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REIT FAQs⁽³⁾

WHAT IS A REIT?

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

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

WHAT TYPES OF PROPERTIES DO REITS INVEST IN?

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

HOW ARE REITS MANAGED?

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

HOW ARE REIT STOCKS VALUED?

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

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

WHY SHOULD I INVEST IN REITS?

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

REITs offer investors:

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

HOW DO I INVEST IN A REIT?

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

⁽³⁾ Source: National Association of Real Estate Investment Trusts (NAREIT)



FOUNDATIONS OF OPPORTUNITY



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FEDERAL REALTY INVESTMENT TRUST

Summer 2012

In 2012, Federal Realty Investment Trust celebrates 50 years of being a proven leader in the ownership, operation, and redevelopment of high quality retail real estate in the country's best markets. Federal Realty specializes in the ownership, management and redevelopment of high-quality retail assets, including shopping centers and urban, mixed-use properties. Federal Realty's portfolio is located primarily in strategically selected metropolitan markets in the Northeast, Mid-Atlantic, and California.

Headquartered in Rockville, Md., Federal Realty owns a high-quality portfolio of properties in the retail REIT sector. The portfolio's strong demographics are unequalled, with an average household income of \$99,000 and population of 136,000 within a three-mile radius of Federal Realty properties.⁽¹⁾

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

Also contributing to the future growth of Federal Realty is the ability to acquire operating properties within our core markets that possess value-enhancing opportunities. In addition, through a joint venture, in which the Trust has a 30% interest, Federal Realty seeks to acquire stabilized, supermarket-anchored shopping centers in the Trust's target markets.

Over its 50-year history, Federal Realty has produced an outstanding track record, including growth in dividends per share. The Trust has paid quarterly dividends to its shareholders continuously since its founding in 1962, and has increased its dividend rate for 45 consecutive years, the longest consecutive record in the REIT industry.

FIFTY YEARS PROVEN

Federal Realty
INVESTMENT TRUST



Overview

- An equity real estate investment trust (REIT) founded in 1962, one of the oldest public REITs
- Fully integrated real estate company focused on the ownership, management and redevelopment of high-quality retail properties, including shopping centers and urban, mixed-use properties
- Headquarters: Rockville, Md.
Regional Offices: Los Angeles, Calif.; San Jose, Calif.; Boston, Mass.; Philadelphia, Pa.; Boca Raton, Fla.
- 87 predominantly retail real estate projects, totaling approximately 19.2 million s.f. (excluding joint venture properties)
- Seven retail projects totaling 1 million s.f. in our real estate joint venture in which the Trust has a 30% interest
- Rated BBB+ Positive Outlook by Standard & Poor's, Baa1 Positive Outlook by Moody's and A- by Fitch Ratings

Solid Performance

- Paid quarterly dividends to shareholders continuously since 1962
- Increased dividend rate for 45 consecutive years, the longest consecutive record in the REIT industry

FRT
LISTED
NYSE www.federalrealty.com



MARKET PROFILE

as of June 30, 2012

PRIMARY MARKET	WITHIN A THREE-MILE RADIUS OF FEDERAL REALTY PROPERTIES ⁽¹⁾		
	FEDERAL REALTY SQUARE FOOTAGE	POPULATION	AVG. HOUSEHOLD INCOME
Washington, D.C., Metropolitan	5.5 million	135,000	\$ 117,000
California	2.9 million	182,000	\$ 103,000
Philadelphia Metropolitan	3.6 million	102,000	\$ 91,000
New York/New Jersey	1.2 million	267,000	\$ 108,000
New England	1.4 million	179,000	\$ 94,000
Baltimore	1.1 million	96,000	\$ 72,000
South Florida	0.7 million	89,000	\$ 80,000
Other	2.8 million	81,000	\$ 78,000

Total ⁽²⁾ **19.2 million** **136,000** **\$ 99,000**

⁽¹⁾ All demographic data contained in this chart were supplied by ESRI. Aggregated information is calculated on a weighted-average basis.
⁽²⁾ Total values may not add up exactly due to rounding.

TOP 10 TENANTS

as of June 30, 2012

RANK	TENANT NAME	PERCENTAGE OF TOTAL ANNUALIZED BASE RENT	NUMBER OF STORES LEASED
1	Ahold USA, Inc.	2.44	12
2	Bed, Bath & Beyond	2.44	15
3	TJX Companies	2.25	19
4	L.A. Fitness International LLC	2.02	12
5	Gap, Inc.	1.84	14
6	CVS Corporation	1.55	18
7	Safeway, Inc.	1.30	7
8	Best Buy Stores, L.P.	1.28	5
9	Barnes & Noble, Inc.	1.19	9
10	Dick's Sporting Good Inc.	1.02	5

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

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

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

We are Federal Realty.



Linden Square
Wellesley, Ma.



Pentagon Row
Arlington, Va.



Tower Shops
Davie, Fla.



Plaza El Segundo
El Segundo, Calif.



Bethesda Row
Bethesda, Md.

Shareholder Information and Services

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

DIVIDEND REINVESTMENT AND SHARE PURCHASE PLAN

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

AUTOMATIC CASH INVESTMENT AND DIRECT DEPOSIT

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

ENROLLMENT

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

INTERNET

www.federalrealty.com

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

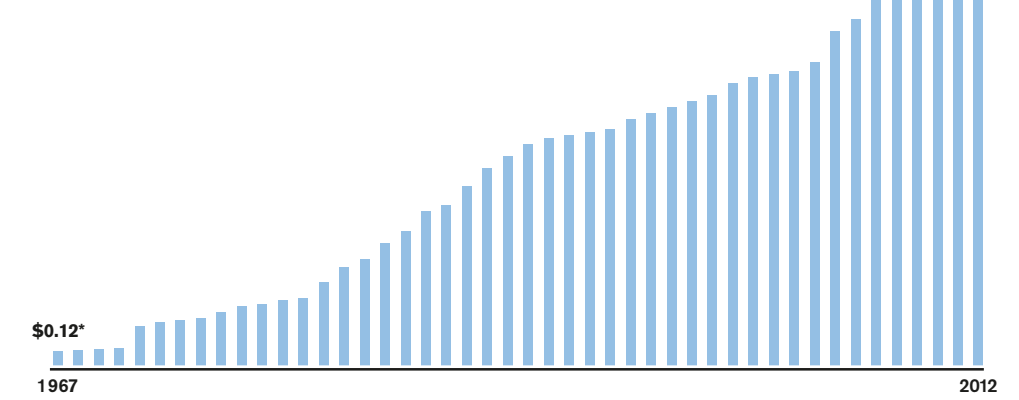
INVESTOR RELATIONS CONTACT

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

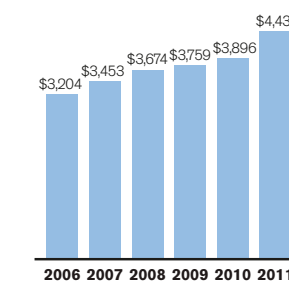
45 YEARS OF INCREASED DIVIDENDS

The longest consecutive record in the REIT industry.

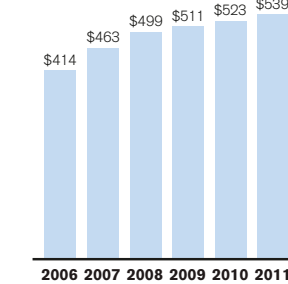
*Annualized dividends



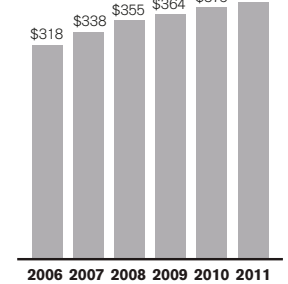
REAL ESTATE ASSETS
(at cost, in millions)
(as of June 30, 2012)



RENTAL INCOME
(at cost, in millions)
(as of June 30, 2012)



PROPERTY OPERATING INCOME
(at cost, in millions)
(as of June 30, 2012)



SECOND QUARTER 2012 RESULTS

- Funds from operations available for common shareholders (FFO) per diluted share was \$1.04 for the quarter ending June 30, 2012.
- Same-center property operating income increased 3.5% over second quarter 2011. Excluding redevelopment and expansions, same-center operating income increased 2.7% over second quarter 2011.
- Rent increases on lease rollovers of comparable retail space were 11% on a cash basis and 21% on a GAAP basis.
- The Trust's portfolio was 94.2% leased as of second quarter 2012.
- Increased guidance for 2012 FFO per diluted share to a range of \$4.27 to \$4.31.

IN THE NEWS

JULY, 2012 – Federal Realty received an approximately \$6M lease termination fee from Safeway in connection with Safeway's sale of a number of its Genuardi's locations to Giant of Carlisle. Federal was able to negotiate the fee as part of the global resolution of all three Genuardi's locations in Federal's portfolio, which resulted in the assignment of two of those locations to Giant and the termination of the lease at the third location.

JULY, 2012 – Federal Realty announced the pricing of a public offering of \$250 million aggregate principal amount of 3.00% senior unsecured notes due August 1, 2022. The notes were offered at 98.743% of the principal amount with a yield to maturity of 3.147%. Interest on the notes will be payable on February 1 and August 1 of each year, beginning February 1, 2013.

JULY, 2012 – Federal Realty broke ground on Pike & Rose, a 3.4 million square-foot transit oriented, mixed-use development. Maryland Governor Martin O'Malley, Lieutenant Governor Anthony Brown, County Executive Isiah Leggett, County Council President Roger Berliner, the Montgomery County Council and Don Wood, Don Briggs, and Evan Goldman of Federal Realty officially celebrated the start of construction at Pike & Rose and the creation of an estimated 688 jobs from phase one of the project.

JULY, 2012 – Federal Realty announced that Mr. James M. Taylor will succeed Mr. Andrew Blocher as chief financial officer on August 15, 2012. The move further enhances the Trust's ability to source and evaluate corporate business development and strategic opportunities through Mr. Taylor's extensive experience and real estate relationships over the past two decades.

JUNE, 2012 – Federal Realty rang The Closing Bell at the New York Stock Exchange (NYSE) to commemorate the Trust's 50th Anniversary.