SUDBURY	2002
SUDBURY	2004
CLARKSON CROSSING	2004
GREEN LANE CENTRE	2003
KENDALWOOD	2002
LEASIDE	2002
DONALD PLAZA	2002
ST. LAURANT	2002
BOULEVARD CENTRE III	2004
RIOCAN GRAND PARK	2003
WALKER PLACE	2002
SCARBOROUGH	2005
SCARBOROUGH	2005
MARKETPLACE TORONTO	2002
PRINCE EDWARD ISLAND	
CHARLOTTETOWN	2002
QUEBEC	

GREENFIELD PARK	2002
JACQUES CARTIER	2002
CHATEAUGUAY	2002
MEXICO	
BAJA CALIFORNIA	
MEXICALI	2006
MEXICALI (4)	2006
TIJUANA (4)	2005
CHIHUAHUA	
JUAREZ	2003
JUAREZ (4)	2006
COAHUILA	
SALTILLO PLAZA	2002
SALTILLO (4)	2005
GUERRERO	
ACAPULCO	2005/ 2006
HIDALGO	
PACHUCA (4)	2005
PACHUCA (4)	2005
JALISCO	
GUADALAJARA	2006
GUADALAJARA	2005
GUADALAJARA (4)	2005
GUADALAJARA (4)	2006
PUERTO VALLARTA (4)	2006
MEXICO	
HUEHUETOCA	2004
TECAMAC (4)	2006
MEXICO CITY	
TLALNEPANTLA (4)	2005
MEXICO CITY (4)	2005
MORELOS	
CUAUTLA (4)	2006
NUEVO LEON	
MONTERREY	2002
MONTERREY (4)	2006
ESCOBEDO (4)	2006
OAXACA	
TUXTEPEC	2005
QUERETARO	
SAN JUAN DEL RIO (4)	2006
QUINTANA ROO	
CANCUN	2005
SAN LUIS POTOSI	
SAN LUIS	2004
TAMAULIPAS	
REYNOSA	2004
NUEVO LAREDO (4)	2006
TOTAL 915 SHOPPING CENTER PROPERTY INTERESTS	

LOCATION	YEA DEVEL OR ACQ
US PREFERRED EQUITY INVESTMENTS (RETAIL ASSETS ONLY)	
ALASKA	
ANCHORAGE (3)	
ALABAMA	
BOAZ	
ARIZONA	
TUSCON	
CALIFORNIA	
CHATSWORTH	
HAWTHORNE	
HAWTHORNE	
COLORADO	
LA JUNTA	
FLORIDA	
AUBURNDALE (2)	
BRANDON (4)	
CLEARWATER	
DELTONA	
JACKSONVILLE (2)	
LOXAHATCHEE	
MIAMI	
PEMBROKE PINES	
PERRY	
SARASOTA	
SPRING HILL	
TAMPA	
TAMPA	
WELLINGTON	
GEORGIA	
AUGUSTA	
MOULTRIE	
ILLINOIS	
LANSING	
INDIANA	
NEW ALBANY	
NEW ALBANY	
NEW ALBANY (4)	
SHELBYVILLE	
TELL CITY	
IOWA	
FORT DODGE	
KEOKUK	
MARSHALLTOWN	
NEWTON	

OSKALOOSA
OTTUMWA
WEST BURLINGTON
WEST DES MOINES
KENTUCKY
LOUISVILLE
RADCLIFF
LOUISIANA
ALEXANDRIA
MINDEN
PINEVILLE
SHREVEPORT
SHREVEPORT
ZACHARY
MASSACHUSETTS
HAVERHILL
MISSISSIPPI
PETAL
RIDGELAND
RIDGELAND
RIDGELAND
NEW HAMPSHIRE
LANCASTER
LITTLETON
NEWPORT
WOODSVILLE
WOODSVILLE
OHIO
WAUSEON
OKLAHOMA
DURANT
NEWCASTLE
SHAWNEE
PENNSLYVANIA
FAIRVIEW TOWNSHIP
HALIFAX TOWNSHIP
HOWE TOWNSHIP
PITTSBURGH
WILLIAMSPORT
TENNESSEE
PULASKI
TEXAS
AUSTIN
AUSTIN
AUSTIN
AUSTIN
AUSTIN
AUSTIN
AUSTIN
BELTON

CARROLLTON

LOCATION

CARROLLTON
DALLAS
FT. WORTH
GEORGETOWN
KILLEEN (4)
LAKE JACKSON (4)
PAMPA
PLAINVIEW
SAN ANTONIO
SAN MARCOS
SOUTHLAKE
SOUTHLAKE (4)
TYLER
CANADA PREFERRED EQUITY INVESTMENTS (RETAIL ASSETS ONLY)
ALBERTA
CALGARY
CALGARY
CALGARY
HINTON
LETHBRIDGE
LETHBRIDGE
LETHBRIDGE
BRITISH COLUMBIA
KAMLOOPS (4)
WESTBANK (4)
100 MILE HOUSE
BURNABY
COURTENAY
GIBSONS
LANGLEY
PORT ALBERNI
PRINCE GEORGE
SURREY
TRAIL
VANCOUVER
WESTBANK
MANITOBA
WINNIPEG
NEW BRUNSWICK
FREDERICTON
MONCTON
NEWFOUNDLAND
ST. JOHN S
ONTARIO
KITCHENER

KITCHENER
LONDON
SUDBURY
WATERLOO
BARRIE
BARRIE
BARRIE
BRANTFORD
BURLINGTON
CAMBRIDGE
CORNWALL
GUELPH
HAMILTON
HAMILTON
HAMILTON
LONDON
LONDON
MISSISSAUGA
NORTH BAY
OTTAWA
ST. CATHERINES
ST. CATHERINES
ST. THOMAS
SUDBURY
WATERLOO
QUEBEC
MONTREAL (4)
ALMA
CHANDLER
GASPE
JONQUIERE
LAMALBAIE
LAURIER STATION
MONTREAL
MONTREAL
MONTREAL
ROBERVAL
SAGUENAY
ST. AUGUSTIN-DE-DESMAURES
STE. EUSTACHE
STE. EUSTACHE
dddTOTAL 152 PREFERRED EQUITY INTERESTS (RETAIL ASSETS ONLY)

PREFERRED EQUITY ACQUISITIONS SUBSEQUENT TO DECEMBER 31, 2006 THROUGH JANUARY 31, 2007
FLORIDA
APOKA
LAKE WALES

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LOCATION	YEAR DEVELOPED OR ACQUIRED
NEW JERSEY	
WHITING (4)	2007
ONTARIO	
OTTAWA	2007
OTTAWA	2007
OTTAWA	2007
OTTAWA	2007
OTTAWA	2007
OTTAWA	2007
OTTAWA	2007
OTTAWA	2007
PREFERRED EQUITY DISPOSITIONS SUBSEQUENT TO DECEMBER 31, 2006 THROUGH JANUARY 31, 2007	
TEXAS	
SOUTHLAKE	2004
SHOPPING CENTER ACQUISITIONS SUBSEQUENT TO DECEMBER 31, 2006 THROUGH JANUARY 31, 2007	
CALIFORNIA	
TORRANCE	2007
GEORGIA	
ALPHARETTA	2007
MARYLAND	
GAITHERSBURG	2007
MINNESOTA	
HASTINGS	2007
NEW YORK	
HARRIMAN	2007
PENNSYLVANIA	
PITTSBURGH	2007
TENNESSEE	
GERMANTOWN	2007

TEXAS		
DALLAS	2007	
AUSTIN	2007	
SOUTHLAKE	2007	
VIRGINIA		
FAIRFAX	2007	
FAIRFAX	2007	
LEESBURG	2007	
MEXICO		
HUEHUETOCA (4)	2007	
SHOPPING CENTER DISPOSITIONS SUBSEQUENT TO DECEMBER 31, 2006 THROUGH JANUARY 31, 2007		
TEXAS		
DALLAS (9) (6)	2002	
NEW YORK		
YONKERS (8) (6)	2000	
RETAIL STORE LEASES (15)	1995/ 1997	
OTHER REAL ESTATE INVESTMENTS		
AI PORTFOLIO (VARIOUS CITIES)	2005	
NINETY NON-RETAIL ASSETS	2005	2007
GRAND TOTAL 1260 PROPERTY INTERESTS		

(1) PERCENT LEASED INFORMATION AS OF DECEMBER 31, 2006 OR DATE OF ACQUISITION IF ACQUIRED SUBSEQUENT TO DECEMBER 31, 2006.

(2)	THE TERM JOINT VENTURE INDICATES THAT THE COMPANY OWNS THE PROPERTY IN CONJUNCTION WITH ONE OR MORE JOINT VENTURE PARTNERS. THE DATE INDICATED IS THE EXPIRATION DATE OF ANY GROUND LEASE AFTER GIVING AFFECT TO ALL RENEWAL PERIODS.
(3)	DENOTES REDEVELOPMENT PROJECT.
(4)	DENOTES GROUND-UP DEVELOPMENT PROJECT. THE SQUARE FOOTAGE SHOWN REPRESENTS THE COMPLETED LEASEABLE AREA.
(5)	DENOTES UNDEVELOPED LAND.
(6)	SOLD, TERMINATED, OR TRANSFERRED SUBSEQUENT TO DECEMBER 31, 2006.
(7)	DENOTES PROPERTY INTEREST IN KIMPRU.

(8)	DENOTES PROPERTY INTEREST IN KIMCO INCOME REIT (KIR).
(9)	DENOTES PROPERTY INTEREST IN KIMCO RETAIL OPPORTUNITY PORTFOLIO (KROP).
(10)	DENOTES PROPERTY INTEREST IN KIMSOUTH REALTY, INC.
(11)	DENOTES PROPERTY INTEREST IN KIMCO INCOME FUND I.
(12)	DENOTES PROPERTY INTEREST IN PL REALTY LLC.
(13)	DENOTES PROPERTY INTEREST IN OTHER INSTITUTIONAL PROGRAMS.
(14)	DENOTES PROPERTY INTEREST IN UBS.
(15)	THE COMPANY HOLDS INTERESTS IN 20 RETAIL STORE LEASES RELATED TO THE ANCHOR STORE PREMISES IN NEIGHBORHOOD

AND COMMUNITY SHOPPING CENTERS.

(16) DOES NOT INCLUDE 37 FNC REALTY PROPERTIES COMPRISING OF 713K SQUARE FEET, 51 NEWKIRK PROPERTIES CONSISTING OF 2.5 MILLION SQUARE FEET, AND 11.0 MILLION SQUARE FEET OF PROJECTED LEASEABLE AREA RELATED TO THE GROUND-UP DEVELOPMENT PROJECTS.

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The following table sets forth information with respect to the executive officers of the Company as of January 31, 2007.

Name
Milton Cooper
Michael J. Flynn
David B. Henry
Thomas A. Caputo
Glenn G. Cohen
Raymond Edwards
Jerald Friedman
Bruce M. Kauderer
Michael V. Pappagallo

The executive officers of the Company serve in their respective capacities for approximate one-year terms and are subject to re

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Item 5. Market for the Registrant s Common Equity and Related Shareholder Matters

Market Information The following table sets forth the common stock offerings completed by the Company during the three-yea

Offering Date
March 2006

The table below sets forth, for the quarterly periods indicated, the high and low sales prices per share reported on the NYSE Co

Period
2006:
First Quarter
Second Quarter
Third Quarter
Fourth Quarter
2005:
First Quarter
Second Quarter
Third Quarter
Fourth Quarter

(a) Paid on January 16, 2007, to stockholders of record on January 2, 2007.

(b) Paid on January 17, 2006, to stockholders of record on January 3, 2006.

Holders The number of holders of record of the Company s common stock, par value $0.01 per share, was 3,530 as of January

Dividends Since the IPO, the Company has paid regular quarterly dividends to its stockholders. While the Company intends to

The Company has determined that the $1.35 dividend per common share paid during 2006 represented 66% ordinary income, 2

In addition to its common stock offerings, the Company has capitalized the growth in its business through the issuance of unse

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The Company does not believe that the preferential rights available to the holders of its Class F Preferred Stock, the financial c
The Company maintains a dividend reinvestment and direct stock purchase plan (the Plan) pursuant to which common and p
Total Stockholder Return Performance The following performance chart compares, over the five years ended December 31, 20
Item 6. Selected Financial Data
The following table sets forth selected, historical consolidated financial data for the Company and should be read in conjunctio
The Company believes that the book value of its real estate assets, which reflects the historical costs of such real estate assets l

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Operating Data:
Revenues from rental property (1)
Interest expense (3)
Depreciation and amortization (3)
Gain on sale of development properties
Gain on transfer/sale of operating properties,net (3)
Provision for income taxes
Income from continuing operations
Income per common share, from continuing operations:
Basic
Diluted
Weighted average number of shares of common stock:
Basic
Diluted
Cash dividends declared per common share

Balance Sheet Data:
Real estate, before accumulated depreciation
Total assets
Total debt
Total stockholders equity

Cash flow provided by operations
Cash flow used for investing activities
Cash flow provided by (used for) financing activities

(1) Does not include (i) revenues from rental property relating to unconsolidated joint ventures, (ii) revenues relating to the investment in retail stores leases and (iii) revenues from properties included in discontinued

operations.

(2) All years have been adjusted to reflect the impact of operating properties sold during the the years ended December 31, 2006, 2005, 2004 and 2003 and properties classified as held for sale as of December 31, 2006, which are reflected in discontinued operations in the Consolidated Statements of Income.

(3) Does not include amounts reflected in discontinued operations.

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Item 7. Management s Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with the Consolidated Financial Statements and Notes thereto included

Executive Summary

Kimco Realty Corporation is one of the nation s largest publicly-traded owners and operators of neighborhood and communit

The Company is self-administered and self-managed through present management, which has owned and managed neighborho

In connection with the Tax Relief Extension Act of 1999 (the RMA), which became effective January 1, 2001, the Compan

In addition, the Company continues to capitalize on its established expertise in retail real estate by establishing other ventures i

The Company s strategy is to maintain a strong balance sheet while investing opportunistically and selectively. The Company

Critical Accounting Policies

The Consolidated Financial Statements of the Company include the accounts of the Company, its wholly-owned subsidiaries a

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reported amounts of assets and liabilities. These estimates are based on, but not limited to, historical results, industry standards

Revenue Recognition and Accounts Receivable

Base rental revenues from rental property are recognized on a straight-line basis over the terms of the related leases. Certain of

The Company makes estimates of the uncollectability of its accounts receivable related to base rents, expense reimbursements

Real Estate

The Company s investments in real estate properties are stated at cost, less accumulated depreciation and amortization. Expen

Upon acquisition of operating real estate properties, the Company estimates the fair value of acquired tangible assets (consistin

Depreciation and amortization are provided on the straight-line method over the estimated useful lives of the assets, as follows

Buildings

Fixtures, building and leasehold improvements (including certain identified intangible assets)

The Company is required to make subjective assessments as to the useful lives of its properties for purposes of determining the

Real estate under development on the Company s Consolidated Balance Sheets represents ground-up development of neighbo

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Long Lived Assets

On a periodic basis, management assesses whether there are any indicators that the value of the real estate properties (including

When a real estate asset is identified by management as held for sale, the Company ceases depreciation of the asset and estimat

The Company is required to make subjective assessments as to whether there are impairments in the value of its real estate pro

Results of Operations

Comparison 2006 to 2005

Revenues from rental property increased $88.3 million or 17.5% to $593.9 million for the year ended December 31, 2006, as co

Rental property expenses, including depreciation and amortization, increased approximately $67.4 million or 28.7% to $302.5

Mortgage and other financing income decreased $8.8 million to $18.8 million for the year ended December 31, 2006, as compa

Management and other fee income increased approximately $10.2 million for the year ended December 31, 2006, as compared

General and administrative expenses increased approximately $20.9 million for the year ended December 31, 2006, as compare

Interest, dividends and other investment income increased approximately $26.1 million for the year ended December 31, 2006,

increase is primarily due to greater realized gains on the sale of certain marketable securities and increased interest and dividen
Interest expense increased $46.0 million for the year ended December 31, 2006, as compared to the corresponding period in 20
Income from other real estate investments increased $20.3 million to $77.1 million for the year ended December 31, 2006, as c
Equity in income of real estate joint ventures, net increased $29.5 million to $106.9 million for the year ended December 31, 2
During 2006, KDI sold six recently completed projects, its partnership interest in one project and 30 out-parcels, in separate tra
During 2005, KDI, sold in separate transactions, 41 out-parcels and six recently completed projects for approximately $264.1 r
During 2006, the Company disposed of (i) 28 operating properties and one ground lease, for an aggregate sales price of $270.5
During 2005, the Company disposed of, in separate transactions, (i) 20 operating properties for an aggregate sales price of appr
Net income for the year ended December 31, 2006 was $428.3 million. Net income for the year ended December 31, 2005 was

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partially offset by, (vi) an increase in interest expense due to higher interest rates and increased borrowings during 2006.

Comparison 2005 to 2004

Revenues from rental property increased $14.7 million or 3.0% to $505.6 million for the year ended December 31, 2005, as co

Rental property expenses, including depreciation and amortization, increased approximately $13.5 million or 6.1% to $235.1 m

Mortgage and other financing income increased $12.6 million to $27.6 million for the year ended December 31, 2005, as comp

Management and other fee income increased approximately $5.0 million to $30.5 million for the year ended December 31, 200

General and administrative expenses increased approximately $13.3 million to $56.8 million for the year ended December 31,

Interest, dividends and other investment income increased approximately $9.6 million to $28.3 million for the year ended Dece

Interest expense increased $20.7 million to $126.9 million for the year ended December 31, 2005, as compared with $106.2 mi

Income from other real estate investments increased $26.6 million to $56.7 million for the year ended December 31, 2005, as c

Equity in income of real estate joint ventures, net increased $21.1 million to $77.5 million for the year ended December 31, 20

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joint venture investments resulting from the sale of two operating properties and one development property during 2005, which
During 2005, KDI, the Company s wholly-owned development taxable REIT subsidiary, in separate transactions, sold six con
During 2004, KDI, in separate transactions, sold five completed projects, three completed phases of projects and 28 out-parcels
During 2005, the Company (i) disposed of, in separate transactions, 20 operating properties for an aggregate sales price of appr
During 2004, the Company (i) disposed of, in separate transactions, 16 operating properties and one ground lease for an aggreg
As part of the Company s periodic assessment of its real estate properties with regard to both the extent to which such assets a
Net income for the year ended December 31, 2005, was $363.6 million, compared to $297.1 million for the year ended Decem

Tenant Concentrations

The Company seeks to reduce its operating and leasing risks through diversification achieved by the geographic distribution of single property, and a large tenant base. At December 31, 2006, the Company s five largest tenants were The Home Depot, TJ

Liquidity and Capital Resources

The Company s cash flow activities are summarized as follows (in millions):

Net cash flow provided by operating activities
Net cash flow used for investing activities
Net cash flow provided by (used for) financing activities

Operating Activities

The Company anticipates that cash flows from operations will continue to provide adequate capital to fund its operating and ad

Investing Activities

Acquisitions and Redevelopments

During the year ended December 31, 2006, the Company expended approximately $484.8 million towards acquisition of and in

The Company has an ongoing program to reformat and re-tenant its properties to maintain or enhance its competitive position i

Investments and Advances to Real Estate Joint Ventures

During the year ended December 31, 2006, the Company expended approximately $472.7 million for investments and advance

Ground-up Development

The Company is engaged in ground-up development projects which consists of (i) merchant building through the Company s

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During the year ended December 31, 2006, the Company expended approximately $619.1 million in connection with the purch

Dispositions and Transfers

During the year ended December 31, 2006, the Company received net proceeds of approximately $342.8 million relating to the

Financing Activities

It is management s intention that the Company continually have access to the capital resources necessary to expand and develo

Since the completion of the Company s IPO in 1991, the Company has utilized the public debt and equity markets as its princ

The Company has an $850.0 million unsecured revolving credit facility, which is scheduled to expire in July 2008. This credit

The Company also has a three-year CAD $250.0 million unsecured credit facility with a group of banks. This facility bore inte

Additionally, the Company has a three-year MXP 500.0 million unsecured revolving credit facility. This facility bears interest

The Company has a MTN program pursuant to which it may, from time-to-time, offer for sale its senior unsecured debt for any

During March 2006, the Company issued $300.0 million of fixed rate unsecured senior notes

under its MTN program. This fixed rate MTN matures March 15, 2016 and bears interest at 5.783% per annum. The proceeds
During June 2006, the Company entered into a third supplemental indenture, under the indenture governing its medium-term n
During August 2006, Kimco North Trust III, a wholly-owned subsidiary of the Company, completed the issuance of $200.0 mi
In connection with the October 31, 2006, Pan Pacific merger transaction, the Company assumed $650.0 million of unsecured n
During 2006, the Company repaid its $30.0 million 6.93% fixed rate notes, which matured on July 20, 2006, $100.0 million flo
In addition to the public equity and debt markets as capital sources, the Company may, from time-to-time, obtain mortgage fin
During March 2006, the Company completed a primary public stock offering of 10,000,000 shares of Common Stock. The net
During March 2006, the shareholders of Atlantic Realty approved a proposed merger with the Company, and the closing occur
During May 2006, the Company filed a shelf registration statement on Form S-3ASR, which is effective for a term of three yea
On September 25, 2006, Pan Pacific stockholders approved the proposed merger with the Company and the closing occurred o
During 2006, the Company received approximately $43.8 million through employee stock option exercises and the dividend re

Table of Contents

In connection with its intention to continue to qualify as a REIT for federal income tax purposes, the Company expects to cont
Although the Company receives substantially all of its rental payments on a monthly basis, it generally intends to continue pay

Contractual Obligations and Other Commitments

The Company has debt obligations relating to its revolving credit facilities, MTNs, senior notes, mortgages and construction lo

Long-Term Debt
Operating Leases
Ground Leases
Retail Store Leases

The Company has $250.0 million of medium term notes, $42.8 million of mortgage debt and $164.2 million of construction lo
The Company has issued letters of credit in connection with completion and repayment guarantees for construction loans encu
During October 2006, the Company closed on the Pan Pacific merger, which had a total value of approximately $4.1 billion. F
Immediately following the merger, the Company commenced its joint venture agreements with Prudential Real Estate Investor

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facility mentioned above were transferred to the separate accounts. PREI contributed approximately $1.1 billion on behalf of ir
During 2006, an entity in which the Company has a preferred equity investment, located in Montreal, Canada, obtained a non-r
Additionally, during 2006, KROP obtained a one year $15.0 million unsecured term loan, which bears interest at LIBOR plus 0
In connection with the construction of its development projects and related infrastructure, certain public agencies require perfo
Additionally, the RioCan Venture, an entity in which the Company holds a 50% non-controlling interest, has a CAD $7.0 milli
During 2005, a joint venture entity in which the Company has a non-controlling interest obtained a CAD $22.5 million (approx
During 2005, PL Retail entered into a $39.5 million unsecured revolving credit facility, which bears interest at LIBOR plus 0.6
Additionally, during 2005, the Company acquired three operating properties and one land parcel, through joint ventures, in wh
During 2006, the Company obtained construction financing on three ground-up development projects for an original loan comm

Off-Balance Sheet Arrangements

Ground-Up Development Joint Ventures

At December 31, 2006, the Company has three ground-up development projects through unconsolidated joint ventures in whic

Table of Contents

Unconsolidated Real Estate Joint Ventures

The Company has investments in various unconsolidated real estate joint ventures with varying structures. These joint ventures

Venture
KimPru

KIR

KROP

PL Retail

KUBS

RioCan Venture

(a) Ownership % is a blended rate.

(b) KROP has entered into a series of interest rate cap agreements to mitigate the impact of changes in interest rates on its variable-rate mortgage agreements. Such mortgage debt is collateralized by the individual shopping center property and is payable in monthly installments of principal and interest.

(c) See Contractual Obligations and Other

Commitments regarding guarantees by the Company and its joint venture partners.

The Company has various other unconsolidated real estate joint ventures with varying structures. As of December 31, 2006, th

Other Real Estate Investments

The Company maintains a Preferred Equity program, which provides capital to developers and owners of real estate properties

During June 2002, the Company acquired a 90% equity participation interest in an existing leveraged lease of 30 properties. Th

As of December 31, 2006, 16 of these properties were sold, whereby the proceeds from the sales were used to pay down the m

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December 31, 2006, the remaining 14 properties were encumbered by third-party non-recourse debt of approximately $53.8 mi

Effects of Inflation

Many of the Company s leases contain provisions designed to mitigate the adverse impact of inflation. Such provisions includ

New Accounting Pronouncements

In July 2006, the FASB issued FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes an interpretation of

In September 2006, the FASB issued SFAS No. 157, Fair Value Measurement (SFAS No. 157), which defines fair value, es

Additionally in September 2006, the United States Securities and Exchange Commission staff issued Staff Accounting Bulletin

In December 2006, the FASB issued FASB Staff Position No. EITF 00-19-2, Accounting for Registration Payment Arrangeme

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Activities, No. 150, Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity, and FAS
In February 2007, the FASB issued SFAS No. 159, The Fair Value Option for Financial Assets and Financial Liabilities (SF
Item 7A. Quantitative and Qualitative Disclosures About Market Risk
The Company s primary market risk exposure is interest rate risk. The following table presents the Company s aggregate fixe

U.S. Dollar Denominated
Secured Debt Fixed Rate
Average Interest Rate

Variable Rate
Average Interest Rate

Unsecured Debt Fixed Rate
Average Interest Rate

Variable Rate
Average Interest Rate

Canadian Dollar Denominated
Unsecured Debt Fixed Rate
Average Interest Rate
Based on the Company s variable-rate debt balances, interest expense would have increased by approximately $3.0 million in
As of December 31, 2006, the Company had Canadian investments totaling approximately CAD $801.3 million (approximatel

foreign currency exchange risk has been partially mitigated through the use of local currency denominated debt, inflation adjus
The Company has not, and does not plan to, enter into any derivative financial instruments for trading or speculative purposes.

Item 8. Financial Statements and Supplementary Data

The response to this Item 8 is included as a separate section of this annual report on Form 10-K.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The Company s management, with the participation of the Company s chief executive officer and chief financial officer, has

Changes in Internal Control over Financial Reporting

There have not been any changes in the Company s internal control over financial reporting (as such term is defined in Rules

Management s Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such terr
Our management s assessment of the effectiveness of our internal control over financial reporting as of December 31, 2006 ha

Item 9B. Other Information

None.

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Item 10. Directors and Executive Officers of the Registrant

Incorporated herein by reference to the Company s definitive proxy statement to be filed with respect to its Annual Meeting o

Information with respect to the Executive Officers of the Registrant follows Part I, Item 4 of this annual report on Form 10-K.

On June 14, 2006, the Company s Chief Executive Officer submitted to the New York Stock Exchange (the NYSE) the ann

Item 11. Executive Compensation

Incorporated herein by reference to the Company s definitive proxy statement to be filed with respect to its Annual Meeting o

Item 12. Security Ownership of Certain Beneficial Owners and Management

Incorporated herein by reference to the Company s definitive proxy statement to be filed with respect to its Annual Meeting o

Item 13. Certain Relationships and Related Transactions

Incorporated herein by reference to the Company s definitive proxy statement to be filed with respect to its Annual Meeting o

Item 14. Principal Accountant Fees and Services

Incorporated herein by reference to the Company s definitive proxy statement to be filed with respect to its Annual Meeting o

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Item 15. Exhibits, Financial Statements, Schedules and Reports on Form 8-K

(a) 1. Financial Statements -
The following consolidated financial information is included as a separate section of thi

Report of Independent Registered Public Accounting Firm

Consolidated Financial Statements

Consolidated Balance Sheets as of December 31, 2006 and 2005

Consolidated Statements of Income for the years ended December 31, 2006, 2005 and 2

Consolidated Statements of Comprehensive Income for the years ended December 31, 2

Consolidated Statements of Stockholders Equity for the years ended December 31, 200

Consolidated Statements of Cash Flows for the years ended December 31, 2006, 2005 a

Notes to Consolidated Financial Statements

2. Financial Statement Schedules -

Schedule II Valuation and Qualifying Accounts
Schedule III Real Estate and Accumulated Depreciation

All other schedules are omitted since the required information is not present or is not pr
submission of the schedule.

3. Exhibits

The exhibits listed on the accompanying Index to Exhibits are filed as part of this report

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Exhibits

2.1

2.2

2.3

3.1

3.2

3.3

3.4

3.5

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INDEX TO EXHIBITS (continued)

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*4.13
10.1
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10.3
10.4
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INDEX TO EXHIBITS (continued)

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INDEX TO EXHIBITS (continued)

Exhibits
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10.17
10.18
10.19
10.20
10.21
10.22
*12.1
*12.2
*21.1
*23.1
*31.1
*31.2
*32.1

*	Filed herewith.

Pursuant to the requirements of Section 13 or 15 (d) of the Securities Exchange Act of 1934, the Registrant has duly caused thi

Dated: February 27, 2007

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following perso

Signature

/s/ Martin S. Kimmel

Martin S. Kimmel

/s/ Milton Cooper

Milton Cooper

/s/ Michael J. Flynn

Michael J. Flynn

/s/ David B. Henry

David B. Henry

/s/ Richard G. Dooley

Richard G. Dooley

/s/ Joe Grills

Joe Grills

/s/ F. Patrick Hughes

F. Patrick Hughes

/s/ Frank Lourenso

Frank Lourenso

/s/ Richard Saltzman

Richard Saltzman

/s/ Michael V. Pappagallo

Michael V. Pappagallo

/s/ Glenn G. Cohen

Glenn G. Cohen

/s/ Paul Westbrook

Paul Westbrook

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KIMCO REALTY CORPORATION AND SUBSIDIARIES

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To the Board of Directors and Stockholders
of Kimco Realty Corporation:

We have completed integrated audits of Kimco Realty Corporation s consolidated financial statements and of its internal contr

Consolidated financial statements and financial statement schedules

In our opinion, the consolidated financial statements listed in the accompanying index appearing under Item 15(a)(1) present fa

Internal control over financial reporting

Also, in our opinion, management s assessment, included in Management s Report on Internal Control Over Financial Report

A company s internal control over financial reporting is a process designed to provide reasonable assurance regarding the relia

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those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly refle
Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, pro
/s/ PricewaterhouseCoopers LLP
New York, New York
February 27, 2007

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Assets:
Real Estate
Rental property
Land
Building and improvements

Less, accumulated depreciation and amortization

Real estate under development

Real estate, net
Investment and advances in real estate joint ventures
Other real estate investments
Mortgages and other financing receivables
Cash and cash equivalents
Marketable securities
Accounts and notes receivable
Deferred charges and prepaid expenses
Other assets

Liabilities & Stockholders Equity:
Notes payable
Mortgages payable
Construction loans payable
Accounts payable and accrued expenses
Dividends payable
Other liabilities

Minority interests

Commitments and contingencies

Stockholders Equity
Preferred stock, $1.00 par value, authorized 3,600,000 shares
Class F Preferred Stock, $1.00 par value, authorized 700,000 shares
Issued and outstanding 700,000 shares

Aggregate liquidation preference $175,000
Common stock, $.01 par value, authorized 300,000,000 shares
Issued 251,416,749 shares; outstanding 250,870,169 at December 31, 2006;
Issued and outstanding 228,059,056 shares at December 31, 2005
Paid-in capital
Retained earnings

Accumulated other comprehensive income

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Revenues from rental property

Rental property expenses:
Rent
Real estate taxes
Operating and maintenance

Mortgage and other financing income
Management and other fee income
Depreciation and amortization
General and administrative expenses
Interest, dividends and other investment income
Other income, net
Interest expense

Provision for income taxes

Income from other real estate investments
Equity in income of real estate joint ventures, net
Minority interests in income, net
Gain on sale of development properties net of tax of $12,155, $10,824 and $4,401, respectively

Income from continuing operations

Discontinued operations:
Income from discontinued operating properties
Minority interest from discontinued operating properties
Loss on operating properties held for sale/sold
Gain on disposition of operating properties, net of tax

Income from discontinued operations

Gain on transfer of operating properties
Loss on transfer of operating property
Gain on sale of operating properties, net of tax

Net income

Preferred stock dividends

Net income available to common shareholders

Per common share:
Income from continuing operations:
-Basic

-Diluted

Net income :
-Basic

-Diluted

Weighted average common shares outstanding:
-Basic

-Diluted

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Net income

Other comprehensive income:
Change in unrealized gain/(loss) on marketable securities
Change in unrealized (loss) on warrants
Change in unrealized gain/(loss) on foreign currency hedge agreements
Change in foreign currency translation adjustment

Other comprehensive income

Comprehensive income

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Balance, January 1, 2004

Net income
Dividends ($1.16 per common share; $1.6625 Class F Depositary Share, respectively)
Issuance of common stock
Exercise of common stock options
Amortization of stock option expense
Other comprehensive income

Balance, December 31, 2004

Net income
Dividends ($1.27 per common share; $1.6625 Class F Depositary Share, respectively)
Issuance of common stock
Exercise of common stock options
Amortization of stock option expense
Other comprehensive income

Balance, December 31, 2005

Net income
Dividends ($1.38 per common share; $1.6625 Class F Depositary Share, respectively)
Issuance of common stock
Exercise of common stock options
Amortization of stock option expense
Other comprehensive income

Balance, December 31, 2006

Cash flow from operating activities:
Net income
Adjustments to reconcile net income to net cash provided by operating activities:
Depreciation and amortization
Loss on operating properties held for sale/sold/transferred
Gain on sale of development properties
Gain on sale/transfer of operating properties
Minority interests in income of partnerships, net
Equity in income of real estate joint ventures, net
Income from other real estate investments
Distributions from joint ventures
Cash retained from excess tax benefits
Change in accounts and notes receivable
Change in accounts payable and accrued expenses
Change in other operating assets and liabilities

Net cash flow provided by operating activities

Cash flow from investing activities:
Acquisition of and improvements to operating real estate
Acquisition of and improvements to real estate under development
Investment in marketable securities
Proceeds from sale of marketable securities
Proceeds from transferred operating/development properties
Investments and advances to real estate joint ventures
Reimbursements of advances to real estate joint ventures
Other real estate investments
Reimbursements of advances to other real estate investments
Investment in mortgage loans receivable
Collection of mortgage loans receivable
Other investments
Reimbursements of other investments
Settlement of net investment hedges
Proceeds from sale of operating properties
Proceeds from sale of development properties

Net cash flow used for investing activities

Cash flow from financing activities:
Principal payments on debt, excluding normal amortization of rental property debt
Principal payments on rental property debt

Principal payments on construction loan financings
Proceeds from mortgage/construction loan financings
Borrowings under revolving credit facilities
Repayment of borrowings under revolving credit facilities
Proceeds from issuance of unsecured notes
Repayment of unsecured notes/term loan
Financing origination costs
Redemption of minority interests in real estate partnerships
Dividends paid
Cash retained from excess tax benefits
Proceeds from issuance of stock

Net cash flow provided by (used for) financing activities

Change in cash and cash equivalents

Cash and cash equivalents, beginning of year

Cash and cash equivalents, end of year

Interest paid during the year (net of capitalized interest of $22,741, $12,587, and $8,732, respectively)

Income taxes paid during the year

Amounts relating to the number of buildings, square footage, tenant and occupancy data and estimated project costs are unaudi

1. Summary of Significant Accounting Policies:

Business

Kimco Realty Corporation (the Company or Kimco), its subsidiaries, affiliates and related real estate joint ventures are e

Additionally, in connection with the Tax Relief Extension Act of 1999 (the RMA), which became effective January 1, 2001

The Company seeks to reduce its operating and leasing risks through diversification achieved by the geographic distribution of

The principal business of the Company and its consolidated subsidiaries is the ownership, development, management and oper

Principles of Consolidation and Estimates

The accompanying Consolidated Financial Statements include the accounts of the Company, its subsidiaries, all of which are v

Table of Contents

GAAP requires the Company s management to make estimates and assumptions that affect the reported amounts of assets and

Minority Interests

Minority interests represent the portion of equity that the Company does not own in those entities it consolidates as a result of l

Minority interests also include partnership units issued from consolidated subsidiaries of the Company in connection with certa

Real Estate

Real estate assets are stated at cost, less accumulated depreciation and amortization. If there is an event or a change in circumst

When a real estate asset is identified by management as held for sale, the Company ceases depreciation of the asset and estimat

Upon acquisition of real estate operating properties, the Company estimates the fair value of acquired tangible assets (consistin

The Company utilizes methods similar to those used by independent appraisers in estimating the fair value of acquired assets a

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In allocating the purchase price to identified intangible assets and liabilities of an acquired property, the value of above-market
In determining the value of in-place leases, management considers current market conditions and costs to execute similar lease
Depreciation and amortization are provided on the straight-line method over the estimated useful lives of the assets, as follows

Buildings
Fixtures, building and leasehold improvements (including certain identified intangible assets)
Expenditures for maintenance and repairs are charged to operations as incurred. Significant renovations and replacements, whi
Real Estate Under Development
Real estate under development represents both the ground-up development of neighborhood and community shopping center p
Investments in Unconsolidated Joint Ventures
The Company accounts for its investments in unconsolidated joint ventures under the equity method of accounting as the Com

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The Company s joint ventures and other real estate investments primarily consist of co-investments with institutional and othe

On a periodic basis, management assesses whether there are any indicators that the value of the Company s investments in unc

Other Real Estate Investments

Other real estate investments primarily consist of preferred equity investments for which the Company provides capital to deve

Mortgages and Other Financing Receivables

Mortgages and other financing receivables consist of loans acquired and loans originated by the Company. Loan receivables ar

Cash and Cash Equivalents

Cash and cash equivalents (demand deposits in banks, commercial paper and certificates of deposit with original maturities of

Cash and cash equivalent balances may, at a limited number of banks and financial institutions, exceed insurable amounts. The

Marketable Securities

The Company classifies its existing marketable equity securities as available-for-sale in accordance with the provisions of SFA

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All debt securities are classified as held-to-maturity because the Company has the positive intent and ability to hold the securit

Deferred Leasing and Financing Costs

Costs incurred in obtaining tenant leases and long-term financing, included in deferred charges and prepaid expenses in the acc

Revenue Recognition and Accounts Receivable

Base rental revenues from rental property are recognized on a straight-line basis over the terms of the related leases. Certain of

Management and other fee income consist of property management fees, leasing fees, property acquisition and disposition fees

Gains and losses from the sale of depreciated operating property and ground-up development projects are generally recognized

Gains and losses on transfers of operating properties result from the sale of a partial interest in properties to unconsolidated joi

The Company makes estimates of the uncollectability of its accounts receivable related to base rents, expense reimbursements

Income Taxes

The Company has made an election to qualify, and believes it is operating so as to qualify, as a REIT for federal income tax pu

In connection with the RMA, which became effective January 1, 2001, the Company is permitted to participate in certain activ

Table of Contents

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the es

Foreign Currency Translation and Transactions

Assets and liabilities of the Company s foreign operations are translated using year-end exchange rates, and revenues and expe

Derivative/Financial Instruments

The Company measures its derivative instruments at fair value and records them in the Consolidated Balance Sheet as an asset

The Company utilizes derivative financial instruments to reduce exposure to fluctuations in interest rates, foreign currency exc

Earnings Per Share

On July 21, 2005, the Company s Board of Directors declared a two-for-one split (the Stock Split) of the Company s comm

The following table sets forth the reconciliation of earnings and the weighted average number of shares used in the calculation

Computation of Basic Earnings Per Share:

Income from continuing operations

Gain on transfer/sale of operating properties, net

Preferred stock dividends

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Income from continuing operations applicable to common shares

Income from discontinued operations

Net income applicable to common shares

Weighted average common shares outstanding

Basic Earnings Per Share:
Income from continuing operations
Income from discontinued operations

Net income

Computation of Diluted Earnings Per Share:

Income from continuing operations applicable to common shares (a)

Income from discontinued operations

Net income for diluted earnings per share

Weighted average common shares outstanding Basic

Effect of dilutive securities (a):
Stock options/deferred stock awards

Shares for diluted earnings per share

Diluted Earnings Per Share:
Income from continuing operations
Income from discontinued operations

Net income

(a) The effect of the assumed

conversion of certain convertible units had an anti-dilutive effect upon the calculation of Income from continuing operations per share. Accordingly, the impact of such conversions has not been included in the determination of diluted earnings per share calculations.

In addition, there were approximately 71,250, 2,195,400 and 1,648,750 stock options that were anti-dilutive as of December 31

Stock Compensation

The Company maintains an equity participation plan (the Plan) pursuant to which a maximum of 42,000,000 shares of Com

Prior to January 1, 2003, the Company accounted for the Plan under the intrinsic value-based method of accounting prescribed

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FASB Statement No. 123 (SFAS No. 148), which applies the recognition provisions of FASB Statement No. 123, Accounti
During December 2004, the FASB issued SFAS No. 123 (revised 2004), Share-Based Payment (SFAS No. 123(R)), whi
The non-cash expense related to stock-based employee compensation included in the determination of net income is less than t

Net income, as reported
Add: Stock based employee compensation expense included in reported net income
Deduct: Total stock based employee compensation expense determined under fair value based method for all awards

Pro Forma Net Income Basic

Earnings Per Share
Basic as reported

Basic pro forma

Net income for diluted earnings per share

Add: Stock based employee compensation expense included in reported net income
Deduct: Total stock based employee compensation expense determined under fair value based method for all awards

Pro Forma Net Income Diluted

Earnings Per Share
Diluted as reported

Diluted pro forma

The pro forma adjustments to net income and net income per diluted common share assume fair value of each option award is

Weighted average fair value of options granted
Weighted average risk-free interest rates
Weighted average expected option lives
Weighted average expected volatility
Weighted average expected dividend yield

New Accounting Pronouncements

In July 2006, the FASB issued FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes an interpretation of

In September 2006, the FASB issued SFAS No. 157, Fair Value Measurement (SFAS No. 157), which defines fair value, es

Additionally in September 2006, the United States Securities and Exchange Commission staff issued Staff Accounting Bulleti

In December 2006, the FASB issued FASB Staff Position No. EITF 00-19-2, Accounting for Registration Payment Arrangeme

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not expect the adoption of EITF 00-19-2 to have a material impact on the Company s financial position or results of operation
In February 2007, the FASB issued SFAS No. 159, The Fair Value Option for Financial Assets and Financial Liabilities (SF
2. Real Estate:
The Company s components of Rental property consist of the following (in thousands):

Land
Buildings and improvements
Buildings
Building improvements
Tenant improvements
Fixtures and leasehold improvements
Other rental property (1)
Accumulated depreciation and amortization
Total

(1) At December 31, 2006 and 2005, Other rental property consisted of intangible assets including $88,328 and $23,539, respectively, of in-place leases, $15,705 and $7,366, respectively, of tenant relationships, and $47,837 and $4,205, respectively, of above-market leases.

In addition, at December 31,

2006 and 2005, the Company had intangible liabilities relating to below-market leases from property acquisitions of approximately $120.6 million and $50.1 million, respectively. These amounts are included in the caption Other liabilities in the Company s Consolidated Balance Sheets.

3. Property Acquisitions, Developments and Other Investments:

Operating Properties

Acquisition of Existing Shopping Centers -

During the years 2006, 2005 and 2004, the Company acquired operating properties, in separate transactions, at aggregate costs

Included in the 2006 acquisitions is the acquisition of interests in seven shopping center properties, located in Caguas, Carolina

The aggregate purchase price of these Puerto Rico properties has been allocated to the tangible and intangible assets and liabili

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Ground-Up Development -

The Company is engaged in ground-up development projects which consists of (i) merchant building through the Company s

During the years 2006, 2005 and 2004, KDI expended approximately $287.0 million, $363.1 million and $205.2 million, respe

These merchant building acquisition and development costs have been funded principally through proceeds from sales of comp

During 2006, the Company acquired land in Chambersburg, PA and Anchorage, AK, in separate transactions, for an aggregate

During June 2006, the Company acquired, through a newly formed joint venture in which the Company has a non-controlling i

During 2006, the Company acquired, in separate transactions, nine parcels of land located in various cities throughout Mexico,

During 2005, the Company acquired, in separate transactions, various parcels of land located in Mesa, AZ and Nampa, ID for a

During May and June 2005, the Company acquired, in separate transactions, two parcels of land located in Saltillo and Pachuca

During June 2005, the Company acquired land in Tustin, CA, through a newly formed joint venture in which the Company has

Additionally, during 2005, the Company acquired, in separate transactions, six parcels of land located in various cities through

Kimsouth -

During November 2002, the Company through its taxable REIT subsidiary, together with Prometheus Southeast Retail Trust, c

During May 2006, the Company acquired an additional 48% interest in Kimsouth for approximately $22.9 million, which incre

As of May 12, 2006, Kimsouth had approximately $133.0 million of net operating loss carry-forwards (NOLs), which may

During June 2006, Kimsouth contributed approximately $51.0 million, of which $47.2 million or 92.5% was provided by the C

During July 2006, Kimsouth contributed approximately $3.7 million to fund its 15% non-controlling interest in a newly formed

During 2006, Kimsouth sold two properties for an aggregate sales price of approximately $9.8 million and transferred two prop

During 2005, Kimsouth disposed of seven shopping center properties, in separate transactions, for an aggregate sales price of a

Selected financial information for Kimsouth prior to consolidation is as follows (in millions):

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Assets:
Real estate held for sale
Other assets

Liabilities and Stockholders Equity:
Mortgages payable
Other liabilities
Stockholders equity

Revenues from rental property

Operating expenses
Interest
Depreciation and amortization
Other, net

Gain on disposition of properties

Adjustment of property carrying values

Net income/(loss)

FNC Realty Corporation -
On July 27, 2005, Frank s Nursery and Crafts, Inc. (Frank s) emerged from bankruptcy protection pursuant to a bankruptc
As of July 27, 2005, FNC had approximately $154.0 million of NOLs, which may be utilized to offset future taxable income o
The Company has evaluated the level of valuation allowance required and determined, based upon the expected investment str
As of July 27, 2005, FNC held interests in 55 properties with approximately $16.1 million of non-recourse mortgage debt encu

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$2.1 million of non-recourse mortgage debt encumbering three properties. These remaining loans bear interest at fixed rates ra
The Company s investment strategy with respect to FNC includes re-tenanting, re-developing and disposition of the propertie
JPG Self Storage -
During 2005, the Company acquired ten self-storage facilities through an existing joint venture in which the Company held an
These operating property acquisitions, development costs and other investments have been funded principally through the appl
4. Dispositions of Real Estate:
Operating Real Estate -
During 2006, the Company disposed of (i) 28 operating properties and one ground lease for an aggregate sales price of approx
During November 2006, the Company disposed of a vacant land parcel located in Bel Air, MD, for approximately $1.8 million
During 2005, the Company (i) disposed of, in separate transactions, 20 operating properties for an aggregate sales price of app

During June 2005, the Company disposed of a vacant land parcel located in New Ridge, MD, for approximately $5.6 million re
During 2004, the Company (i) disposed of, in separate transactions, 16 operating properties and one ground lease for an aggreg
Merchant Building -
During 2006, KDI sold, in separate transactions, six of its recently completed projects, its partnership interest in one project an
During 2005, KDI sold, in separate transactions, six of its recently completed projects, and 41 out-parcels for approximately $2
During 2004, KDI sold, in separate transactions, five of its recently completed projects, three completed phases of projects and
5. Adjustment of Property Carrying Values:
As part of the Company s periodic assessment of its real estate properties with regard to both the extent to which such assets a
6. Discontinued Operations and Assets Held for Sale:
In accordance with SFAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets (SFAS No. 144) the C
The components of Income from discontinued operations for each of the three years in the period ended December 31, 2006, ar

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Discontinued Operations:
Revenues from rental property
Rental property expenses
Income from property operations
Depreciation and amortization
Interest expense
Income from other real estate investments
Other income/(expense)
Income from discontinued operating properties
Provision for income taxes
Minority interest in income from discontinued operating properties
Loss on operating properties held for sale/sold
Gain on disposition of operating properties
Income from discontinued operations

During 2006, the Company reclassified as held-for-sale 13 operating properties comprising 0.8 million square feet of GLA. Th
During 2005, the Company reclassified as held-for-sale four operating properties comprising approximately 0.6 million square
During December 2004, the Company reclassified as held-for-sale an operating property located in Melbourne, FL, comprising
During 2004, the Company reclassified as held-for-sale two operating properties comprising approximately 0.3 million square

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7. Investment and Advances in Real Estate Joint Ventures:

Kimco Prudential Joint Venture (KimPru) -

On July 9, 2006, the Company entered into a definitive merger agreement with Pan Pacific Retail Properties Inc. (Pan Pacific

On September 25, 2006, Pan Pacific stockholders approved the proposed merger and the closing occurred on October 31, 2006

The transaction had a total value of approximately $4.1 billion, including Pan Pacific s outstanding debt totaling approximatel

Funding for this transaction was provided by approximately $1.3 billion of new individual non-recourse mortgage loans encum

Immediately following the merger, the Company commenced its joint venture agreements with Prudential Real Estate Investor

The above mentioned mortgages bear interest at rates ranging from 4.92% to 8.30% and have maturities ranging from eight mo

During November 2006, KimPru sold an operating property for a sales price of $5.3 million. There was no gain or loss recogni

Kimco Income REIT (KIR) -

The Company has a non-controlling limited partnership interest in KIR and manages the portfolio. Effective July 1, 2006, the C

During 2006, KIR disposed of two operating properties and one land parcel, in separate transactions, for an aggregate sales pri

During 2005, KIR disposed of two operating properties and one out-parcel, in separate transactions, for an aggregate sale price

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resulted in an aggregate gain of approximately $20.2 million of which the Company s shares was approximately $8.7 million.
Additionally during 2005, KIR purchased one shopping center property located in Delran, NJ, for approximately $4.6 million.
In April 2005, KIR entered into a three-year $30.0 million unsecured revolving credit facility which bears interest at LIBOR pl
As of December 31, 2006, the KIR portfolio was comprised of 66 shopping center properties aggregating approximately 14.0 m
RioCan Investments -
During October 2001, the Company formed a joint venture (the RioCan Venture) with RioCan Real Estate Investment Trust
As of December 31, 2006, the RioCan Venture was comprised of 34 operating properties consisting of approximately 8.1 milli
Kimco / G.E. Joint Venture (KROP)
During 2001, the Company formed a joint venture (the Kimco Retail Opportunity Portfolio or KROP) with GE Capital R
During 2006, KROP acquired one operating property from the Company for an aggregate purchase price of approximately $3.
During 2006, KROP sold three operating properties to a joint venture in which the Company has a 20% non-controlling interes
Additionally, during 2006, KROP sold nine operating properties, one out-parcel and one land parcel, in separate transactions, f
During 2006, KROP obtained one non-recourse, non-cross collateralized variable rate mortgage for $14.0 million on a property
Additionally during 2006, KROP obtained a one-year $15.0 million unsecured term loan, which bears interest at LIBOR plus 0
During 2005, KROP acquired four operating properties and one out-parcel, in separate transactions, for an aggregate purchase

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including the assumption of approximately $26.2 million of individual non-recourse mortgage debt encumbering two of the pro
During 2005, KROP disposed of three unencumbered operating properties and two out-parcels, in separate transactions, for an
During 2005, KROP obtained ten-year individual non-recourse, non-crossed collateralized fixed-rate mortgages aggregating ap
During 2005, KROP obtained two non-recourse, non-crossed collateralized variable rate mortgages for a total of $25.7 million
As of December 31, 2006, the KROP portfolio was comprised of 25 operating properties aggregating approximately 3.6 millio
During August 2006, the Company and GECRE agreed to market for sale the remaining properties within the KROP venture.
Kimco/UBS Joint Ventures (KUBS) -
The Company has joint venture investments with UBS Wealth Management North American Property Fund Limited (UBS)
During 2006, KUBS acquired 15 operating properties for an aggregate purchase price of approximately $447.8 million, which
Additionally during 2006, KUBS acquired one operating property from the Company, and five operating properties from joint
During 2005, KUBS acquired two operating properties for an aggregate purchase price of approximately $30.5 million and pur
As of December 31, 2006, the KUBS portfolio was comprised of 31 operating properties aggregating approximately 5.0 millio
PL Retail -
The Company acquired the Price Legacy Corporation through a newly formed joint venture, PL Retail LLC (PL Retail), in w

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During 2006, PL Retail sold one operating property for a sales price of approximately $42.1 million, which resulted in a gain o
Additionally during 2006, PL Retail sold one of its operating properties to a newly formed joint venture in which the Company
During 2005, PL Retail entered into a $39.5 million unsecured revolving credit facility, which bears interest at LIBOR plus 0.6
During the year ended December 31, 2005, PL Retail disposed of nine operating properties, in separate transactions, for an agg
As of December 31, 2006, PL Retail consisted of 23 operating properties aggregating approximately 5.8 million square feet of
Other Real Estate Joint Ventures
The Company and its subsidiaries have investments in and advances to various other real estate joint ventures. These joint vent
During 2006, the Company acquired, in separate transactions, 36 operating properties and one ground lease, through joint vent

Property Name
Stabilus Building
American Industries (3 Locations)
Crème de la Crème (2 Locations)
Five free-standing locations
Edgewater Commons
Long Gate Shopping Ctr

Property Name
Clackamas Promenade
Westmont Portfolio (8 Locations)
Crow Portfolio (3 Locations)
Great Northeast Plaza
Cessna Building
Crème de la Crème
Westmont Portfolio
Werner II
Cypress Towne Center
Bustleton Dunkin Donuts (ground lease)
American Industries
American Industries (ITT)
American Industries (Columbus)
American Industries (Zodiac)

Conroe
Marketplace

During January 2006, the Company transferred 50% of its 60% interest in an operating property in Guadalajara, Mexico, to a j
During June 2006, the Company transferred 50% of its 60% interest in a development property located in Tijuana, Baja Califor
During August 2006, the Company sold 50% of its 100% interest in a development property located in Monterrey, Mexico, to

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million, which approximated its carrying value. The Company accounts for its remaining 50% interest under the equity metho
During 2006, joint ventures in which the Company has non-controlling interests ranging from 10% to 50%, disposed of, in sep
During 2005, the Company acquired, in separate transactions, 69 operating properties through joint ventures in which the Com

Property Name
Kmart Building
Hyatt Regency Cancun
Fremont Hub
One City Center
The Grove at Lakeland
North Quincy
Riverside Center
Greeley S.C.
American Industries Portfolio (57 properties)
Docstone Commons
MacArthur Towne Center
The Center at East Northport
Cambridge Crossing

(a) This loan is jointly and severally guaranteed by the joint venture

	partners, including the Company.
(b)	The Company acquired an additional 25% interest in this joint venture.

During March 2005, the Company transferred 50% of the Company s 95% interest in a developed property located in Huehue

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equity method of accounting.

During July 2005, the Company transferred a developed property located in Reynosa, Mexico, to a newly formed joint venture

During September 2005, the Company transferred 45 operating properties, comprising approximately 0.3 million square feet o

During 2005, the Company transferred, in separate transactions, five operating properties comprising approximately 0.7 millio

Summarized financial information for these real estate joint ventures is as follows (in millions):

Assets:
Real estate, net
Other assets

Liabilities and Partners Capital:
Mortgages payable
Notes payable
Construction loans
Other liabilities
Minority interest
Partners capital

Revenues from rental property

Operating expenses
Interest
Depreciation and amortization
Other, net

Income from continuing operations

Discontinued Operations:
Income/(loss) from discontinued operations

Gain on dispositions of properties

Net income

Other liabilities in the accompanying Consolidated Balance Sheets include accounts with certain real estate joint ventures total

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from their proportionate share of net income or loss recognized in accordance with GAAP.
The Company s maximum exposure to losses associated with its unconsolidated joint ventures is primarily limited to its carry
8. Other Real Estate Investments:
Preferred Equity Capital -
The Company maintains a Preferred Equity program, which provides capital to developers and owners of real estate properties
Summarized financial information relating to the Company s preferred equity investments is as follows (in millions):

Assets:
Real estate, net
Other assets

Liabilities and Partners Capital:
Notes and mortgages payable
Other liabilities
Partners capital

Revenues from Rental Property

Operating expenses
Interest
Depreciation and amortization
Other, net

Gain on disposition of properties

Net income

The Company s maximum exposure to losses associated with its preferred equity investments is primarily limited to its invest
Investment in Retail Store Leases -
The Company has interests in various retail store leases relating to the anchor store

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premises in neighborhood and community shopping centers. These premises have been sublet to retailers who lease the stores p
Leveraged Lease -
During June 2002, the Company acquired a 90% equity participation interest in an existing leveraged lease of 30 properties. Th
From 2002 to 2005, 14 of these properties were sold, whereby the proceeds from the sales were used to pay down the mortgage
During 2006, an additional two properties were sold, whereby the proceeds from the sales were used to pay down the mortgage
As an equity participant in the leveraged lease, the Company has no recourse obligation for principal or interest payments on th
At December 31, 2006 and 2005, the Company s net investment in the leveraged lease consisted of the following (in millions)

Remaining net rentals
Estimated unguaranteed residual value
Non-recourse mortgage debt
Unearned and deferred income
Net investment in leveraged lease

9. Mortgages and Other Financing Receivables:
During January 2006, the Company provided approximately $16.0 million as its share of a $50.0 million junior participation in

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Additionally, during January 2006, the Company provided approximately $5.2 million as its share of an $11.5 million term loa
During February 2006, the Company committed to provide a one year $17.2 million credit facility at a fixed rate of 8.0% for a
During April 2006, the Company provided two separate mortgages aggregating $14.5 million on a property owned by a real es
During May 2006, the Company provided a CAD $23.5 million collateralized credit facility at a fixed rate of 8.5% per annum
During September 2005, a newly formed joint venture, in which the Company had an 80% interest, acquired a 90% interest in
During August 2006, the Company provided $8.8 million as its share of a $13.2 million 12-month term loan to a retailer for ge
During September 2006, the Company provided a MXP 57.3 million (approximately USD $5.3 million) loan to an owner of an
During November 2006, the Company committed to provide a MXP 124.8 million (approximately USD $11.5 million) loan to

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During December 2006, the Company provided $5.0 million as its share of a one-year $27.5 million mortgage loan to a real es
During May 2002, the Company provided a secured $15 million three-year term loan and a secured $7.5 million revolving cre
During April 2005, the Company provided a construction loan commitment of up to MXP 53.5 million (approximately USD $
Additionally, during April 2005, a newly formed joint venture, in which the Company has a 50% non-controlling interest, prov
During May 2005, a newly formed joint venture, in which the Company has a 44.38% non-controlling interest, provided Debt
Additionally, during May 2005, the Company acquired four mortgage loans collateralized by individual properties with an agg
During October 2005, the Company provided a construction loan commitment of up to $38.1 million to a developer for acquisi
During March 2002, the Company provided a $50.0 million ten-year loan to Shopko Stores, Inc., at an interest rate of 11.0% p

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$14.0 million.

During December 2005, the Company provided a construction loan commitment of up to MXP 39.9 million (approximately US

During July 2004, the Company provided an $11.0 million five-year term loan to a retailer at a floating interest rate of Prime p

During September 2004, the Company acquired a $3.5 million mortgage receivable for $2.7 million. The interest rate on this m

10. Marketable Securities:

The amortized cost and estimated fair values of securities available-for-sale and held-to-maturity at December 31, 2006 and 20

Available-for-sale:
Equity securities

Held-to-maturity:
Other debt securities

Total marketable securities

Available-for-sale:
Equity securities

Held-to-maturity:
Other debt securities

Total marketable securities

As of December 31, 2006, the contractual maturities of Other debt securities classified as held-to-maturity are as follows: with

11. Notes Payable:

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The Company has implemented a medium-term notes (MTN) program pursuant to which it may, from time to time, offer fo
As of December 31, 2006, a total principal amount of approximately $1.4 billion in senior fixed-rate MTNs was outstanding. T
During March 2006, the Company issued $300.0 million of fixed rate unsecured senior notes under its MTN program. This fix
During June 2006, the Company entered into a third supplemental indenture, under the indenture governing its medium-term n
During 2006, the Company repaid its (i) $30.0 million 6.93% fixed rate notes, which matured on July 20, 2006, (ii) $100.0 mil
During August 2006, Kimco North Trust III, a wholly-owned entity of the Company, completed the issuance of $200.0 million
In connection with the October 31, 2006 Pan Pacific merger transaction, the Company assumed $650.0 million of unsecured no
During February 2005, the Company issued $100.0 million of fixed-rate unsecured senior notes under its MTN program. This
During June 2005, the Company issued $200.0 million of fixed-rate unsecured senior notes under its MTN program. This fixed

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During November 2005, the Company issued an aggregate $250.0 million of fixed-rate unsecured senior notes under its MTN
During April 2005, Kimco North Trust III completed the issuance of $150.0 million Canadian denominated senior unsecured n
As of December 31, 2006, the Company had a total principal amount of $1.3 billion in fixed-rate unsecured senior notes. These
The scheduled maturities of all unsecured notes payable as of December 31, 2006, were approximately as follows (in millions)
The Company has an $850.0 million unsecured revolving credit facility (the Credit Facility), which is scheduled to expire in
Additionally, the Company has a CAD $250.0 million unsecured revolving credit facility with a group of banks. This facility o
The Company also has a three-year MXP 500.0 million unsecured revolving credit facility. This facility bears interest at the TI
In accordance with the terms of the Indenture, as amended, pursuant to which the Company s senior unsecured notes have bee

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funds from operations, as defined, generated through the end of the calendar quarter most recently completed prior to the decla

12. Mortgages Payable:

During 2006, the Company (i) obtained an aggregate of approximately $52.7 million of individual non-recourse mortgage debt

During 2005, the Company (i) obtained an aggregate of approximately $95.6 million of individual non-recourse mortgage debt

Mortgages payable, collateralized by certain shopping center properties and related tenants leases, are generally due in month

13. Construction Loans Payable:

During 2006, the Company obtained construction financing on three ground-up development projects for an aggregate original

During 2005, the Company obtained a term loan and construction financing on two ground-up development projects for an agg

collateralized by the respective projects and associated tenants leases. The scheduled maturities of all construction loans paya
14. Minority Interests:
Minority interests represent the portion of equity that the Company does not own in those entities it consolidates as a result of l
Minority interests includes approximately $233.0 million of units, including premiums of approximately $13.5 million and a fa
The Units consist of (i) approximately 81.8 million Preferred A Units par value $1.00 per unit, which pay the holder a return o
Also included in Minority interests are approximately $41.6 million, including a discount of $0.3 million and a fair market valu
Minority interests also includes 138,015 convertible units issued during 2006, by the Company, which are valued at approxima
Minority interests also includes approximately 4.8 million convertible units (the

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Convertible Units) issued by the Company valued at $80.0 million related to an interest acquired in a shopping center prope

15. Fair Value Disclosure of Financial Instruments:

All financial instruments of the Company are reflected in the accompanying Consolidated Balance Sheets at amounts which, ir

Marketable Securities

Notes Payable

Mortgages Payable

Mandatorily Redeemable Minority Interests (termination dates ranging from 2019 2027)

16. Financial Instruments Derivatives and Hedging:

The Company is exposed to the effect of changes in interest rates, foreign currency exchange rate fluctuations and market valu

The principal financial instruments generally used by the Company are interest rate swaps, foreign currency exchange forward

During 2006, the Company entered into two interest rate swaps, with notional amounts of $21.5 million and $6.25 million, resp

As of December 31, 2005, the Company had foreign currency forward contracts designated as net investment hedges of its Car

The Company has designated these foreign currency agreements as net investment hedges of the foreign currency exposure of

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estate operations. These agreements are highly effective in reducing the exposure to fluctuations in exchange rates. As such, ga
During 2001, the Company acquired warrants to purchase 2.5 million shares of common stock of a Canadian REIT. The Comp
The following tables summarize the notional values and fair values of the Company s derivative financial instruments as of De

Hedge Type
MXP cross currency swap net investment
Interest rate swaps cash flow
Interest rate caps marked to market

Hedge Type
Foreign currency forwards net investment
MXP cross currency swap net investment

As of December 31, 2006 and 2005, respectively, these derivative instruments were reported at their fair value as other liabiliti

17. Preferred Stock, Common Stock and Convertible Unit Transactions:

During March 2006, the Company completed a primary public stock offering of 10,000,000 shares of the Company s commor
During March 2006, the shareholders of Atlantic Realty Trust (Atlantic Realty) approved the proposed merger with the Con
On September 25, 2006, Pan Pacific stockholders approved the proposed merger with the Company and the closing occurred o

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agreement, the Company agreed to acquire all of the outstanding shares of Pan Pacific for total merger consideration of $70.00
During 2006, the Company acquired interests in seven shopping center properties located throughout Puerto Rico. The propert
The convertible units consist of (i) 2,627 Class B-1 Preferred Units, par value $10,000 per unit and 640,001 Class C DownREI
The number of shares of Common Stock issued upon conversion of the Class B-1 Preferred Units would be equal to the Class
Prior to January 1, 2009, the number of shares of Common Stock issued upon conversion of the Class C DownREIT Units wou
During April 2006, the Company acquired interests in two shopping center properties, located in Bay Shore and Centereach, N
During June 2006, the Company acquired an interest in an office property, located in Albany, NY, valued at approximately $3
During June 2003, the Company issued 7,000,000 Depositary Shares (the Class F Depositary Shares), each such Class F De
Voting Rights As to any matter on which the Class F Preferred Stock, (Preferred Stock) may vote, including any action b

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Stock shall be entitled to 10 votes, each of which 10 votes may be directed separately by the holder thereof. With respect to eac
Liquidation Rights In the event of any liquidation, dissolution or winding up of the affairs of the Company, the Preferred Sto
During October 2002, the Company acquired an interest in a shopping center property located in Daly City, CA, valued at $80.
18. Supplemental Schedule of Non-Cash Investing/Financing Activities:
The following schedule summarizes the non-cash investing and financing activities of the Company for the years ended Decem

Acquisition of real estate interests by issuance of Common Stock and/or assumption of debt

Acquisition of real estate interest by issuance of redeemable units

Disposition/transfer of real estate interest by assignment of downREIT units

Acquisition of real estate interests through proceeds held in escrow

Disposition/transfer of real estate interests by assignment of mortgage debt

Proceeds held in escrow through sale of real estate interest

Acquisition of real estate through the issuance of an unsecured obligation

Notes received upon disposition of real estate interests

Declaration of dividends paid in succeeding period

Consolidation of FNC:
Increase in real estate and other assets

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Increase in mortgage payable and other liabilities

Consolidation of Kimsouth:
Increase in real estate and other assets
Increase in mortgage payable and other liabilities
19. Transactions with Related Parties:
The Company, along with its joint venture partner, provided KROP short-term interim financing for all acquisitions by KROP
During 2006, the Company, along with its joint venture partner, provided Kimco Retail Opportunity Portfolio II (KROP II)
The Company provides management services for shopping centers owned principally by affiliated entities and various real esta
In December 2004, in conjunction with the Price Legacy transaction, the Company, which holds a 15% non-controlling interes
Reference is made to Note 7 for additional information regarding transactions with related parties.
20. Commitments and Contingencies:
The Company and its subsidiaries are primarily engaged in the operation of shopping centers which are either owned or held u
The future minimum revenues from rental property under the terms of all non-cancellable tenant leases, assuming no new or re
Minimum rental payments under the terms of all non-cancelable operating leases pertaining to the Company s shopping cente

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approximately as follows (in millions): 2007, $14.9; 2008, $14.8; 2009, $14.2; 2010, $12.4; 2011, $10.1 and thereafter, $175.8
During October 2006, the Company completed the Pan Pacific merger, which had a total value of approximately $4.1 billion. F
Immediately following the merger, the Company commenced its joint venture agreements with Prudential Real Estate Investor
During 2006, an entity in which the Company has a preferred equity investment, located in Montreal, Canada, obtained a non-r
Additionally, during 2006, KROP obtained a one-year $15.0 million unsecured term loan, which bears interest at LIBOR plus 0
The Company has issued letters of credit in connection with completion and repayment guarantees for construction loans encur
In connection with the construction of its development projects and related infrastructure, certain public agencies require perfo
Additionally, the RioCan Venture, an entity in which the Company holds a 50% non-controlling interest, has a CAD $7.0 milli
During 2005, a joint venture entity in which the Company has a non-controlling interest

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obtained a CAD $22.5 million (approximately USD $19.3 million) credit facility to finance the construction of a 0.1 million sq
Additionally, during 2005, the Company acquired three operating properties and one land parcel, through joint ventures in whi
During 2005, PL Retail entered into a $39.5 million unsecured revolving credit facility, which bears interest at LIBOR plus 0.6
The Company is subject to various legal proceedings and claims that arise in the ordinary course of business. These matters are
21. Incentive Plans:
The Company maintains a stock option plan (the Plan) pursuant to which a maximum of 42,000,000 shares of the Company
During December 2004, the FASB issued SFAS No. 123 (revised 2004), Share-Based Payment (SFAS No. 123(R)), whi
The fair value of each option award is estimated on the date of grant using the Black-Scholes option pricing formula. The more

Weighted average fair value of options granted	
Weighted average risk-free interest rates	
Weighted average expected option lives (in years)	

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Weighted average expected volatility
Weighted average expected dividend yield
Information with respect to stock options under the Plan for the years ended December 31, 2006, 2005 and 2004, is as follows:

Options outstanding, January 1, 2004
Exercised
Granted
Forfeited

Options outstanding, December 31, 2004
Exercised
Granted
Forfeited

Options outstanding, December 31, 2005
Exercised
Granted
Forfeited

Options outstanding, December 31, 2006

Options exercisable -
December 31, 2004

December 31, 2005

December 31, 2006

The exercise prices for options outstanding as of December 31, 2006, range from $9.46 to $46.88 per share. The weighted-aver
Cash received from options exercised under the Plan was approximately $39.1 million, $42.2 million and $46.1 million for the
The Company recognized stock options expense of $10.2 million, $4.6 million and $1.7 million for the years ended December
The Company maintains a 401(k) retirement plan covering substantially all officers and employees, which permits participants
22. Income Taxes:
The Company elected to qualify as a REIT in accordance with the Code commencing with its taxable year which began Januar

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subject to corporate federal income tax, provided that distributions to its stockholders equal at least the amount of its REIT tax

Reconciliation between GAAP Net Income and Federal Taxable Income:

The following table reconciles GAAP net income to taxable income for the years ended December 31, 2006, 2005 and 2004 (ir

GAAP net income
Less: GAAP net income of taxable REIT subsidiaries

GAAP net income from REIT operations (a)
Net book depreciation in excess of tax depreciation
Deferred/prepaid/above and below market rents, net

Exercise of non-qualified stock options

Book/tax differences from investments in real estate joint ventures

Book/tax difference on sale of property

Valuation adjustment of foreign currency contracts

Book adjustment of property carrying values
Other book/tax differences, net

Adjusted taxable income subject to 90% dividend requirements

Certain amounts in the prior periods have been reclassified to conform to the current year presentation.

(a) All adjustments to GAAP net income from REIT operations are net of amounts attributable to minority interest and tax

Reconciliation between Cash Dividends Paid and Dividends Paid Deductions (in thousands):

For the years ended December 31, 2006 and 2004 cash dividends paid exceeded the dividends paid deduction and amounted to

Characterization of Distributions:

The following characterizes distributions paid for the years ended December 31, 2006, 2005 and 2004, (in thousands):

Preferred Dividends
Ordinary income
Capital gain

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Common Dividends
Ordinary income
Capital gain
Return of capital

Total dividends distributed

Taxable REIT Subsidiaries (TRS):
The Company is subject to federal, state and local income taxes on the income from its TRS activities, which include Kimco R
Income taxes have been provided for on the asset and liability method as required by SFAS No. 109, Accounting for Income T
The Company s taxable income for book purposes and provision for income taxes relating to the Company s TRS and taxabl

Income before income taxes

Less provision for income taxes:
Federal
State and local

Total tax provision

GAAP net income from taxable REIT subsidiaries

The Company s deferred tax assets and liabilities at December 31, 2006 and 2005, were as follows (in millions):

Deferred tax assets:
Operating losses
Other
Valuation allowance

Total deferred tax assets

Deferred tax liabilities

Net deferred tax assets

Deferred tax assets and deferred tax liabilities are included in the caption Other assets and Other liabilities on the accompanyin

returns, primarily from the generation of future taxable income.
The income tax provision differs from the amount computed by applying the statutory federal income tax rate to taxable incom

Federal provision at statutory tax rate (35%)

State and local taxes, net of federal benefit
Other

23. Supplemental Financial Information:
The following represents the results of operations, expressed in thousands except per share amounts, for each quarter during th

Revenues from rental property (1)

Net income

Net income per common share:
Basic
Diluted

Revenues from rental property (1)

Net income

Net income per common share:
Basic
Diluted

(1) All periods have been adjusted to reflect the impact of operating properties sold during 2006 and 2005 and properties classified as held for sale as of December 31,

2006, which are reflected in the caption Discontinued operations on the accompanying Consolidated Statements of Income.

Accounts and notes receivable in the accompanying Consolidated Balance Sheets net of estimated unrecoverable amounts, wer

24. Pro Forma Financial Information (Unaudited):

As discussed in Notes 3, 4 and 5, the Company and certain of its subsidiaries acquired and disposed of interests in certain opera

The pro forma financial information is presented for informational purposes only and may not be indicative of what actual resu

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Revenues from rental property	
Net income	
Net income per common share:	
Basic	
Diluted	

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Year Ended December 31, 2006 Allowance for uncollectable accounts
Allowance for deferred tax asset

Year Ended December 31, 2005 Allowance for uncollectable accounts

Allowance for deferred tax asset

Year Ended December 31, 2004 Allowance for uncollectable accounts

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PROPERTIES

KDI-GLENN SQUARE
HOOVER
KDI-MAIN STREET AT ANTHEM
KDI-CHANDLER AUTO MALLS
KDI-GILBERT, AZ
KIMCO MESA 679, INC. AZ
MESA RIVERVIEW
MESA RIVERVIEW (AUTO OFFICE)
KDI-ANA MARIANA POWER CENTER
METRO SQUARE
PEORIA CROSSING
HAYDEN PLAZA NORTH
PHOENIX, COSTCO
PHOENIX
KDI-ASANTE RETAIL CENTER
ALHAMBRA, COSTCO
MADISON PLAZA
CHULA VISTA, COSTCO
CORONA HILLS, COSTCO
EAST AVENUE MARKET PLACE
LABAND VILLAGE SC
CUPERTINO VILLAGE
ELK GROVE VILLAGE
WATERMAN PLAZA
GOLD COUNTRY CENTER
LA MIRADA THEATRE CENTER
YOSEMITE NORTH SHOPPING CTR
RALEY S UNION SQUARE
SOUTH NAPA MARKET PLACE
PLAZA DI NORTHRIDGE
POWAY CITY CENTRE
NORTH POINT PLAZA
RED BLUFF SHOPPING CTR
TYLER STREET
THE CENTRE
SANTA ANA, HOME DEPOT
FULTON MARKET PLACE
MARIGOLD SC
TRUCKEE CROSSROADS
WESTLAKE SHOPPING CENTER
VILLAGE ON THE PARK

AURORA QUINCY
AURORA EAST BANK
SPRING CREEK COLORADO
DENVER WEST 38TH STREET
ENGLEWOOD PHAR MOR
FORT COLLINS
HERITAGE WEST
WEST FARM SHOPPING CENTER
FARMINGTON PLAZA
N.HAVEN, HOME DEPOT
SOUTHINGTON PLAZA
WATERBURY
DOVER
ELSMERE
ALTAMONTE SPRINGS
BOCA RATON
BRADENTON
BAYSHORE GARDENS, BRADENTON FL
BRADENTON PLAZA
CORAL SPRINGS

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PROPERTIES

CORAL SPRINGS
CURLEW CROSSING S.C.
EAST ORLANDO
FERN PARK
REGENCY PLAZA
FLINT PLAZA
SHOPPES AT AMELIA CONCOURSE
AVENUES WALKS
KISSIMMEE
LAUDERDALE LAKES
MERCHANTS WALK
LARGO
LEESBURG
LARGO EAST BAY
LAUDERHILL
THE GROVES
MELBOURNE
GROVE GATE
NORTH MIAMI
MILLER ROAD
MARGATE
MT. DORA
PLANTATION CROSSING
ORLANDO
RENAISSANCE CENTER
SAND LAKE
ORLANDO
OCALA
POMPANO BEACH
ST. PETERSBURG
TUTTLE BEE SARASOTA
SOUTH EAST SARASOTA
SANFORD
STUART
SOUTH MIAMI
TAMPA
VILLAGE COMMONS S.C.
MISSION BELL SHOPPING CENTER
WEST PALM BEACH
THE SHOPS AT WEST MELBOURNE
AUGUSTA
SAVANNAH
SAVANNAH
KIHEI CENTER
CLIVE

KDI-METRO CROSSING
SOUTHDALE SHOPPING CENTER
DES MOINES
DUBUQUE
WATERLOO
TREASURE VALLEY MARKETPLACE
NAMPA (HORSHAM) FUTURE DEV.
ALTON, BELTLINE HWY
AURORA, N. LAKE
KRC ARLINGTON HEIGHT
BLOOMINGTON
BELLEVILLE, WESTFIELD PLAZA
BRADLEY
CALUMET CITY
COUNTRYSIDE
CARBONDALE
CHICAGO
CHAMPAIGN, NEIL ST.
ELSTON
S. CICERO
CRYSTAL LAKE, NW HWY
CRYSTAL LAKE PLAZA

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PROPERTIES

BUTTERFIELD SQUARE
DOWNERS PARK PLAZA
DOWNER GROVE
ELGIN
FOREST PARK
FAIRVIEW HTS, BELLVILLE RD.
GENEVA
LAKE ZURICH PLAZA
MATTERSON
MT. PROSPECT
MUNDELEIN, S. LAKE
NORRIDGE
NAPERVILLE
NAPERVILLE PLAZA
OTTAWA
ORLAND PARK, S. HARLEM
OAK LAWN
OAKBROOK TERRACE
PEORIA
FREESTATE BOWL
ROUND LAKE BEACH PLAZA
SKOKIE
KRC STREAMWOOD
WOODGROVE FESTIVAL
WAUKEGAN
WAUKEGAN PLAZA
PLAZA EAST
GREENWOOD
GRIFFITH
LAFAYETTE
LAFAYETTE
KIMCO LAFAYETTE MARKET PLACE
KRC MISHAWAKA 895
MERRILLVILLE PLAZA
SOUTH BEND, S. HIGH ST.
OVERLAND PARK
BELLEVUE
FLORENCE PLAZA
LEXINGTON
PADUCAH MALL, KY
HAMMOND AIR PLAZA
KIMCO HOUMA 274, LLC
LAFAYETTE
GREAT BARRINGTON
SHREWSBURY SHOPPING CENTER

CLUB CENTRE AT PIKESVILLE
WILDE LAKE
LYNX LANE
CLINTON BANK BUILDING
CLINTON BOWL
VILLAGES AT URBANA
GAITHERSBURG
HAGERSTOWN
SHAWAN PLAZA
LAUREL
LAUREL
SOUTHWEST MIXED USE PROPERTY
NORTH EAST STATION
OWINGS MILLS PLAZA
PERRY HALL
TIMONIUM SHOPPING CENTER
WALDORF BOWL
WALDORF FIRESTONE
BANGOR, ME
MALLSIDE PLAZA
CLAWSON
WHITE LAKE

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PROPERTIES

CANTON TWP PLAZA
CLINTON TWP PLAZA
DEARBORN HEIGHTS PLAZA
FARMINGTON
GRAND RAPIDS PLAZA
LIVONIA
LANSING PLAZA
MUSKEGON
OKEMOS PLAZA
TAYLOR
WALKER
EDEN PRAIRIE PLAZA
FOUNTAINS AT ARBOR LAKES
ROSEVILLE PLAZA
ST. PAUL PLAZA
BRIDGETON
CREVE COEUR, WOODCREST/OLIVE
CRYSTAL CITY, MI
INDEPENDENCE, NOLAND DR.
NORTH POINT SHOPPING CENTER
KIRKWOOD
KANSAS CITY
LEMAY
GRAVOIS
ST. CHARLES-UNDERDEVELOPED LAND, MO
SPRINGFIELD
KMART PARCEL
KRC ST. CHARLES
ST. LOUIS, CHRISTY BLVD.
OVERLAND
ST. LOUIS
ST. LOUIS
ST. PETERS
SPRINGFIELD,GLENSTONE AVE.
KDI-TURTLE CREEK
BURLINGTON COMMERCE PARK
CHARLOTTE
CHARLOTTE
TYVOLA RD.
CROSSROADS PLAZA
KIMCO CARY 696, INC.
DURHAM
LANDMARK STATION S.C.
HILLSBOROUGH CROSSING
SHOPPES AT MIDWAY PLANTATION

RALEIGH
WAKEFIELD COMMONS II
WAKEFIELD CROSSINGS
EDGEWATER PLACE
WINSTON-SALEM
SORENSON PARK PLAZA
NEW LONDON CENTER
ROCKINGHAM
BRIDGEWATER NJ
BAYONNE BROADWAY
BRICKTOWN PLAZA
BRIDGEWATER PLAZA
CHERRY HILL
MARLTON PIKE
CINNAMINSON
DEBTFORD PLAZA
HILLSBOROUGH
HOLMDEL TOWNE CENTER
HOLMDEL COMMONS
HOWELL PLAZA
KENVILLE PLAZA
STRAUSS DISCOUNT AUTO

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PROPERTIES

NORTH BRUNSWICK
PISCATAWAY TOWN CENTER
RIDGEWOOD
SEA GIRT PLAZA
WESTMONT
WEST LONG BRANCH PLAZA
SYCAMORE PLAZA
PLAZA PASEO DEL-NORTE
JUAN TABO, ALBUQUERQUE
COMP USA CENTER
DEL MONTE PLAZA
KEY BANK BUILDING
BRIDGEHAMPTON
TWO GUYS AUTO GLASS
GENOVESE DRUG STORE
KINGS HIGHWAY
HOMEPORT-RALPH AVENUE
BAYRIDGE
BELLMORE
STRAUSS CASTLE HILL PLAZA
STRAUSS UTICA AVENUE
MARKET AT BAY SHORE
KING KULLEN PLAZA
KDI-CENTRAL ISLIP TOWN CENTER
PATHMARK SC
ELMONT
ELMONT PLAZA
FRANKLIN SQUARE
HAMPTON BAYS
HICKSVILLE
STRAUSS LIBERTY AVENUE
DOUGLASTON SHOPPING CENTER
STRAUSS MERRICK BLVD
MANHASSET VENTURE LLC
MASPETH QUEENS-DUANE READE
MASSAPEQUA
STRAUSS EAST 14TH STREET
367-369 BLEEKER STREET
92 PERRY STREET
37 GREENWICH STREET
82 CHRISTOPHER STREET
625 BROADWAY
387 BLEEKER STREET
19 GREENWICH STREET
PREF. EQUITY 100 VANDAM

AMERICAN MUFFLER SHOP
PLAINVIEW
POUGHKEEPSIE
STRAUSS JAMAICA AVENUE
SYOSSET, NY
STATEN ISLAND
STATEN ISLAND
STATEN ISLAND PLAZA
HYLAN PLAZA
STOP N SHOP STATEN ISLAND
WEST GATES
WHITE PLAINS
YONKERS
STRAUSS ROMAINE AVENUE
AKRON WATERLOO
WEST MARKET ST.
BARBERTON
BRUNSWICK
BEAVERCREEK
CANTON
CAMBRIDGE
MORSE RD.

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PROPERTIES

HAMILTON RD.
OLENTANGY RIVER RD.
W. BROAD ST.
RIDGE ROAD
GLENWAY AVE
SPRINGDALE
GLENWAY CROSSING
HIGHLAND RIDGE PLAZA
HIGHLAND PLAZA
MONTGOMERY PLAZA
SHILOH SPRING RD.
OAKCREEK
SALEM AVE.
KETTERING
KENT, OH
KENT
MENTOR
MIDDLEBURG HEIGHTS
MENTOR ERIE COMMONS.
MALLWOODS CENTER
NORTH OLMSTED
ORANGE OHIO
UPPER ARLINGTON
WICKLIFFE
CHARDON ROAD
WESTERVILLE
EDMOND
CENTENNIAL PLAZA
TULSA
KDI-MCMINNVILLE
ALLEGHENY
CHIPPEWA
BROOKHAVEN PLAZA
CARNEGIE
CENTER SQUARE
CHAMBERSBURG CROSSING
WEST MIFFLIN
EAST STROUDSBURG
EXTON
EXTON
EASTWICK
EXTON PLAZA
FEASTERVILLE
GETTYSBURG
HARRISBURG, PA

HAMBURG
HAVERTOWN
NORRISTOWN
NEW KENSINGTON
PHILADELPHIA
GALLERY, PHILADELPHIA PA
PHILADELPHIA PLAZA
STRAUSS WASHINGTON AVENUE
RICHBORO
SPRINGFIELD
UPPER DARBY
WEST MIFFLIN
WHITEHALL
E. PROSPECT ST.
W. MARKET ST.
REXVILLE TOWN CENTER
PLAZA CENTRO COSTCO
PLAZA CENTRO MALL
PLAZA CENTRO RETAIL
PLAZA CENTRO SAM S CLUB
LOS COLOBOS BUILDERS SQUARE
LOS COLOBOS KMART

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PROPERTIES

LOS COLOBOS I
LOS COLOBOS II
WESTERN PLAZA MAYAQUEZ ONE
WESTERN PLAZA MAYAGUEZ TWO
MANATI VILLA MARIA SC
PONCE TOWN CENTER
TRUJILLO ALTO PLAZA
MARSHALL PLAZA, CRANSTON RI
CHARLESTON
CHARLESTON
FLORENCE
GREENVILLE
NORTH CHARLESTON
N. CHARLESTON
KDI-HARPETH VILLAGE SC
MADISON
HICKORY RIDGE COMMONS
TROLLEY STATION
RIVERGATE STATION
MARKET PLACE AT RIVERGATE
RIVERGATE, TN
CENTER OF THE HILLS, TX
ARLINGTON
DOWLEN CENTER
BURLESON
BAYTOWN
LAS TIENDAS PLAZA
CORPUS CHRISTI, TX
DALLAS
MONTGOMERY PLAZA
PRESTON LEBANON CROSSING
KDI-LAKE PRAIRIE TOWN CROSSING
CENTER AT BAYBROOK
HARRIS COUNTY
SHARPSTOWN COURT
CYPRESS TOWNE CENTER
SHOPS AT VISTA RIDGE
VISTA RIDGE PLAZA
VISTA RIDGE PHASE II
SOUTH PLAINES PLAZA, TX
LAKE WORTH TOWNE CROSSING
MESQUITE
MESQUITE TOWN CENTER
NEW BRAUNSFELS
FORUM AT OLYMPIA PARKWAY-DEV

PARKER PLAZA
PLANO
WEST OAKS
MARKET STREET AT WOODLANDS
OGDEN
COLONIAL HEIGHTS
MANASSAS
RICHMOND
RICHMOND
VALLEY VIEW SHOPPING CENTER
MANCHESTER SHOPPING CENTER
HAZEL DELL TOWNE CENTER
CHARLES TOWN
MARTINSBURG
RIVERWALK PLAZA
BLUE RIDGE
MEXICO-MEXICALI-BAJA WALMART
MEXICO- MOTOROLA
MEXICO-WAL-MART JUAREZ II
MEXICO-LINDAVISTA
MEXICO- SAN PEDRO
MEXICO-CUAUTLA

PROPERTIES

MEXICO-NUEVO LAREDO
MEXICO PACHUCA WAL-MART
MEXICO-SAN LUIS POTOSI
MEXICO- SALTILLO II
MEXICO-PLAZA SAN JUAN
MEXICO- TECAMAC II
BALANCE OF PORTFOLIO

Depreciation and amortization are provided on the straight-line method over the estimated useful lives of the assets as follows:
Buildings__________15 to 50 years
Fixtures, building and leasehold improvements __________ Terms of leases or useful lives, whichever is shorter (including certain identified intangible assets)
The aggregate cost for Federal income tax purposes was approximately $ 5.3 billion at December 31, 2006.
The changes in total real estate assets for the years ended December 31, 2006, 2005, and 2004 are as follows:

Balance, beginning of period
Acquisitions
Improvements
Transfers from (to) unconsolidated joint ventures
Sales
Assets held for sale
Adjustment of property carrying values

Balance, end of period

The changes in accumulated depreciation for the years ended December 31, 2006, 2005, and 2004 are as follows:

Balance, beginning of period
Depreciation for year
Transfers from (to) unconsolidated joint ventures
Sales
Assets held for sale

Balance, end of period