UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2013

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from __________ to __________

Commission file number 1-10899

Kimco Realty Corporation

(Exact name of registrant as specified in its charter)

Maryland	13-2744380

(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

3333 New Hyde Park Road, New Hyde Park, NY 11042-0020

(Address of principal executive offices) (Zip Code)

(516) 869-9000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, par value $.01 per share.	New York Stock Exchange
Depositary Shares, each representing one-hundredth of a share of 6.90% Class H Cumulative Redeemable Preferred Stock, par value $1.00 per share.	New York Stock Exchange
Depositary Shares, each representing one-thousandth of a share of 6.00% Class I Cumulative Redeemable Preferred Stock, par value $1.00 per share.	New York Stock Exchange
Depositary Shares, each representing one-thousandth of a share of 5.50% Class J Cumulative Redeemable Preferred Stock, par value $1.00 per share.	New York Stock Exchange
Depositary Shares, each representing one-thousandth of a share of 5.625% Class K Cumulative Redeemable Preferred Stock, par value $1.00 per share.	New York Stock Exchange

Securities registered pursuant to section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company.)	Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant was approximately $9.5 billion based upon the closing price on the New York Stock Exchange for such equity on June 30, 2013.

(APPLICABLE ONLY TO CORPORATE REGISTRANTS)

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

409,772,726 shares as of February 13, 2014.

DOCUMENTS INCORPORATED BY REFERENCE

Part III incorporates certain information by reference to the Registrant's definitive proxy statement to be filed with respect to the Annual Meeting of Stockholders expected to be held on May 6, 2014.

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FORWARD-LOOKING STATEMENTS

This annual report on Form 10-K ("Form 10-K"), together with other statements and information publicly disseminated by Kimco Realty Corporation (the "Company") contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The Company intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and includes this statement for purposes of complying with the safe harbor provisions. Forward-looking statements, which are based on certain assumptions and describe the Company's future plans, strategies and expectations, are generally identifiable by use of the words "believe," "expect," "intend," "anticipate," "estimate," "project," "will," "target," "forecast" or similar expres should not rely on forward-looking statements since they involve known and unknown risks, uncertainties and other factors which are, in some cases, beyond the Company's control and could materially affect actual results, performances or achievements. Factors which may cause actual results to differ materially from current expectations include, but are not limited to (i) general adverse economic and local real estate conditions, (ii) the inability of major tenants to continue paying their rent obligations due to bankruptcy, insolvency or a general downturn in their business, (iii) financing risks, such as the inability to obtain equity, debt or other sources of financing or refinancing on terms favorable to the Company, (iv) the Company's ability to raise capital by selling its assets, (v) changes in governmental laws and regulations, (vi) the level and volatility of interest rates and foreign currency exchange rates, (vii) risks related to our international operations, (viii) the availability of suitable acquisition and disposition opportunities, (ix) valuation and risks related to our joint venture and preferred equity investments, (x) valuation of marketable securities and other investments, (xi) increases in operating costs, (xii) changes in the dividend policy for the Company's common stock, (xiii) the reduction in the Company's income in the event of multiple lease terminations by tenants or a failure by multiple tenants to occupy their premises in a shopping center, (xiv) impairment charges and (xv) unanticipated changes in the Company's intention or ability to prepay certain debt prior to maturity and/or hold certain securities until maturity and (xvi) the risks and uncertainties identified under Item 1A, "Risk Factors" and elsewhere in this Form 10-K and in the Company's other filings with the SEC. Accordingly, there is no assurance that the Company's expectations will be realized. The Company disclaims any intention or obligation to update the forward-looking statements, whether as a result of new information, future events or otherwise. You are advised, however, to consult any further disclosures the Company makes or related subjects in the Company's reports on Form 10-Q and Form 8-K that the Company files with the Securities and Exchange Commission ("SEC").

PART I

Item 1. Business

Background

Kimco Realty Corporation, a Maryland corporation, is one of the nation's largest owners and operators of neighborhood and community shopping centers. The terms "Kimco," the "Company," "we," "our" and "us" each refer to Kimco Realty Corporation and our subsidiaries, unless the context indicates otherwise. The Company is a self-administered real estate investment trust ("REIT") and has owned and operated neighborhood and community shopping centers for more than 50 years. The Company has not engaged, nor does it expect to retain, any REIT advisors in connection with the operation of its properties. As of December 31, 2013, the Company had interests in 852 shopping center properties (the “Combined Shopping Center Portfolio”), aggregating 124.5 million square feet of gross leasable area (“GLA”), and 575 other property interests, primarily through the Company’s preferred equity investments and other real estate investments, totaling 13.2 million square feet of GLA, for a grand total of 1,427 properties aggregating 137.7 million square feet of GLA, located in 42 states, Puerto Rico, Canada, Mexico, Chile and Peru. The Company’s ownership interests in real estate consist of its consolidated portfolio and portfolios where the Company owns an economic interest, such as properties in the Company’s investment real estate management programs, where the Company partners with institutional investors and also retains management. The Company believes its portfolio of neighborhood and community shopping center properties is the largest (measured by GLA) currently held by any publicly traded REIT.

The Company's executive offices are located at 3333 New Hyde Park Road, New Hyde Park, New York 11042-0020 and its telephone number is (516) 869-9000. Nearly all operating functions, including leasing, legal, construction, data processing, maintenance, finance and accounting are administered by the Company from its executive offices in New Hyde Park, New York and supported by the Company’s regional offices. As of December 31, 2013, a total of 597 persons were employed by the Company.

The Company’s Web site is located at *http://www.kimcorealty.com*. The information contained on our Web site does not constitute part of this Form 10-K. On the Company’s Web site you can obtain, free of charge, a copy of our Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act of 1934, as amended, as soon as reasonably practicable, after we file such material electronically with, or furnish it to, the SEC. The public may read and copy any materials we file with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at *http://www.sec.gov*.

The Company began operations through its predecessor, The Kimco Corporation, which was organized in 1966 upon the contribution of several shopping center properties owned by its principal stockholders. In 1973, these principals formed the Company as a Delaware corporation, and, in 1985, the operations of The Kimco Corporation were merged into the Company. The Company completed its initial public stock offering (the "IPO") in November 1991, and, commencing with its taxable year which began January 1, 1992, elected to qualify as a REIT in accordance with Sections 856 through 860 of the Internal Revenue Code of 1986, as amended (the "Code"). If, as the Company believes, it is organized and operates in such a manner so as to qualify and remain qualified as a REIT under the Code, the Company generally will not be subject to federal income tax, provided that distributions to its stockholders equal at least the amount of its REIT taxable income, as defined under the Code. In 1994, the Company reorganized as a Maryland corporation. In March 2006, the Company was added to the S & P 500 Index, an index containing the stock of 500 Large Cap companies, most of which are U.S. corporations. The Company's common stock, Class H Depositary Shares, Class I Depositary Shares, Class J Depositary Shares and Class K Depositary Shares are traded on the New York Stock Exchange (“NYSE”) under the trading symbols “KIM”, “KIMprH”, “KIMprI”, “KIMprJ” and “KIMprK” respectively.

The Company’s initial growth resulted primarily from ground-up development and the construction of shopping centers. Subsequently, the Company revised its growth strategy to focus on the acquisition of existing shopping centers and continued its expansion across the nation. The Company implemented its investment real estate management format through the establishment of various institutional joint venture programs, in which the Company has noncontrolling interests. The Company earns management fees, acquisition fees, disposition fees as well as promoted interests based on achieving certain performance metrics. The Company continued its geographic expansion with investments in Canada, Mexico, Chile, Brazil and Peru, however during 2013, based upon a perceived change in market conditions the Company began its efforts to exit its investments in Mexico, and South America. The Company’s revenues and equity in income (including gains on sales and impairment losses) from its foreign investments in U.S. dollar equivalents and their respective local currencies are as follows (in millions):

	2013	**2012**	**2011**
Revenues (consolidated in USD):			
Mexico	$49.5	$47.3	$46.3
Brazil	$3.2	$3.8	$3.8
Peru	$0.4	$0.4	$0.4
Chile	$9.2	$7.4	$0.3
Revenues (consolidated):			
Mexico (Mexican Pesos “MXN”)	673.8	626.5	570.2
Brazil (Brazilian Real)	6.8	7.2	6.3
Peru (Peruvian Nuevo Sol)	1.2	1.1	1.1
Chile (Chilean Pesos “CLP”)	4,464.7	3,648.0	144.7
Equity in income (unconsolidated joint ventures, including preferred equity investments in USD):			
Canada	$46.1	$45.4	$21.3
Mexico	$98.1	$15.0	$11.9
Chile	$4.2	$0.4	$0.9

Equity in income (unconsolidated joint ventures, including preferred equity investments in local currencies):			
Canada (Canadian dollars)	47.5	44.4	19.7
Mexico (MXN)	232.3	152.8	123.5
Chile (CLP)	2,141.2	194.2	411.2

The Company, through its taxable REIT subsidiaries ("TRS"), as permitted by the Tax Relief Extension Act of 1999, has been engaged in various retail real estate related opportunities, including (i) ground-up development of neighborhood and community shopping centers and the subsequent sale thereof upon completion and (ii) retail real estate management and disposition services, which primarily focused on leasing and disposition strategies for real estate property interests of both healthy and distressed retailers. The Company may consider other investments through its TRS should suitable opportunities arise.

In addition, the Company has capitalized on its established expertise in retail real estate by establishing other ventures in which the Company owns a smaller equity interest and provides management, leasing and operational support for those properties. The Company has also provided preferred equity capital in the past to real estate entrepreneurs and, from time to time, provides real estate capital and management services to both healthy and distressed retailers. The Company has also made selective investments in secondary market opportunities where a security or other investment is, in management's judgment, priced below the value of the underlying assets, however these investments are subject to volatility within the equity and debt markets.

Operating and Investment Strategy

The Company’s strategy is to be the premier owner and operator of neighborhood and community shopping centers through investments primarily in the U.S. and Canada. To achieve this strategy the Company is (i) striving to transform the quality of its portfolio by disposing of lesser quality assets and acquiring larger higher quality properties in key markets identified by the Company, (ii) simplifying its business by exiting Mexico, South America and reducing the number of joint venture investments and (iii) pursuing redevelopment opportunities within its portfolio to increase overall value. This strategy entailed a shift away from non-retail assets. These investments included non-retail preferred equity investments, marketable securities, mortgages on non-retail properties and several urban mixed-use properties. As of December 31, 2013, the Company had substantially completed the sale of these non-retail assets. The Company also has an active capital recycling program of selling retail assets deemed non-strategic and properties within the Company’s Latin American portfolio. In order to execute the Company’s strategy, the Company intends to continue to strengthen its balance sheet by pursuing deleveraging efforts over time, providing it the necessary flexibility to invest opportunistically and selectively, primarily focusing on neighborhood and community shopping centers. The Company also has an institutional management business with domestic and foreign institutional partners for the purpose of investing in neighborhood and community shopping centers. In an effort to further its simplification strategy, the Company is actively pursuing opportunities to reduce its institutional management business through partner buy-outs, property acquisitions from institutional joint ventures and/or third party property sales.

The Company's investment objective is to increase cash flow, current income and, consequently, the value of its existing portfolio of properties and to seek continued growth in desirable demographic areas with successful retailers through (i) the retail re-tenanting, renovation and expansion of its existing centers and (ii) the selective acquisition of established income-producing real estate properties and properties requiring significant re-tenanting and redevelopment, primarily in neighborhood and community shopping centers in geographic regions in which the Company presently operates. The Company may consider investments in other real estate sectors and in geographic markets where it does not presently operate should suitable opportunities arise.

The Company's neighborhood and community shopping center properties are designed to attract local area customers and are typically anchored by a discount department store, a supermarket or a drugstore tenant offering day-to-day necessities rather than high-priced luxury items. The Company may either purchase or lease income-producing properties in the future and may also participate with other entities in property ownership through partnerships, joint ventures or similar types of co-ownership. Equity investments may be subject to existing mortgage financing and/or other indebtedness. Financing or other indebtedness may be incurred simultaneously or subsequently in connection with such investments. Any such financing or indebtedness would have priority over the Company’s equity interest in such property. The Company may make loans to joint ventures in which it may or may not participate.

The Company seeks to reduce its operating and leasing risks through diversification achieved by the geographic distribution of its properties and a large tenant base. As of December 31, 2013, no single neighborhood and community shopping center accounted for more than 1.7% of the Company's annualized base rental revenues, including the proportionate share of base rental revenues from properties in which the Company has less than a 100% economic interest, or more than 1.3% of the Company's total shopping center GLA. At December 31, 2013, the Company's five largest tenants were TJX Companies, The Home Depot, Wal-Mart, Bed Bath & Beyond and Kohl's which represented 3.0%, 2.8%, 2.3%, 1.8% and 1.7%, respectively, of the Company's annualized base rental revenues, including the proportionate share of base rental revenues from properties in which the Company has less than a 100% economic interest.

As one of the original participants in the growth of the shopping center industry and one of the nation's largest owners and operators of neighborhood and community shopping centers, the Company has established close relationships with a large number of major national and regional retailers and maintains a broad network of industry contacts. Management is associated with and/or actively participates in many shopping center and REIT industry organizations. Notwithstanding these relationships, there are numerous regional and local commercial developers, real estate companies, financial institutions and other investors who compete with the Company for the acquisition of properties and other investment opportunities and in seeking tenants who will lease space in the Company's properties.

Item 1A. Risk Factors

We are subject to certain business and legal risks including, but not limited to, the following:

Loss of our tax status as a real estate investment trust could have significant adverse consequences to us and the value of our securities.

We have elected to be taxed as a REIT for federal income tax purposes under the Code. We believe that we have operated so as to qualify as a REIT under the Code and that our current organization and method of operation comply with the rules and regulations promulgated under the Code to enable us to continue to qualify as a REIT. However, there can be no assurance that we have qualified or will continue to qualify as a REIT for federal income tax purposes.

Qualification as a REIT involves the application of highly technical and complex Code provisions, for which there are only limited judicial and administrative interpretations. The determination of various factual matters and circumstances not entirely within our control may affect our ability to qualify as a REIT. New legislation, regulations, administrative interpretations or court decisions could significantly change the tax laws with respect to qualification as a REIT, the federal income tax consequences of such qualification or the desirability of an investment in a REIT relative to other investments.

In order to qualify as a REIT, we must satisfy a number of requirements, including requirements regarding the composition of our assets and a requirement that at least 95% of our gross income in any year be derived from qualifying sources, such as "rents from real property." Also, we must make distributions to stockholders aggregating annually at least 90% of our REIT taxable income, excluding net capital gains. Furthermore, we own a direct or indirect interest in certain subsidiary REITs which elected to be taxed as REITs for federal income tax purposes under the Code. Provided that each subsidiary REIT qualifies as a REIT, our interest in such subsidiary REIT will be treated as a qualifying real estate asset for purposes of the REIT asset tests. To qualify as a REIT, the subsidiary REIT must independently satisfy all of the REIT qualification requirements. The failure of a subsidiary REIT to qualify as a REIT could have an adverse effect on our ability to comply with the REIT income and asset tests, and thus our ability to qualify as a REIT.

If we lose our REIT status, we will face serious tax consequences that will substantially reduce the funds available to pay dividends to stockholders for each of the years involved because:

- we would not be allowed a deduction for distributions to stockholders in computing our taxable income and we would be subject to federal income tax at regular corporate rates;
- we could be subject to the federal alternative minimum tax and possibly increased state and local taxes;
- unless we were entitled to relief under statutory provisions, we could not elect to be subject to tax as a REIT for four taxable years following the year during which we were disqualified; and
- we would not be required to make distributions to stockholders.

As a result of all these factors, our failure to qualify as a REIT could also impair our ability to expand our business or raise capital and materially adversely affect the value of our securities.

To maintain our REIT status, we may be forced to borrow funds on a short-term basis during unfavorable market conditions.

To qualify as a REIT, we generally must distribute to our stockholders at least 90% of our REIT taxable income each year, excluding capital gains, and we will be subject to regular corporate income taxes to the extent that we distribute less than 100% of our net taxable income each year. In addition, we will be subject to a 4% nondeductible excise tax on the amount, if any, by which distributions paid by us in any calendar year are less than the sum of 85% of our ordinary income, 95% of our capital gain net income and 100% of our undistributed income from prior years. While we have historically satisfied these distribution requirements by making cash distributions to our stockholders, a REIT is permitted to satisfy these requirements by making distributions of cash or other property, including, in limited circumstances, its own stock. Assuming we continue to satisfy these distributions requirements with cash, we may need to borrow funds to meet the REIT distribution requirements even if the then prevailing market conditions are not favorable for these borrowings. These borrowing needs could result from differences in timing between the actual receipt of cash and inclusion of income for federal income tax purposes, or the effect of non-deductible capital expenditures, the creation of reserves or required debt or amortization payments.

Adverse global market and economic conditions may impede our ability to generate sufficient income and maintain our properties.

The economic performance and value of our properties is subject to all of the risks associated with owning and operating real estate, including:

- changes in the national, regional and local economic climate;
- local conditions, including an oversupply of, or a reduction in demand for, space in properties like those that we own;
- trends toward smaller store sizes as retailers reduce inventory and new prototypes;
- increasing use by customers of e-commerce and online store sites;
- the attractiveness of our properties to tenants;
- the ability of tenants to pay rent, particularly anchor tenants with leases in multiple locations;
- tenants who may declare bankruptcy and/or close stores;
- competition from other available properties to attract and retain tenants;
- changes in market rental rates;
- the need to periodically pay for costs to repair, renovate and re-let space;
- changes in operating costs, including costs for maintenance, insurance and real estate taxes;
- the fact that the expenses of owning and operating properties are not necessarily reduced when circumstances such as market factors and competition cause a reduction in income from the properties;
- changes in laws and governmental regulations, including those governing usage, zoning, the environment and taxes;
- acts of terrorism and war, acts of God and physical and weather-related damage to our properties; and
- the potential risk of functional obsolescence of properties over time.

Competition may limit our ability to purchase new properties or generate sufficient income from tenants and may decrease the occupancy and rental rates for our properties.

Our properties consist primarily of community and neighborhood shopping centers and other retail properties. Our performance, therefore, is generally linked to economic conditions in the market for retail space. In the future, the market for retail space could be adversely affected by:

- weakness in the national, regional and local economies;
- the adverse financial condition of some large retailing companies;
- the impact of internet sales on the demand for retail space;
- ongoing consolidation in the retail sector; and
- the excess amount of retail space in a number of markets.

In addition, numerous commercial developers and real estate companies compete with us in seeking tenants for our existing properties and properties for acquisition. New regional malls, open-air lifestyle centers or other retail shopping centers with more convenient locations or better rents may attract tenants or cause them to seek more favorable lease terms at or prior to renewal. Retailers at our properties may face increasing competition from other retailers, e-commerce, outlet malls, discount shopping clubs, catalog companies, direct mail, telemarketing or home shopping networks, all of which could (i) reduce rents payable to us; (ii) reduce our ability to attract and retain tenants at our properties; or (iii) lead to increased vacancy rates at our properties. We may fail to anticipate the effects of changes in consumer buying practices, particularly of growing online sales and the resulting retailing practices and space needs of our tenants or a general downturn in our tenants' businesses, which may cause tenants to close stores or default in payment of rent.

Our performance depends on our ability to collect rent from tenants, our tenants' financial condition and our tenants maintaining leases for our properties.

At any time our tenants, particularly small local stores, may experience a downturn in their business that may significantly weaken their financial condition. As a result, our tenants may delay a number of lease commencements, decline to extend or renew leases upon expiration, fail to make rental payments when due, close stores or declare bankruptcy. Any of these actions could result in the termination of tenants' leases and the loss of rental income attributable to these tenants' leases. In the event of a default by a tenant, we may experience delays and costs in enforcing our rights as landlord under the terms of the leases.

In addition, multiple lease terminations by tenants or a failure by multiple tenants to occupy their premises in a shopping center could result in lease terminations or significant reductions in rent by other tenants in the same shopping centers under the terms of some leases. In that event, we may be unable to re-lease the vacated space at attractive rents or at all, and our rental payments from our continuing tenants could significantly decrease. The occurrence of any of the situations described above, particularly if it involves a substantial tenant with leases in multiple locations, could have a material adverse effect on our financial condition, results of operations and cash flows.

A tenant that files for bankruptcy protection may not continue to pay us rent. A bankruptcy filing by, or relating to, one of our tenants or a lease guarantor would bar all efforts by us to collect pre-bankruptcy debts from the tenant or the lease guarantor, or their property, unless the bankruptcy court permits us to do so. A tenant or lease guarantor bankruptcy could delay our efforts to collect past due balances under the relevant leases and could ultimately preclude collection of these sums. If a lease is rejected by a tenant in bankruptcy, we would have only a general unsecured claim for damages. As a result, it is likely that we would recover substantially less than the full value of any unsecured claims we hold, if at all.

We may be unable to sell our real estate property investments when appropriate or on terms favorable to us.

Real estate property investments are illiquid and generally cannot be disposed of quickly. In addition, the federal tax code restricts a REIT’s ability to dispose of properties that are not applicable to other types of real estate companies. Therefore, we may not be able to vary our portfolio in response to economic or other conditions promptly or on terms favorable to us within a time frame that we would need.

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 development is consistent with our business strategies. We may not succeed in consummating desired acquisitions or in completing developments on time or within budget. When we do pursue a project or acquisition, we may not succeed in leasing newly developed or acquired properties at rents sufficient to cover the costs of acquisition or development and operations. Difficulties in integrating acquisitions may prove costly or time-consuming and could divert management's attention from other activities. Acquisitions or developments in new markets or industries where we do not have the same level of market knowledge may result in poorer than anticipated performance. We may also abandon acquisition or development opportunities that management has begun pursuing and consequently fail to recover expenses already incurred and will have devoted management's time to a matter not consummated. Furthermore, our acquisitions of new properties or companies will expose us to the liabilities of those properties or companies, some of which we may not be aware of at the time of the acquisition. In addition, development of our existing properties presents similar risks.

Newly acquired or re-developed properties may have characteristics or deficiencies currently unknown to us that affect their value or revenue potential. It is also possible that the operating performance of these properties may decline under our management. As we acquire additional properties, we will be subject to risks associated with managing new properties, including lease-up and tenant retention. In addition, our ability to manage our growth effectively will require us to successfully integrate our new acquisitions into our existing management structure. We may not succeed with this integration or effectively manage additional properties, particularly in secondary markets. Also, newly acquired properties may not perform as expected.

We face competition in pursuing acquisition or development opportunities that could increase our costs.

We face competition in the acquisition, development, operation and sale of real property from others engaged in real estate investment that could increase our costs associated with purchasing and maintaining assets. Some of these competitors may have greater financial resources than we do. This could result in competition for the acquisition of properties for tenants who lease or consider leasing space in our existing and subsequently acquired properties and for other real estate investment opportunities.

We do not have exclusive control over our joint venture and preferred equity investments, such that we are unable to ensure that our objectives will be pursued.

We have invested in some properties as a co-venturer or partner, instead of owning directly. In these investments, we do not have exclusive control over the development, financing, leasing, management and other aspects of these investments. As a result, the co-venturer or partner might have interests or goals that are inconsistent with ours, take action contrary to our interests or otherwise impede our objectives. These investments involve risks and uncertainties. The co-venturer or partner may fail to provide capital or fulfill its obligations, which may result in certain liabilities to us for guarantees and other commitments, conflicts arising between us and our partners and the difficulty of managing and resolving such conflicts, and the difficulty of managing or otherwise monitoring such business arrangements. The co-venturer or partner also might become insolvent or bankrupt, which may result in significant losses to us.

Although our joint venture arrangements may allow us to share risks with our joint-venture partners, these arrangements may also decrease our ability to manage risk. Joint ventures implicate additional risks, such as:

- potentially inferior financial capacity, diverging business goals and strategies and the need for our venture partner's continued cooperation;
- our inability to take actions with respect to the joint venture activities that we believe are favorable to us if our joint venture partner does not agree;
- our inability to control the legal entity that has title to the real estate associated with the joint venture;
- our lenders may not be easily able to sell our joint venture assets and investments or may view them less favorably as collateral, which could negatively affect our liquidity and capital resources;
- our joint venture partners can take actions that we may not be able to anticipate or prevent, which could result in negative impacts on our debt and equity; and
- our joint venture partners' business decisions or other actions or omissions may result in harm to our reputation or adversely affect the value of our investments.

Our joint venture and preferred equity investments generally own real estate properties for which the economic performance and value is subject to all the risks associated with owning and operating real estate as described above.

We intend to continue to sell our non-retail and non-strategic assets over the next several years and may not be able to recover our investments, which may result in significant losses to us.

There can be no assurance that we will be able to recover the current carrying amount of all of our non-retail and/or non-strategic properties and investments and those of our unconsolidated joint ventures in the future. Our failure to do so would require us to recognize impairment charges for the period in which we reached that conclusion, which could materially and adversely affect our business, financial condition, operating results and cash flows.

We have significant international operations, which may be affected by economic, political and other risks associated with international operations, and this could adversely affect our business.

The risks we face in international business operations include, but are not limited to:

- currency risks, including currency fluctuations;
- unexpected changes in legislative and regulatory requirements, including changes in applicable laws and regulations in the United States that affect foreign operations;
- potential adverse tax burdens;
- burdens of complying with different accounting and permitting standards, labor laws and a wide variety of foreign laws;
- obstacles to the repatriation of earnings and cash;
- regional, national and local political uncertainty;
- economic slowdown and/or downturn in foreign markets;
- difficulties in staffing and managing international operations;
- difficulty in administering and enforcing corporate policies, which may be different than the normal business practices of local cultures; and
- reduced protection for intellectual property in some countries.

Each of these risks might impact our cash flow or impair our ability to borrow funds, which ultimately could adversely affect our business, financial condition, operating results and cash flows.

Currency fluctuations between local currency and the U.S. dollar during the period in which the Company held its investment result in a cumulative translation adjustment ("CTA"), which is recorded as a component of Accumulated other comprehensive income ("AOCI") on the Company's Consolidated Balance Sheets. The CTA amounts are subject to future changes resulting from ongoing fluctuations in the respective foreign currency exchange rates. Changes in exchange rates are impacted by many factors that cannot be forecasted with reliable accuracy. Any change could have a favorable or unfavorable impact on the Company's CTA balance. The Company's aggregate CTA net loss balance at December 31, 2013 is $91.0 million. Based on the Company's foreign investment balances at December 31, 2013, a favorable overall exchange rate fluctuation of 10% would decrease the aggregate CTA net loss balance by approximately $92.2 million, whereas, an unfavorable overall exchange rate fluctuation of 10% would increase the aggregate CTA net loss balance by approximately $75.4 million.

Under U.S. GAAP, the Company is required to release CTA balances into earnings when the Company has substantially liquidated its investment in a foreign entity. During 2013, the Company began selling properties within its Latin American portfolio and the Company may, in the near term, substantially liquidate all of its investments in this portfolio which will require the then unrealized loss on foreign currency translation to be recognized as a charge against earnings. At December 31, 2013, the aggregate CTA net loss balance relating to the Company's Latin American portfolio is $114.7 million. Based on the Company's foreign investment balances in Latin Americas at

December 31, 2013, a favorable overall exchange rate fluctuation of 10% would decrease the aggregate CTA net loss balance by approximately $48.2 million, whereas, an unfavorable overall exchange rate fluctuation of 10% would increase the aggregate CTA net loss balance by approximately $39.4 million.

In order to fully develop our international operations, we must overcome cultural and language barriers and assimilate different business practices. In addition, we are required to create compensation programs, employment policies and other administrative programs that comply with laws of multiple countries. We also must communicate and monitor standards and directives in our international locations. Our failure to successfully manage our geographically diverse operations could impair our ability to react quickly to changing business and market conditions and to enforce compliance with standards and procedures. Since a meaningful portion of our revenues are generated internationally, we must devote substantial resources to managing our international operations.

Our future success will be influenced by our ability to anticipate and effectively manage these and other risks associated with our international operations. Any of these factors could, however, materially adversely affect our international operations and, consequently, our financial condition, results of operations and cash flows.

We cannot predict the impact of laws and regulations affecting our international operations nor the potential that we may face regulatory sanctions.

Our international operations include properties in Canada, Mexico, Chile, Brazil and Peru and are subject to a variety of United States and foreign laws and regulations, including the United States Foreign Corrupt Practices Act (“FCPA”). We have policies and procedures designed to promote compliance with the FCPA and other anti-corruption laws, but we cannot assure you that we will continue to be found to be operating in compliance with, or be able to detect violations of, any such laws or regulations. In addition, we cannot predict the nature, scope or effect of future regulatory requirements to which our international operations might be subject, the manner in which existing laws might be administered or interpreted, or the potential that we may face regulatory sanctions.

We cannot assure you that our employees will adhere to our Code of Conduct or any other of our policies, applicable anti-corruption laws, including the FCPA, or other legal requirements. Failure to comply or violations of any applicable policies, anti-corruption laws, or other legal requirements may subject us to legal, regulatory or other sanctions, including criminal and civil penalties and other remedial measures. We have received a subpoena from the Enforcement Division of the SEC in connection with the SEC’s investigation, In the Matter of Wal-Mart Stores, Inc. (FW-3678), that the SEC Staff is currently conducting with respect to possible violations of the FCPA. We are cooperating with the SEC investigation and a parallel investigation by the U.S. Department of Justice (“DOJ”). See “Item 3. Legal Proceedings,” below. The DOJ and the SEC have a broad range of civil and criminal sanctions under the FCPA and other laws and regulations, which they may seek to impose against corporations and individuals in appropriate circumstances including, but not limited to, injunctive relief, disgorgement, fines, penalties and modifications to business practices and compliance programs. Any of these remedial measures, if applicable to us, could have a material adverse impact on our business, results of operations, financial condition and liquidity.

We face risks relating to cybersecurity attacks, loss of confidential information and other business disruptions.

Our business is at risk from and may be impacted by cybersecurity attacks, including attempts to gain unauthorized access to our confidential data and other electronic security breaches. Such cyber-attacks can range from individual attempts to gain unauthorized access to our information technology systems to more sophisticated security threats. While we employ a number of measures to prevent, detect and mitigate these threats including password protection, backup servers and annual penetration testing, there is no guarantee such efforts will be successful in preventing a cyber-attack. Cybersecurity incidents could compromise the confidential information of our tenants, employees and third party vendors and disrupt and effect the efficiency of our business operations.

We may be unable to obtain financing through the debt and equities market, which would have a material adverse effect on our growth strategy, our results of operations and our financial condition.

We cannot assure you that we will be able to access the capital and credit markets to obtain additional debt or equity financing or that we will be able to obtain financing on terms favorable to us. The inability to obtain financing on a timely basis could have negative effects on our business, such as:

- we could have great difficulty acquiring or developing properties, which would materially adversely affect our business strategy;
- our liquidity could be adversely affected;
- we may be unable to repay or refinance our indebtedness;
- we may need to make higher interest and principal payments or sell some of our assets on terms unfavorable to us to fund our indebtedness; or
- we may need to issue additional capital stock, which could further dilute the ownership of our existing shareholders.

Adverse changes in our credit ratings could impair our ability to obtain additional debt and equity financing on terms favorable to us, if at all, and could significantly reduce the market price of our publicly traded securities.

We are subject to financial covenants that may restrict our operating and acquisition activities.

Our revolving credit facility, term loans and the indentures under which our senior unsecured debt is issued contain certain financial and operating covenants, including, among other things, certain coverage ratios and limitations on our ability to incur debt, make dividend payments, sell all or substantially all of our assets and engage in mergers and consolidations and certain acquisitions. These covenants may restrict our ability to pursue certain business initiatives or certain acquisition transactions that might otherwise be advantageous. In addition, failure to meet any of the financial covenants could cause an event of default under our revolving credit facility, term loans and the indentures and/or accelerate some or all of our indebtedness, which would have a material adverse effect on us.

Changes in market conditions could adversely affect the market price of our publicly traded securities.

As with other publicly traded securities, the market price of our publicly traded securities depends on various market conditions, which may change from time-to-time. Among the market conditions that may affect the market price of our publicly traded securities are the following:

- the extent of institutional investor interest in us;
- the reputation of REITs generally and the reputation of REITs with portfolios similar to ours;
- the attractiveness of the securities of REITs in comparison to securities issued by other entities, including securities issued by other real estate companies;
- our financial condition and performance;
- the market’s perception of our growth potential, potential future cash dividends and risk profile;
- an increase in market interest rates, which may lead prospective investors to demand a higher distribution rate in relation to the price paid for our shares; and
- general economic and financial market conditions.

We may change the dividend policy for our common stock in the future.

The decision to declare and pay dividends on our common stock in the future, as well as the timing, amount and composition of any such future dividends, will be at the sole discretion of our Board of Directors and will depend on our earnings, operating cash flows, liquidity, financial condition, capital requirements, contractual prohibitions or other limitations under our indebtedness including preferred stock, the annual distribution requirements under the REIT provisions of the Code, state law and such other factors as our Board of Directors deems relevant or are requirements under the Code or state or federal laws. Any change in our dividend policy could have a material adverse effect on the market price of our common stock.

We may not be able to recover our investments in marketable securities or mortgage receivables, which may result in significant losses to us.

Our investments in marketable securities are subject to specific risks relating to the particular issuer of the securities, including the financial condition and business outlook of the issuer, which may result in significant losses to us. Marketable securities are generally unsecured and may also be subordinated to other obligations of the issuer. As a result, investments in marketable securities are subject to risks of:

- limited liquidity in the secondary trading market;
- substantial market price volatility, resulting from changes in prevailing interest rates;
- subordination to the prior claims of banks and other senior lenders to the issuer;
- the possibility that earnings of the issuer may be insufficient to meet its debt service and distribution obligations; and
- the declining creditworthiness and potential for insolvency of the issuer during periods of rising interest rates and economic downturn.

These risks may adversely affect the value of outstanding marketable securities and the ability of the issuers to make distribution payments.

In the event of a default by a borrower, it may be necessary for us to foreclose our mortgage or engage in costly negotiations. Delays in liquidating defaulted mortgage loans and repossessing and selling the underlying properties could reduce our investment returns. Furthermore, in the event of default, the actual value of the property securing the mortgage may decrease. A decline in real estate values will adversely affect the value of our loans and the value of the mortgages securing our loans.

Our mortgage receivables may be or become subordinated to mechanics' or materialmen's liens or property tax liens. In these instances we may need to protect a particular investment by making payments to maintain the current status of a prior lien or discharge it entirely. In these cases, the total amount we recover may be less than our total investment, resulting in a loss. In the event of a major loan default or several loan defaults resulting in losses, our investments in mortgage receivables would be materially and adversely affected.

We may be subject to liability under environmental laws, ordinances and regulations.

Under various federal, state, and local laws, ordinances and regulations, we may be considered an owner or operator of real property and may be responsible for paying for the disposal or treatment of hazardous or toxic substances released on or in our property, as well as certain other potential costs relating to hazardous or toxic substances (including governmental fines and injuries to persons and property). This liability may be imposed whether or not we knew about, or were responsible for, the presence of hazardous or toxic substances.

Item 1B. Unresolved Staff Comments

None

Item 2. Properties

Real Estate Portfolio. As of December 31, 2013, the Company had interests in 852 shopping center properties (the "Combined Shopping Center Portfolio") aggregating 124.5 million square feet of gross leasable area ("GLA") and 575 other property interests, primarily through the Company's preferred equity investments and other real estate investments, totaling 13.2 million square feet of GLA, for a grand total of 1,427 properties aggregating 137.7 million square feet of GLA, located in 42 states, Puerto Rico, Canada, Mexico and South America. The Company's portfolio includes noncontrolling interests. Neighborhood and community shopping centers comprise the primary focus of the Company's current portfolio. As of December 31, 2013, the Company's Combined Shopping Center Portfolio was 94.6% leased.

The Company's neighborhood and community shopping center properties, which are generally owned and operated through subsidiaries or joint ventures, had an average size of 137,723 square feet as of December 31, 2013. The Company generally retains its shopping centers for long-term investment and consequently pursues a program of regular physical maintenance together with major renovations and refurbishing to preserve and increase the value of its properties. This includes renovating existing facades, installing uniform signage, resurfacing parking lots and enhancing parking lot lighting. During 2013, the Company capitalized $11.4 million in connection with these property improvements and expensed to operations $29.3 million.

The Company's management believes its experience in the real estate industry and its relationships with numerous national and regional tenants gives it an advantage in an industry where ownership is fragmented among a large number of property owners. The Company's neighborhood and community shopping centers are usually "anchored" by a national or regional discount department store, supermarket or drugstore. As one of the original participants in the growth of the shopping center industry and one of the nation's largest owners and operators of shopping centers, the Company has established close relationships with a large number of major national and regional retailers. Some of the major national and regional companies that are tenants in the Company's shopping center properties include TJX Companies, The Home Depot, Wal-Mart, Bed Bath & Beyond, Kohl's, Royal Ahold, Sears Corporation, Best Buy, Petsmart and Ross Stores.

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A substantial portion of the Company's income consists of rent received under long-term leases. Most of the leases provide for the payment of fixed-base rentals monthly in advance and for the payment by tenants of an allocable share of the real estate taxes, insurance, utilities and common area maintenance expenses incurred in operating the shopping centers. Although many of the leases require the Company to make roof and structural repairs as needed, a number of tenant leases place that responsibility on the tenant, and the Company's standard small store lease provides for roof repairs to be reimbursed by the tenant as part of common area maintenance. The Company's management places a strong emphasis on sound construction and safety at its properties.

Minimum base rental revenues and operating expense reimbursements accounted for 97% and other revenues, including percentage rents, accounted for 3% of the Company's total revenues from rental property for the year ended December 31, 2013. The Company's management believes that the base rent per leased square foot for many of the Company's existing leases is generally lower than the prevailing market-rate base rents in the geographic regions where the Company operates, reflecting the potential for future growth.

Approximately 23.9% of the Company's leases of consolidated properties also contain provisions requiring the payment of additional rent calculated as a percentage of tenants' gross sales above predetermined thresholds. Percentage rents accounted for less than 1% of the Company's revenues from rental property for the year ended December 31, 2013. Additionally, a majority of the Company's leases have provisions requiring contractual rent increases. The Company's leases may also include escalation clauses, which provide for increases based upon changes in the consumer price index or similar inflation indices.

As of December 31, 2013, the Company's consolidated operating portfolio, comprised of 60.4 million square feet of GLA, was 94.0% leased. The U.S. properties make up the majority of the Company's consolidated operating portfolio consisting of 56.2 million of the total 60.4 million square feet. For the period January 1, 2013 to December 31, 2013, the Company increased the average base rent per leased square foot, which includes the impact of tenant concessions, in its U.S. consolidated portfolio of neighborhood and community shopping centers from $12.18 to $12.61, an increase of $0.43. This increase primarily consists of (i) a $0.12 increase relating to acquisitions, (ii) a $0.21 increase relating to new leases signed net of leases vacated and rent step-ups within the portfolio and (iii) a $0.10 increase relating to dispositions. For the period January 1, 2013 to December 31, 2013, the Company's average base rent per leased square foot in its Mexican consolidated portfolio of neighborhood and community shopping centers increased from $9.22 to $9.45, an increase of $0.23. This increase primarily consists of (i) a $0.04 increase relating to development sites moved into occupancy in 2013, (ii) a $0.16 increase relating to new leases signed net of leases vacated and renewals within the portfolio and (iii) a $0.09 increase relating to dispositions, partially offset by (iv) the negative impact from changes in foreign currency exchange rates of $0.06.

The Company has a total of 6,445 leases in the U.S. consolidated operating portfolio. The following table sets forth the aggregate lease expirations for each of the next ten years, assuming no renewal options are exercised. For purposes of the table, the Total Annual Base Rent Expiring represents annualized rental revenue, for each lease that expires during the respective year. Amounts in thousands except for number of lease data:

Year Ending December 31,	Number of Leases Expiring	Square Feet Expiring	Total Annual Base Rent Expiring	% of Gross Annual Rent
(1)	204	798	$ 11,876	1.8 %
2014	604	3,250	$ 46,027	6.9 %
2015	695	4,589	$ 62,833	9.5 %
2016	712	5,480	$ 71,137	10.7 %
2017	754	7,318	$ 91,473	13.8 %
2018	713	6,183	$ 81,740	12.3 %
2019	377	4,584	$ 54,583	8.2 %
2020	199	2,712	$ 34,017	5.1 %
2021	180	2,442	$ 29,638	4.5 %
2022	186	2,264	$ 29,908	4.5 %
2023	187	2,179	$ 30,143	4.5 %
2024	121	3,051	$ 33,627	5.1 %

(1) Leases currently under month to month lease or in process of renewal

During 2013, the Company executed 947 leases totaling over 6.7 million square feet in the Company's consolidated operating portfolio comprised of 400 new leases and 547 renewals and options. The leasing costs associated with these leases are estimated to aggregate $47.6 million or $23.48 per square foot. These costs include $38.2 million of tenant improvements and $9.4 million of leasing commissions. The average rent per square foot on new leases was $14.91 and on renewals and options was $12.54. The Company will seek to obtain rents that are higher than amounts within its expiring leases, however, there are many variables and uncertainties which can significantly affect the leasing market at any time; as such, the Company cannot guarantee that future leases will continue to be signed for rents that are equal to or higher than current amounts.

Ground-Leased Properties. The Company has interests in 46 consolidated shopping center properties and interests in 20 shopping center properties in unconsolidated joint ventures that are subject to long-term ground leases where a third party owns and has leased the underlying land to the Company (or an affiliated joint venture) to construct and/or operate a shopping center. The Company or the joint venture pays rent for the use of the land and generally is responsible for all costs and expenses associated with the building and improvements. At the end of these long-term leases, unless extended, the land together with all improvements revert to the landowner.

More specific information with respect to each of the Company's property interests is set forth in Exhibit 99.1, which is incorporated herein by reference.

Item 3. Legal Proceedings

The Company is not presently involved in any litigation nor, to its knowledge, is any litigation threatened against the Company or its subsidiaries that, in management's opinion, would result in any material adverse effect on the Company's ownership, management or operation of its properties taken as a whole, or which is not covered by the Company's liability insurance.

On January 28, 2013, the Company received a subpoena from the Enforcement Division of the SEC in connection with an investigation, In the Matter of Wal-Mart Stores, Inc. (FW-3678), that the SEC Staff is currently conducting with respect to possible violations of the Foreign Corrupt Practices Act. The Company is cooperating fully with the SEC in this matter. The U.S. Department of Justice (“DOJ”) is conducting a parallel investigation, and the Company is cooperating with the DOJ investigation. At this point, we are unable to predict the duration, scope or result of the SEC or DOJ investigation.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for the Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information There were no common stock offerings completed by the Company during the three-year period ended December 31, 2013.

The table below sets forth, for the quarterly periods indicated, the high and low sales prices per share reported on the NYSE Composite Tape and declared dividends per share for the Company's common stock. The Company's common stock is traded on the NYSE under the trading symbol "KIM".

	Stock Price		
Period	**High**	**Low**	**Dividends**
2012:			
First Quarter	$19.90	$16.21	$ 0.19
Second Quarter	$19.96	$17.16	$ 0.19
Third Quarter	$21.16	$18.62	$ 0.19
Fourth Quarter	$20.95	$18.11	$ 0.21 (a)
2013:			
First Quarter	$22.49	$19.41	$ 0.21
Second Quarter	$25.09	$20.25	$ 0.21
Third Quarter	$23.24	$19.68	$ 0.21
Fourth Quarter	$21.83	$19.22	$ 0.225 (b)

(a) Paid on January 15, 2013, to stockholders of record on January 2, 2013.
(b) Paid on January 15, 2014, to stockholders of record on January 2, 2014.

Holders The number of holders of record of the Company's common stock, par value $0.01 per share, was 2,666 as of January 31, 2014.

Dividends Since the IPO, the Company has paid regular quarterly cash dividends to its stockholders. While the Company intends to continue paying regular quarterly cash dividends, future dividend declarations will be paid at the discretion of the Board of Directors and will depend on the actual cash flows of the Company, its financial condition, capital requirements, the annual distribution requirements under the REIT provisions of the Code and such other factors as the Board of Directors deems relevant. The Company’s Board of Directors will continue to evaluate the Company’s dividend policy on a quarterly basis as they monitor sources of capital and evaluate operating fundamentals. The Company is required by the Code to distribute at least 90% of its REIT taxable income. The actual cash flow available to pay dividends will be affected by a number of factors, including the revenues received from rental properties, the operating expenses of the Company, the interest expense on its borrowings, the ability of lessees to meet their obligations to the Company, the ability to refinance near-term debt maturities and any unanticipated capital expenditures.

The Company has determined that the $0.84 dividend per common share paid during 2013 represented 46% ordinary income, a 36% return of capital and 18% capital gain to its stockholders. The $0.76 dividend per common share paid during 2012 represented 72% ordinary income, a 23% return of capital and 5% capital gain to its stockholders.

In addition to its common stock offerings, the Company has capitalized the growth in its business through the issuance of unsecured fixed and floating-rate medium-term notes, underwritten bonds, mortgage debt and construction loans, convertible preferred stock and perpetual preferred stock. Borrowings under the Company's revolving credit facility have also been an interim source of funds to both finance the purchase of properties and other investments and meet any short-term working capital requirements. The various instruments governing the Company's issuance of its unsecured public debt, bank debt, mortgage debt and preferred stock impose certain restrictions on the Company with regard to dividends, voting, liquidation and other preferential rights available to the holders of such instruments. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Footnotes 12, 13 and 16 of the Notes to Consolidated Financial Statements included in this Form 10-K.

The Company does not believe that the preferential rights available to the holders of its Class H Preferred Stock, Class I Preferred Stock, Class J Preferred Stock and Class K Preferred Stock, the financial covenants contained in its public bond indentures, as amended, or its revolving credit agreements will have an adverse impact on the Company's ability to pay dividends in the normal course to its common stockholders or to distribute amounts necessary to maintain its qualification as a REIT.

The Company maintains a dividend reinvestment and direct stock purchase plan (the "Plan") pursuant to which common and preferred stockholders and other interested investors may elect to automatically reinvest their dividends to purchase shares of the Company’s common stock or, through optional cash payments, purchase shares of the Company’s common stock. The Company may, from time-to-time, either (i) purchase shares of its common stock in the open market or (ii) issue new shares of its common stock for the purpose of fulfilling its obligations under the Plan.

Total Stockholder Return Performance The following performance chart compares, over the five years ended December 31, 2013, the cumulative total stockholder return on the Company’s common stock with the cumulative total return of the S&P 500 Index and the cumulative total return of the NAREIT Equity REIT Total Return Index (the "NAREIT Equity Index") prepared and published by the National Association of Real Estate Investment Trusts ("NAREIT"). Equity real estate investment trusts are defined as those which derive more than 75% of their income from equity investments in real estate assets. The NAREIT Equity Index includes all tax qualified equity real estate investment trusts listed on the New York Stock Exchange, American Stock Exchange or the NASDAQ National Market System. Stockholder return performance, presented quarterly for the five years ended December 31, 2013, is not necessarily indicative of future results. All stockholder return performance assumes the reinvestment of dividends. The information in this paragraph and the following performance chart are deemed to be furnished, not filed.

Item 6. Selected Financial Data

The following table sets forth selected, historical, consolidated financial data for the Company and should be read in conjunction with the Consolidated Financial Statements of the Company and Notes thereto and Management's Discussion and Analysis of Financial Condition and Results of Operations included in this Form 10-K.

The Company believes that the book value of its real estate assets, which reflects the historical costs of such real estate assets less accumulated depreciation, is not indicative of the current market value of its properties. Historical operating results are not necessarily indicative of future operating performance.

	Year ended December 31, (2)				
	2013	**2012**	**2011**	**2010**	**2009**
	(in thousands, except per share information)				
Operating Data:					
Revenues from rental properties (1)	$910,356	$836,881	$779,156	$744,342	$675,596
Interest expense (3)	$213,911	$225,710	$221,678	$221,930	$204,396
Early extinguishment of debt charges	$-	$-	$-	$10,811	$-
Depreciation and amortization (3)	$247,537	$236,923	$218,260	$204,969	$198,446
Gain on sale of development properties	$-	$-	$12,074	$2,080	$5,751
Gain on sale of operating properties, net of tax (3)	$1,432	$4,299	$108	$2,377	$3,611
Benefit for income taxes, net (4)	$-	$-	$-	$-	$18,315
Provision for income taxes, net (4)	$34,520	$16,922	$25,789	$7,001	$-
Impairment charges (5)	$91,404	$10,289	$13,077	$32,661	$126,133
Income/(loss) from continuing operations (6)	$249,742	$203,303	$131,284	$105,099	$(41,713)
Income/(loss) per common share, from continuing operations:					
Basic	$0.47	$0.27	$0.18	$0.10	$(0.17)
Diluted	$0.47	$0.27	$0.18	$0.10	$(0.17)
Weighted average number of shares of common stock:					
Basic	407,631	405,997	406,530	405,827	350,077
Diluted	408,614	406,689	407,669	406,201	350,077
Cash dividends declared per common share	$0.855	$0.78	$0.73	$0.66	$0.72

	December 31,				
	2013	**2012**	**2011**	**2010**	**2009**
	(in thousands)				
Balance Sheet Data:					
Real estate, before accumulated depreciation	$9,123,344	$8,947,287	$8,771,257	$8,592,760	$8,882,341
Total assets	$9,663,630	$9,751,234	$9,628,762	$9,833,875	$10,183,079
Total debt	$4,221,401	$4,195,317	$4,114,385	$4,058,987	$4,434,383

Total stockholders' equity	$4,632,417	$4,765,160	$4,686,386	$4,935,842	$4,852,973
Cash flow provided by operations	$570,035	$479,054	$448,613	$479,935	$403,582
Cash flow provided by/(used for) investing activities	$72,235	$(51,000)	$(20,760)	$37,904	$(343,236)
Cash flow used for financing activities	$(635,377)	$(399,061)	$(440,125)	$(514,743)	$(74,465)

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

(2) All years have been adjusted to reflect the impact of operating properties sold during the years ended December 31, 2013, 2012, 2011, 2010 and 2009 and properties classified as held for sale as of December 31, 2013, which are reflected in discontinued operations in the Consolidated Statements of Income.

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

(4) Does not include amounts reflected in discontinued operations. Amounts include income taxes related to gain on transfer/sale of operating properties.

(5) Amounts exclude noncontrolling interests and amounts reflected in discontinued operations.

(6) Amounts include gain on transfer/sale of operating properties, net of tax and net income attributable to noncontrolling interests.

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 in this Form 10-K. Historical results and percentage relationships set forth in the Consolidated Statements of Income contained in the Consolidated Financial Statements, including trends, should not be taken as indicative of future operations.

Executive Summary

Kimco Realty Corporation is one of the nation’s largest publicly-traded owners and operators of neighborhood and community shopping centers. As of December 31, 2013, the Company had interests in 852 shopping center properties (the “Combined Shopping Center Portfolio”), aggregating 124.5 million square feet of gross leasable area (“GLA”) and 575 other property interests, primarily through the Company’s preferred equity investments and other real estate investments, totaling 13.2 million square feet of GLA, for a grand total of 1,427 properties aggregating 137.7 million square feet of GLA, located in 42 states, Puerto Rico, Canada, Mexico, Chile and Peru.

The executive officers are engaged in the day-to-day management and operation of real estate exclusively with the Company, with nearly all operating functions, including leasing, asset management, maintenance, construction, legal, finance and accounting, administered by the Company.

The Company’s strategy is to be the premier owner and operator of neighborhood and community shopping centers through investments primarily in the U.S. and Canada. To achieve this strategy the Company is (i) striving to transform the quality of its portfolio by disposing of lesser quality assets and acquiring larger higher quality properties in key markets identified by the Company, (ii) simplifying its business by exiting Mexico, South America and reducing the number of joint venture investments and (iii) pursuing redevelopment opportunities within its portfolio to increase overall value. This strategy entailed a shift away from non-retail assets. These investments included non-retail preferred equity investments, marketable securities, mortgages on non-retail properties and several urban mixed-use properties. As of December 31, 2013, the Company had substantially completed the sale of these investments. The Company also has an active capital recycling program of selling retail assets deemed non-strategic and properties within the Company’s Latin American portfolio. If the Company accepts sales prices for these assets that are less than their net carrying values, the Company would be required to take impairment charges. Additionally, the Latin America dispositions could represent the substantial liquidation of these foreign investments, which will require the then unrealized loss on foreign currency translation to be recognized as a charge against earnings (see Item 7A – Foreign Investments).

The Company intends to continue to strengthen its balance sheet by pursuing deleveraging efforts over time, providing it the necessary flexibility to invest opportunistically and selectively, primarily focusing on neighborhood and community shopping centers. In addition, the Company has an institutional management business with domestic and foreign institutional partners for the purpose of investing in neighborhood and community shopping centers. In an effort to further its simplification strategy, the Company is actively pursuing opportunities to reduce its institutional management business through partner buy-outs, property acquisitions from institutional joint ventures and/or third party property sales.

The following highlights the Company's significant transactions, events and results that occurred during the year ended December 31, 2013:

Portfolio Information:

Net income available to common shareholders increased by $5.3 million to $178.0 million for the year ended December 31, 2013, as compared to $172.7 million for the corresponding period in 2012.

Funds from operations ("FFO") as adjusted increased from $1.26 per diluted share for the year ended December 31, 2012 to $1.33 per diluted share for the year ended December 31, 2013 (see additional disclosure on FFO beginning on page 32).

Same Property net operating income ("NOI") increased 3.4% for the year ended December 31, 2013, as compared to the corresponding period in 2012; excluding the negative impact of foreign currency fluctuation, this increase would have been 4.1% (see additional disclosure on NOI beginning on page 33).

Occupancy rose from 94.0% at December 31, 2012 to 94.6% at December 31, 2013 in the Combined Shopping Center Portfolio.

Occupancy rose from 93.9% at December 31, 2012 to 94.9% at December 31, 2013 for the U.S. combined shopping center portfolio.

Recognized U.S. cash-basis leasing spreads of 7.7%; new leases increased 15.6% and renewals/options increased 5.9%.

Executed 2,473 leases, renewals and options totaling approximately 9.9 million square feet in the Combined Shopping Center Portfolio.

Acquisition Activity (see Footnotes 3 and 7 of the Notes to Consolidated Financial Statements):

Acquired 32 shopping center properties and eight outparcels comprising an aggregate 4.1 million square feet of GLA, for an aggregate purchase price of $724.5 million including the assumption of $279.1 million of non-recourse mortgage debt encumbering nine of the properties. The Company acquired five of these properties for an aggregate sales price of $346.4 million from joint ventures in which the Company held noncontrolling ownership interests. The Company evaluated these transactions pursuant to the Financial Accounting Statements Boards (“FASB”) Consolidation guidance. As such, the Company recognized an aggregate net gain of $21.7 million, before income tax, from the fair value adjustment associated with its original ownership due to a change in control.

Disposition Activity (see Footnotes 4 and 7 of the Notes to Consolidated Financial Statements):

During 2013, the Company disposed of 36 operating properties and three outparcels, in separate transactions, for an aggregate sales price of $279.5 million. These transactions resulted in an aggregate gain of $25.4 million and impairment charges of $61.9 million, before income taxes and noncontrolling interests.

During 2013, the Company sold nine land parcels for an aggregate sales price of $18.2 million in separate transactions. These transactions resulted in an aggregate gain of $11.6 million, before income taxes.

Also during 2013, the Company sold eight properties in its Latin American portfolio for an aggregate sales price of $115.4 million. These transactions, which are included in Discontinued Operations, resulted in an aggregate gain of $23.3 million, before income taxes, and aggregate impairment charges of $26.9 million (including the release of the cumulative foreign currency translation loss of $7.8 million associated with the sale of the Company’s interest in two properties within Brazil, which represents a full liquidation of the Company’s investment in Brazil), before income taxes and noncontrolling interests.

During 2013, the Company reduced its non-retail book values by $337.3 million, of which $304.7 million was monetized. As of December 31, 2013, these investments had a book value of $61.2 million.

Joint Venture Investments Activity (see Footnote 7 of the Notes to Consolidated Financial Statements):

During June 2013, the Intown portfolio was sold for a sales price of $735.0 million which included the assignment of $609.2 million in debt. This transaction resulted in a deferred gain to the Company of $21.7 million due to the Company’s continued guarantee of a portion of the assumed debt.

Also during 2013, Kimco increased its ownership interest in three institutional joint ventures through the acquisition of additional equity interests totaling $153.0 million: Kimco Income Fund (KIF) joint venture from 15.2% to 39.5%; the Kimco Income REIT (KIR) joint venture from 45.0% to 48.6%; and the Kimstone joint venture (formerly the Kimco-UBS joint venture) from 18.0% to 33.3%.

During the year ended December 31, 2013, the Company and its joint venture partner sold their noncontrolling ownership interest in a joint venture which held interests in 84 operating properties located throughout Mexico for $603.5 million (including the assignment of $301.2 million in debt). This transaction resulted in a net gain to the Company of $78.2 million, before income taxes of $25.1 million.

Additionally, during the year ended December 31, 2013, joint ventures in which the Company held noncontrolling interests sold 20 operating properties located throughout Mexico and Chile for $341.9 million. These transactions resulted in an aggregate net gain to the Company of $22.4 million, after income tax.

Capital Activity (for additional details see Liquidity and Capital Resources below):

During 2013, the Company issued $350.0 million of 10-year Senior Unsecured Notes at an interest rate of 3.125% payable semi-annually in arrears which are scheduled to mature in June 2023. Net proceeds from the issuance were $344.7 million, after related transaction costs of $0.5 million.

Additionally, during 2013, a wholly-owned subsidiary of the Company issued $200.0 million Canadian denominated (“CAD”) Series 4 unsecured notes on a private placement basis in Canada. The notes bear interest at 3.855% and are scheduled to mature on August 4, 2020. These proceeds were used to repay the Company’s CAD $200.0 million 5.180% unsecured notes, which matured on August 16, 2013.

Also during 2013, the Company repaid (i) its $100.0 million 6.125% senior unsecured notes, which matured in January 2013, (ii) its $75.0 million 4.70% senior unsecured notes, which matured in June 2013 and (iii) its $100.0 million 5.190% senior unsecured notes which matured on October 1, 2013.

The Company also entered into a new five year 1.0 billion Mexican peso (“MXN”) term loan which matures in March 2018. This term loan bears interest at a rate equal to TIIE (Equilibrium Interbank Interest Rate) plus 1.35%. The Company used these proceeds to repay its 1.0 billion MXN term loan, which matured in March 2013 and bore interest at a fixed rate of 8.58%.

Impairments (see Footnote 6 of the Notes to Consolidated Financial Statements):

- In connection with the Company's efforts to market certain assets and management's assessment as to the likelihood and timing of such potential transactions, the Company recognized impairment charges of $190.2 million (including $98.8 million which is classified within discontinued operations), before income tax benefit and noncontrolling interests. (see Footnote 4 of the Notes to Consolidated Financial Statements included in this annual report on Form 10-K).
- In addition to the impairment charges above, various unconsolidated joint ventures in which the Company holds noncontrolling interests recognized impairment charges relating to certain properties during 2013. The Company's share of these charges was $29.5 million (see Footnote 7 of the Notes to Consolidated Financial Statements included in this annual report on Form 10-K).
- Also during 2013, the Company acquired the remaining interest in a portfolio of office properties from a preferred equity investment in which the Company held a noncontrolling interest and recognized a change in control loss of $9.6 million in connection with the fair value adjustment associated with the Company's original ownership.

Critical Accounting Policies

The Consolidated Financial Statements of the Company include the accounts of the Company, its wholly-owned subsidiaries and all entities in which the Company has a controlling interest, including where the Company has been determined to be a primary beneficiary of a variable interest entity in accordance with the consolidation guidance of the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC"). The Company applies these provisions to each of its joint venture investments to determine whether the cost, equity or consolidation method of accounting is appropriate. The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions in certain circumstances that affect amounts reported in the accompanying Consolidated Financial Statements and related notes. In preparing these financial statements, management has made its best estimates and assumptions that affect the reported amounts of assets and liabilities. These estimates are based on, but not limited to, historical results, industry standards and current economic conditions, giving due consideration to materiality. The most significant assumptions and estimates relate to revenue recognition and the recoverability of trade accounts receivable, depreciable lives, valuation of real estate and intangible assets and liabilities, valuation of joint venture investments and other investments, realizability of deferred tax assets and uncertain tax positions. Application of these assumptions requires the exercise of judgment as to future uncertainties, and, as a result, actual results could materially differ from these estimates.

The Company is required to make subjective assessments as to whether there are impairments in the value of its real estate properties, investments in joint ventures, marketable securities and other investments. The Company's reported net earnings are directly affected by management's estimate of impairments and/or valuation allowances.

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 these leases also provide for percentage rents based upon the level of sales achieved by the lessee. These percentage rents are recorded once the required sales level is achieved. Operating expense reimbursements are recognized as earned. Rental income may also include payments received in connection with lease termination agreements. In addition, leases typically provide for reimbursement to the Company of common area maintenance, real estate taxes and other operating expenses.

The Company makes estimates of the uncollectability of its accounts receivable related to base rents, straight-line rent, expense reimbursements and other revenues. The Company analyzes accounts receivable and historical bad debt levels, customer credit-worthiness and current economic trends when evaluating the adequacy of the allowance for doubtful accounts. In addition, tenants in bankruptcy are analyzed and estimates are made in connection with the expected recovery of pre-petition and post-petition claims. The Company’s reported net earnings are directly affected by management’s estimate of the collectability of accounts receivable.

Real Estate

The Company’s investments in real estate properties are stated at cost, less accumulated depreciation and amortization. Expenditures for maintenance and repairs are charged to operations as incurred. Significant renovations and replacements, which improve and extend the life of the asset, are capitalized.

Upon acquisition of real estate operating properties, the Company estimates the fair value of acquired tangible assets (consisting of land, building, building improvements and tenant improvements) and identified intangible assets and liabilities (consisting of above and below-market leases, in-place leases and tenant relationships, where applicable), assumed debt and redeemable units issued at the date of acquisition, based on evaluation of information and estimates available at that date. Fair value is determined based on an exit price approach, which contemplates the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. If, up to one year from the acquisition date, information regarding fair value of the assets acquired and liabilities assumed is received and estimates are refined, appropriate adjustments are made to the purchase price allocation on a retrospective basis. The Company expenses transaction costs associated with business combinations in the period incurred.

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

Buildings and building improvements	15 to 50 years
Fixtures, leasehold and tenant improvements (including certain identified intangible assets)	Terms of leases or useful lives, whichever is shorter

The Company is required to make subjective assessments as to the useful lives of its properties for purposes of determining the amount of depreciation to reflect on an annual basis with respect to those properties. These assessments have a direct impact on the Company's net earnings.

On a continuous basis, management assesses whether there are any indicators, including property operating performance and general market conditions, that the value of the real estate properties (including any related amortizable intangible assets or liabilities) may be impaired. A property value is considered impaired only if management's estimate of current and projected operating cash flows (undiscounted and unleveraged) of the property over its remaining useful life is less than the net carrying value of the property. Such cash flow projections consider factors such as expected future operating income, trends and prospects, as well as the effects of demand, competition and other factors. To the extent impairment has occurred, the carrying value of the property would be adjusted to reflect the estimated fair value of the property.

When a real estate asset is identified by management as held-for-sale, the Company ceases depreciation of the asset and estimates the sales price of such asset net of selling costs. If, in management's opinion, the net sales price of the asset is less than the net book value of such asset, an adjustment to the carrying value would be recorded to reflect the estimated fair value of the property.

Investments in Unconsolidated Joint Ventures

The Company accounts for its investments in unconsolidated joint ventures under the equity method of accounting as the Company exercises significant influence, but does not control, these entities. These investments are recorded initially at cost and are subsequently adjusted for cash contributions and distributions. Earnings for each investment are recognized in accordance with each respective investment agreement and, where applicable, are based upon an allocation of the investment's net assets at book value as if the investment was hypothetically liquidated at the end of each reporting period.

The Company's joint ventures and other real estate investments primarily consist of co-investments with institutional and other joint venture partners in neighborhood and community shopping center properties, consistent with its core business. These joint ventures typically obtain non-recourse third-party financing on their property investments, thus contractually limiting the Company's exposure to losses to the amount of its equity investment, and, due to the lender's exposure to losses, a lender typically will require a minimum level of equity in order to mitigate its risk. The Company's exposure to losses associated with its unconsolidated joint ventures is primarily limited to its carrying value in these investments. The Company, on a limited selective basis, obtained unsecured financing for certain joint ventures. These unsecured financings are guaranteed by the Company with guarantees from the joint venture partners for their proportionate amounts of any guaranty payment the Company is obligated to make.

On a continuous basis, management assesses whether there are any indicators, including property operating performance and general market conditions, that the value of the Company's investments in unconsolidated joint ventures may be impaired. An investment's value is impaired only if management's estimate of the fair value of the investment is less than the carrying value of the investment and such difference is deemed to be other-than-temporary. To the extent impairment has occurred, the loss shall be measured as the excess of the carrying amount of the investment over the estimated fair value of the investment.

The Company's estimated fair values are based upon a discounted cash flow model for each joint venture that includes all estimated cash inflows and outflows over a specified holding period and, where applicable, any estimated debt premiums. Capitalization rates, discount rates and credit spreads utilized in these models are based upon rates that the Company believes to be within a reasonable range of current market rates.

Realizability of Deferred Tax Assets and Uncertain Tax Positions

The Company is subject to federal, state and local income taxes on the income from its activities relating to its TRS activities and subject to local taxes on certain non-U.S. investments. The Company accounts for income taxes using the asset and liability method, which requires that deferred tax assets and liabilities be recognized based on future tax consequences of temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply in the years in which temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in earnings in the period when the changes are enacted.

A reduction of the carrying amounts of deferred tax assets by a valuation allowance is required, if based on the evidence available, it is more likely than not (a likelihood of more than 50 percent) that some portion or all of the deferred tax assets will not be realized. The valuation allowance should be sufficient to reduce the deferred tax asset to the amount that is more likely than not to be realized.

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The Company considers all available evidence, both positive and negative, to determine whether, based on the weight of that evidence, a valuation allowance is needed. Information about an enterprise's current financial position and its results of operations for the current and preceding years is supplemented by all currently available information about future years. The Company must use judgment in considering the relative impact of negative and positive evidence.

The Company believes, when evaluating deferred tax assets within its taxable REIT subsidiaries, special consideration should be given to the unique relationship between the Company as a REIT and its taxable REIT subsidiaries. This relationship exists primarily to protect the REIT's qualification under the Code by permitting, within certain limits, the REIT to engage in certain business activities in which the REIT cannot directly participate. As such, the REIT controls which and when investments are held in, or distributed or sold from, its taxable REIT subsidiaries. This relationship distinguishes a REIT and taxable REIT subsidiary from an enterprise that operates as a single, consolidated corporate taxpayer.

The Company primarily utilizes a twenty year projection of pre-tax book income and taxable income as positive evidence to overcome any negative evidence. Although items of income and expense utilized in the projection are objectively verifiable there is also significant judgment used in determining the duration and timing of events that would impact the projection. Based upon the Company's analysis of negative and positive evidence the Company will make a determination of the need for a valuation allowance against its deferred tax assets. If future income projections do not occur as forecasted, the Company will reevaluate the need for a valuation allowance. In addition, the Company can employ additional strategies to realize its deferred tax assets, including transferring a greater portion of its property management business to the TRS, sale of certain built-in gain assets, and reducing intercompany debt.

The Company recognizes and measures benefits for uncertain tax positions, which requires significant judgment from management. Although the Company believes it has adequately reserved for any uncertain tax positions, no assurance can be given that the final tax outcome of these matters will not be different. The Company adjusts these reserves in light of changing facts and circumstances, such as the closing of a tax audit or the refinement of an estimate. Changes in the recognition or measurement of uncertain tax positions could result in material increases or decreases in the Company's income tax expense in the period in which a change is made, which could have a material impact on operating results (see Footnote 21 of the Notes to Consolidated Financial Statements included in this Form 10-K).

Results of Operations

Comparison 2013 to 2012

2013	**2012**	**Increase**	**% change**
(amounts in millions)			

Revenues from rental properties (1)	$910.4	$836.9	$ 73.5	8.8	%
Rental property expenses: (2)					
Rent	$13.3	$12.7	$ 0.6	4.7	%
Real estate taxes	117.6	110.7	6.9	6.2	%
Operating and maintenance	115.2	107.2	8.0	7.5	%
	$246.1	$230.6	$ 15.5	6.7	%
Depreciation and amortization (3)	$247.5	$236.9	$ 10.6	4.5	%

(1) Revenues from rental properties increased primarily from the combined effect of (i) the acquisition of operating properties during 2013 and 2012, providing incremental revenues for the year ended December 31, 2013 of $46.5 million, as compared to the corresponding period in 2012, (ii) an overall increase in the consolidated shopping center portfolio occupancy to 94.0% at December 31, 2013, as compared to 93.4% at December 31, 2012 and the completion of certain development and redevelopment projects, tenant buyouts and net growth in the current portfolio, providing incremental revenues for the year ended December 31, 2013, of $23.7 million as compared to the corresponding period in 2012, and (iii) an increase in revenues relating to the Company's Latin America portfolio of $3.3 million for the year ended December 31, 2013, as compared to the corresponding period in 2012.

(2) Rental property expenses include (i) rent expense relating to ground lease payments for which the Company is the lessee; (ii) real estate tax expense for consolidated properties for which the Company has a controlling ownership interest and (iii) operating and maintenance expense, which consists of property related costs including repairs and maintenance costs, roof repair, landscaping, parking lot repair, snow removal, utilities, property insurance costs, security and various other property related expenses. Rental property expenses increased for the year ended December 31, 2013, as compared to the corresponding period in 2012, primarily due to (i) an increase in real estate taxes of $6.9 million, (ii) an increase in repairs and maintenance costs of $5.7 million, (iii) an increase in snow removal costs of $2.3 million, (iv) an increase in property services of $1.7 million and (v) an increase in utilities expense of $1.3 million, primarily due to acquisitions of properties during 2013 and 2012, partially offset by (vi) a decrease in insurance expense of $2.9 million due to a decrease in insurance claims.

(3) Depreciation and amortization increased for the year ended December 31, 2013, as compared to the corresponding period in 2012, primarily due to (i) operating property acquisitions during 2013 and 2012 and (ii) expensing of unamortized tenant costs related to tenant vacancies prior to their lease expiration, partially offset by (iii) certain operating property dispositions during 2013 and 2012.

General and administrative costs include employee-related expenses (salaries, bonuses, equity awards, benefits, severance costs and payroll taxes), professional fees, office rent, travel expense, and other company-specific expenses. General and administrative expenses increased $4.0 million to $127.9 million for the year ended December 31, 2013, as compared to $123.9 million for the corresponding period in 2012. This increase is primarily a result of an increase in professional fees related to the Company’s response to a subpoena from the Enforcement Division of the SEC and a parallel investigation by the DOJ, in connection with the investigation of Wal-Mart Stores, Inc. with respect to the Foreign Corrupt Practices Act (see Item 3).

During the year ended December 31, 2013, the Company recognized impairment charges of $190.2 million, of which $98.8 million, before income taxes, is included in discontinued operations. These impairment charges consist of (i) $175.6 million related to adjustments to property carrying values, primarily due to sales or pending sales of properties, (ii) $10.4 million related to a cost method investment, (iii) $1.0 million related to certain joint venture investments and (iv) $3.2 million related to a preferred equity investment. During the year ended December 31, 2012, the Company recognized impairment charges related to adjustments to property carrying values of $59.6 million, of which $49.3 million, before income taxes and noncontrolling interests, is included in discontinued operations. The Company’s estimated fair values for these assets were primarily based upon (i) estimated sales prices from third party offers relating to property carrying values and joint venture investments and (ii) a discounted cash flow model relating to the Company’s cost method investment. The Company does not have access to the unobservable inputs used by the third parties to determine these estimated fair values. The discounted cash flows model includes all estimated cash inflows and outflows over a specified holding period. These cash flows were comprised of unobservable inputs which include forecasted revenues and expenses based upon market conditions and expectations for growth. The capitalization rate of 6.0% and discount rate of 9.5% which were utilized in this model were based upon observable rates that the Company believes to be within a reasonable range of current market rates for the respective investments. Based on these inputs the Company determined that its valuation of these investments was classified within Level 3 of the fair value hierarchy. The property carrying value impairment charges resulted from the Company’s efforts to market certain assets and management’s assessment as to the likelihood and timing of such potential transactions.

Mortgage financing income decreased $3.2 million to $4.3 million for the year ended December 31, 2013, as compared to $7.5 million for the corresponding period in 2012. This decrease is primarily due to a decrease in interest income resulting from the repayment of certain mortgage receivables during 2013 and 2012.

Interest, dividends and other investment income increased $15.0 million to $17.0 million for the year ended December 31, 2013, as compared to $2.0 million for the corresponding period in 2012. This increase is primarily due to an increase in realized gains of $12.1 million resulting from the sale of certain marketable securities during 2013 and an increase in cash distributions received in excess of basis related to cost method investments of $2.2 million for the year ended December 31, 2013, as compared to the corresponding period in 2012.

Other expense, net decreased $7.2 million to $0.5 million for the year ended December 31, 2013, as compared to $7.7 million for the year ended December 31, 2012. This change is primarily due to (i) increases in gains on land sales of $8.2 million for year ended December 31, 2013, as compared to the corresponding period in 2012 and (ii) an increase in gains on foreign currency of $1.5 million relating to changes in foreign currency exchange rates, partially offset by (iii) an increase in other corporate expenses of $1.9 million for the year ended December 31, 2013, as compared to the corresponding period in 2012.

Interest expense decreased $11.8 million to $213.9 million for the year ended December 31, 2013, as compared to $225.7 million for the year ended December 31, 2012. This decrease is primarily related to lower interest rates on borrowings during 2013, as compared to 2012.

Provision for income taxes, net increased $17.6 million to $34.5 million for the year ended December 31, 2013, as compared to $16.9 million for the corresponding period in 2012. This increase is primarily due to (i) an increase in foreign taxes of $23.6 million primarily relating to the sale of the Company's joint venture interest in a portfolio of 84 operating properties in Mexico, (ii) an increase in income tax expense of $9.1 million relating to a change in control gain resulting from the purchase of a partner's noncontrolling joint venture interest, (iii) a tax provision of $6.0 million resulting from incremental earnings due to increased profitability from properties within the Company's taxable REIT subsidiaries and (iv) a tax provision of $2.4 million related to gains on sale of certain marketable securities, partially offset by (v) a partial release of the deferred tax valuation allowance of $8.7 million related to FNC Realty Corp. ("FNC") based on the Company's estimated future earnings of FNC, (vi) an increase in income tax benefit of $7.9 million related to impairments taken during 2013, as compared to the 2012, and (vii) an increase in tax benefit of $9.4 million relating to a decrease in equity in income recognized in connection with the Albertson's investment.

Equity in income of joint ventures, net increased $95.8 million to $208.7 million for the year ended December 31, 2013, as compared to $112.9 million for the corresponding period in 2012. This increase is primarily the result of (i) an increase in gains of $120.7 million resulting from the sale of properties within various joint venture investments, primarily located in Mexico during 2013, as compared to 2012, (ii) an increase in equity in income from three joint ventures of $4.0 million due to the Company's increase in ownership percentage and (iii) incremental earnings due to increased profitability from properties within the Company's joint venture program, partially offset by (iv) an increase in impairment charges of $18.4 million recognized against certain joint venture investment properties primarily located in Mexico, resulting from pending property sales, taken during 2013, as compared to 2012, (v) the recognition of $7.5 million in income on the sale of certain air rights at a property within one of the Company's joint venture investments in Canada during 2012 and (vi) a decrease in equity in income of $2.6 million from the Company's InTown Suites investment during 2013, as compared to 2012, resulting from the sale of this investment in 2013.

During June 2013, the Company sold its unconsolidated investment in the InTown portfolio for a sales price of $735.0 million which included the assignment of $609.2 million in debt. This transaction resulted in a deferred gain to the Company of $21.7 million. The Company maintains its guarantee on a portion of the debt ($139.7 million as of December 31, 2013) assumed by the buyer. The guarantee is collateralized by the buyer's ownership interest in the portfolio. The Company is entitled to a guarantee fee, for the initial term of the loan, which is scheduled to mature in December 2015. The guarantee fee is calculated based upon the difference between LIBOR plus 1.15% and 5.0% per annum multiplied by the outstanding amount of the loan. Additionally, the Company has entered into a commitment to provide financing up to the outstanding amount of the guaranteed portion of the loan for five years past the date of maturity. This commitment can be in the form of extensions with the current lender or a new lender or financing directly from the Company to the buyer. Due to this continued involvement, the Company deferred its gain until such time that the guarantee and commitment expire.

During 2013, the Company acquired four properties from joint ventures in which the Company had noncontrolling interests. The Company recorded an aggregate net gain on change in control of interests of $21.7 million related to the fair value adjustment associated with its original ownership of these properties. During 2012, the Company acquired four properties from joint ventures in which the Company had noncontrolling interests. The Company recorded an aggregate gain on change in control of interests of $15.6 million related to the fair value adjustment associated with its original ownership.

Equity in income from other real estate investments, net decreased $22.3 million to $31.1 million for the year ended December 31, 2013, as compared to $53.4 million for the corresponding period in 2012. This decrease is primarily due to a decrease of $23.5 million in equity in income from the Albertson's joint venture primarily due to start-up costs associated with the purchase of additional Albertson's stores from SuperValu Inc. during 2013, as compared to 2012.

During 2013, the Company disposed of 36 operating properties and three out-parcels in separate transactions, for an aggregate sales price of $279.5 million. These transactions, which are included in Discontinued operations in the Company's Consolidated Statements of Income, resulted in an aggregate gain of $25.4 million and impairment charges of $61.9 million, before income taxes.

Additionally, during 2013, the Company sold eight properties in its Latin American portfolio for an aggregate sales price of $115.4 million. These transactions, which are included in Discontinued operations in the Company's Consolidated Statements of Income, resulted in an aggregate gain of $23.3 million, before income taxes, and aggregate impairment charges of $26.9 million (including the release of the cumulative foreign currency translation loss of $7.8 million associated with the sale of the Company's interest in two properties within Brazil, which represents a full liquidation of the Company's investment in Brazil), before income taxes and noncontrolling interests.

During 2012, the Company disposed of 62 operating properties and two outparcels, in separate transactions, for an aggregate sales price of $418.9 million. These transactions resulted in an aggregate gain of $85.9 million and impairment charges of $22.5 million, before income taxes, which is included in Discontinued operations in the Company's Consolidated Statements of Income.

During 2012, the Company sold a previously consolidated operating property to a newly formed unconsolidated joint venture in which the Company has a 20% noncontrolling interest for a sales price of $55.5 million. This transaction resulted in a pre-tax gain of $10.0 million, of which the Company deferred $2.0 million due to its continued involvement. This gain has been recorded as Gain on sale of operating properties, net of tax in the Company's Consolidated Statements of Income.

Net income attributable to the Company decreased $29.8 million to $236.3 million for the year ended December 31, 2013, as compared to $266.1 million for the corresponding period in 2012. On a diluted per share basis, net income attributable to the Company was $0.43 for 2013, as compared to net income of $0.42 for 2012. These changes are primarily attributable to (i) additional incremental earnings due to increased profitability from the Company's operating properties and the acquisition of operating properties during 2013 and 2012, (ii) an increase in equity in income of joint ventures, net primarily due to gains on sales of operating properties sold within various joint venture portfolios during 2013 and (iii) an increase in gains on sale of marketable securities during 2013, partially offset by (iv) an increase in impairment charges recognized during the year ended December 31, 2013, as compared to the corresponding period in 2012 and (v) a decrease in gains on sale of operating properties. The 2012 diluted per share results were decreased by a reduction in net income available to common shareholders of $21.7 million resulting from the deduction of original issuance costs associated with the redemption of the Company's 6.65% Class F Cumulative Redeemable Preferred Stock and 7.75% Class G Cumulative Redeemable Preferred Stock.

Comparison 2012 to 2011

	2012	**2011**	**Increase/ (Decrease)**	**% change**
	(amounts in millions)			
Revenues from rental properties (1)	$836.9	$779.2	$ 57.7	7.4 %
Rental property expenses: (2)				
Rent	$12.7	$13.8	$ (1.1)	(8.0)%
Real estate taxes	110.7	104.5	6.2	5.9 %
Operating and maintenance	107.2	102.5	4.7	4.6 %
	$230.6	$220.8	$ 9.8	4.4 %
Depreciation and amortization (3)	$236.9	$218.3	$ 18.6	8.5 %

(1) Revenues from rental properties increased primarily from the combined effect of (i) the acquisition of operating properties during 2012 and 2011, providing incremental revenues for the year ended December 31, 2012 of $50.9 million, as compared to the corresponding period in 2011, (ii) an increase in revenues relating to the Company's Latin American portfolio of $8.0 million and (iii) the completion of certain development and redevelopment projects, tenant buyouts and overall growth in the current portfolio, providing incremental revenues of $0.9 million, for the year ended December 31, 2012, as compared to the corresponding period in 2011, partially offset by (iv) a decrease in revenues of $2.1 million for the year ended December 31, 2012, as compared to the corresponding period in 2011, primarily resulting from the partial sale of certain properties during 2012 and 2011.

(2) Rental property expenses include (i) rent expense relating to ground lease payments for which the Company is the lessee; (ii) real estate tax expense for consolidated properties for which the Company has a controlling ownership interest and (iii) operating and maintenance expense, which consists of property related costs including repairs and maintenance costs, roof repair, landscaping, parking lot repair, snow removal, utilities, property insurance costs, security and various other property related expenses. Rental property expenses increased for the year ended December 31, 2012, as compared to the corresponding period in 2011, primarily due to (i) an increase in real estate taxes of $6.3 million, primarily due to acquisitions of properties during 2012 and 2011, (ii) an increase in repairs and maintenance costs of $4.1 million, primarily due to acquisitions of properties during 2012 and 2011 (iii) an increase in insurance premiums and claims of $1.7 million and (iv) an increase in utilities of $2.0 million, partially offset by (v) a decrease in snow removal costs of $5.1 million and (vi) a decrease in rent expense of $1.1 million.

(3) Depreciation and amortization increased for the year ended December 31, 2012, as compared to the corresponding period in 2011, primarily due to (i) operating property acquisitions during 2012 and 2011, (ii) the placement of certain development properties into service and (iii) tenant vacancies, partially offset by (iv) certain operating property dispositions during 2012 and 2011.

Management and other fee income increased $2.2 million to $37.5 million for the year ended December 31, 2012, as compared to $35.3 million for the corresponding period in 2011. This increase is due to an increase in property management fees of $0.8 million, primarily due to the acquisitions of properties within the Company's joint venture portfolio during 2012 and 2011, and an increase in transaction related fees of $1.4 million recognized during 2012, as compared to 2011.

General and administrative costs include employee-related expenses (salaries, bonuses, equity awards, benefits, severance costs and payroll taxes), professional fees, office rent, travel expense, and other company-specific expenses. General and administrative expenses increased $5.3 million to $123.9 million for the year ended December 31, 2012, as compared to $118.6 million for the corresponding period in 2011. This increase is primarily a result of (i) an increase of $2.6 million in severance costs related to the departure of an executive officer in January 2012, (ii) an increase in professional and consulting fees of $2.1 million, primarily due to increased transactional activity, and (iii) an increase in other personnel related costs during 2012, as compared to the corresponding period in 2011.

During the year ended December 31, 2012, the Company recognized impairment charges of $59.6 million, $49.3 million of which is included in discontinued operations, before income tax benefit and noncontrolling interest. During the year ended December 31, 2011, the Company recognized impairment charges of $32.8 million, $19.7 million of which is included in discontinued operations, before income tax benefit and noncontrolling interest. These impairments were primarily calculated based on the usage of estimated sales prices and comparable sales information as inputs. The Company determined that its valuation in these assets was classified within Level 3 of the FASB's fair value hierarchy. These impairment charges resulted from the Company's efforts to market certain assets and management's assessment as to the likelihood and timing of such potential transactions.

Interest, dividends and other investment income decreased $13.8 million to $2.0 million for the year ended December 31, 2012, as compared to $15.8 million for the corresponding period in 2011. This decrease is primarily due to (i) the Company's sale of its investment in Valad notes during 2011, resulting in a decrease in interest income of $6.2 million, (ii) a decrease in other investment income of $6.4 million relating to the receipt of cash distributions during 2011 in excess of the Company's carrying value of a cost method investment, (iii) a reduction in interest income of $0.5 million due to repayments of notes in 2012 and 2011 and (iv) a decrease in gains on sales of securities of $0.5 million.

Other expense, net increased $3.7 million to $7.7 million for the year ended December 31, 2012, as compared to $4.0 million for the corresponding period in 2011. This change is primarily due to (i) an increase in acquisition related costs of $3.1 million relating to an increase in transactional activity, (ii) a decrease in gains on foreign currency of $2.4 million relating to changes in foreign currency exchange rates, partially offset by (iii) an increase of $2.4 million in gains on land sales during 2012, as compared to the corresponding period in 2011.

Interest expense increased $4.0 million to $225.7 million for the year ended December 31, 2012, as compared to $221.7 million for the corresponding period in 2011. This increase is primarily related to a decrease in capitalization of interest due to the placement of certain development and redevelopment properties into service during 2012, as compared to the corresponding period in 2011.

During 2011, the Company sold a merchant building property to an unconsolidated joint venture in which the Company has a noncontrolling interest for a sales price of $37.6 million resulting in a pretax gain of $12.1 million after a deferral of $2.1 million due to the Company's continued involvement in the property.

Provision for income taxes, net decreased by $8.9 million to $16.9 million for the year ended December 31, 2012, as compared to $25.8 million for the corresponding period in 2011. This decrease is primarily due to (i) an increase in income tax benefit of $10.2 million related to impairments taken during the year ended December 31, 2012, as compared to the corresponding period in 2011, (ii) a decrease in the income tax provision expense of $5.7 million in connection with a gain on sale of a development property during 2011, (iii) a decrease in tax provision of $2.8 million resulting from the receipt of a cash distribution during 2011 in excess of the Company's carrying value of a cost method investment and (iv) a decrease in tax provision of $2.7 million resulting from a decrease in equity in income recognized in connection with the Albertson's investment during 2012, as compared to 2011, partially offset by (v) an increase in foreign withholding taxes of $5.4 million primarily resulting from unrealized foreign exchange gains recognized for Mexican tax purposes on U.S. denominated mortgage debt within the Company's Latin American property portfolio.

Equity in income of joint ventures, net increased $49.4 million to $112.9 million for the year ended December 31, 2012, as compared to $63.5 million for the corresponding period in 2011. This increase is primarily the result of (i) an increase in gains on sale and promote income recognized of $12.6 million, (ii) the recognition of $7.5 million in income on the sale of certain air rights at a property within one of the Company's joint venture investments in Canada, (iii) an increase in equity in income of $5.9 million from the Company's InTown Suites investment primarily resulting from increased operating profitability, (iv) the recognition of $2.1 million in income resulting from cash distributions received in excess of the Company's carrying value of its investment in an unconsolidated joint venture, (v) a decrease in impairment charges of $3.2 million resulting from fewer impairment charges recognized against certain joint venture properties during the year ended December 31, 2012, as compared to the corresponding period in 2011, (vi) a decrease in equity in loss of $4.0 million resulting from the disposition of a portfolio of properties during 2011, (vii) an increase in equity in income of $6.0 million from the Company's joint venture investments in Canada (viii) an increase in equity in income of $3.7 million from the Company's joint venture investments in Mexico and (ix) incremental earnings due to increased profitability from properties within the Company's joint venture program.

During 2012, the Company acquired four properties from joint ventures in which the Company had noncontrolling interests. The Company recorded an aggregate gain on change in control of interests of $15.6 million related to the fair value adjustment associated with its original ownership. During 2011, the Company acquired one property from a joint venture in which the Company had a noncontrolling interest. The Company recorded an aggregate gain on change in control of interests of $0.6 million related to the fair value adjustment associated with its original ownership.

During 2012, the Company disposed of 62 operating properties and two outparcels, in separate transactions, for an aggregate sales price of $418.9 million. These transactions resulted in an aggregate gain of $85.9 million and impairment charges of $22.5 million, before income taxes, which is included in Discontinued operations in the Company's Consolidated Statements of Income.

During 2011, the Company disposed of 27 operating properties, one development property and one outparcel, in separate transactions, for an aggregate sales price of $124.9 million. These transactions resulted in an aggregate gain of $17.3 million and aggregate impairment charges of $16.9 million, before income taxes, which is included in Discontinued operations in the Company's Consolidated Statements of Income.

During 2011, a consolidated joint venture in which the Company had a preferred equity investment disposed of a property for a sales price of $6.1 million. As a result of this capital transaction, the Company received $1.4 million of profit participation, before noncontrolling interest of $0.1 million. This profit participation has been recorded as Income from other real estate investments and is reflected in Income from discontinued operating properties in the Company's Consolidated Statements of Income.

During 2012, the Company sold a previously consolidated operating property to a newly formed unconsolidated joint venture in which the Company has a 20% noncontrolling interest for a sales price of $55.5 million. This transaction resulted in a pre-tax gain of $10.0 million, of which the Company deferred $2.0 million due to its continued involvement. This gain has been recorded as Gain on sale of operating properties, net of tax in the Company's Consolidated Statements of Income.

Net income attributable to the Company increased $97.0 million to $266.1 million for the year ended December 31, 2012, as compared to $169.1 million for the corresponding period in 2011. On a diluted per share basis, net income attributable to the Company was $0.42 for 2012, as compared to net income of $0.27 for 2011. These increases are primarily attributable to (i) additional incremental earnings due to increased profitability from the Company's operating properties and the acquisition of operating properties during 2012 and 2011, (ii) an increase in gains on disposition of operating properties and change in control of interests, (iii) an increase in equity in income of joint ventures, net primarily due to gains on sales of operating properties sold within various joint venture portfolios during 2012 and (iv) a decrease in provision for income taxes, partially offset by (v) an increase in impairment charges recognized during the year ended December 31, 2012, as compared to the corresponding period in 2011, (vi) a decrease in interest, dividends and other investment income resulting primarily from the sale of certain marketable securities during 2011 and (vii) a decrease in gain on sale of development properties recognized during 2012, as compared to 2011. The 2012 diluted per share results were decreased by a reduction in net income available to common shareholders of $21.7 million resulting from the deduction of original issuance costs associated with the redemption of the Company's 6.65% Class F Cumulative Redeemable Preferred Stock and 7.75% Class G Cumulative Redeemable Preferred Stock.

Liquidity and Capital Resources

The Company's capital resources include accessing the public debt and equity capital markets, mortgage and construction loan financing, borrowings under term loans and immediate access to an unsecured revolving credit facility with bank commitments of $1.75 billion.

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

	Year Ended December 31,		
	2013	**2012**	**2011**
Net cash flow provided by operating activities	$570.0	$479.1	$448.6
Net cash flow provided by/(used for) investing activities	$72.2	$(51.0)	$(20.8)
Net cash flow used for financing activities	$(635.4)	$(399.1)	$(440.1)

Operating Activities

The Company anticipates that cash on hand, borrowings under its revolving credit facility, issuance of equity and public debt, as well as other debt and equity alternatives, will provide the necessary capital required by the Company. Net cash flow provided by operating activities for the year ended December 31, 2013, was primarily attributable to (i) cash flow from the diverse portfolio of rental properties, (ii) the acquisition of operating properties during 2013 and 2012, (iii) new leasing, expansion and re-tenanting of core portfolio properties and (iv) operational distributions from the Company's joint venture programs.

Cash flow provided by operating activities for the year ended December 31, 2013, was $570.0 million, as compared to $479.1 million for the comparable period in 2012. The change of $90.9 million is primarily attributable to (i) increased operational distributions from joint ventures and other real estate investments, (ii) changes in accounts payable and accrued expenses due to timing of payments and (iii) higher operational income from operating properties including properties acquired during 2013 and 2012, partially offset by (iv) changes in other operating assets and liabilities due to timing of payments and receipts.

Investing Activities

Cash flows provided by investing activities for the year ended December 31, 2013, was $72.2 million, as compared to cash flows used for investing activities of $51.0 million for the comparable period in 2012. This change of $123.2 million resulted primarily from (i) an increase in reimbursements of investments and advances to real estate joint ventures of $252.3 million, primarily due to the sale of certain properties within joint ventures, (ii) a decrease in acquisition of operating real estate of $88.3 million, (iii) an increase in proceeds from the sale of marketable securities of $26.3 million, partially offset by (iv) an increase in investments and advances to real estate joint ventures of $76.7 million, (v) a decrease in proceeds from the sale of operating properties of $63.7 million, (vi) an increase in investment in marketable securities of $33.6 million, (vii) a decrease in investment/collection, net of mortgage loan receivable of $29.9 million, (viii) an increase in other investments of $20.4 million and (ix) an increase in other real estate investments of $17.9 million.

Acquisitions of Operating Real Estate

During the years ended December 31, 2013 and 2012, the Company expended $354.3 million and $442.5 million, respectively, towards the acquisition of operating real estate properties. The Company's strategy is to continue to transform its operating portfolio through its capital recycling program by acquiring what the Company believes are high quality US retail properties and disposing of lesser quality assets. The Company anticipates to acquire approximately $500.0 million to $1.0 billion of operating properties during 2014. The Company intends to fund these acquisitions with proceeds from sales of the Company's non-strategic properties, cash flow from operating activities, assumption of mortgage debt, if applicable, and availability under the Company's revolving line of credit.

Improvements to Operating Real Estate

During the years ended December 31, 2013 and 2012, the Company expended $107.3 million and $109.9 million, respectively, towards improvements to operating real estate. These amounts are made up of the following (in thousands):

	The Year Ended December 31,	
	2013	2012
Redevelopment/renovations	$39,531	$51,520
Tenant improvements/tenant allowances	57,473	48,137
Other	10,273	10,271
Total	$107,277	$109,928

Additionally, during the years ended December 31, 2013 and 2012, the Company capitalized interest of $1.3 million and $1.5 million, respectively, and capitalized payroll of $1.6 million and $1.0 million, respectively, in connection with the Company's improvements of real estate.

The Company has an ongoing program to redevelop and re-tenant its properties to maintain or enhance its competitive position in the marketplace. The Company is actively pursuing redevelopment opportunities within its operating portfolio which it believes will increase the overall value by bringing in new tenants and improving the assets value. The Company has identified three categories of redevelopment, (i) large scale redevelopment, which involves demolishing and building new square footage, (ii) value creation redevelopment, which includes the subdivision of large anchor spaces into multiple tenant layouts, and (iii) creation of out-parcels and pads which are located in the front of the shopping center properties. The Company anticipates its capital commitment toward these redevelopment projects and re-tenanting efforts during 2014 will be approximately $150 million to $200 million. The funding of these capital requirements will be provided by cash flow from operating activities and availability under the Company's revolving line of credit.

Investments and Advances to Real Estate Joint Ventures

During the year ended December 31, 2013, the Company expended $296.6 million for investments and advances to real estate joint ventures and received $440.1 million from reimbursements of investments and advances to real estate joint ventures, including the increase in ownership percentages of the Kimstone, KIR and KIF joint ventures, the refinancing of debt and sales of properties, inclusive of the sale of the Intown portfolio and the American Industries portfolio. (See Footnote 7 of the Notes to the Consolidated Financial Statements included in this Form 10-K.)

Dispositions and Transfers

During the year ended December 31, 2013, the Company received net proceeds of $385.8 million relating to the sale of various operating properties. (See Footnote 4 of the Notes to the Consolidated Financial Statements included in this Form 10-K.)

Financing Activities

Cash flow used for financing activities for the year ended December 31, 2013, was $635.4 million, as compared to $399.1 million for the comparable period in 2012. This change of $236.3 million resulted primarily from (i) a decrease in proceeds from issuance of stock of $766.5 million, (ii) an increase in net repayments/ borrowings under unsecured term loan/notes of $109.3 million, (iii) an increase in net repayments/borrowings under the Company's unsecured revolving credit facility of $66.3 million and (iv) an increase in dividends paid of $17.6 million, partially offset by, (v) the redemption of the Company's 6.65% Class F Preferred Stock and 7.75% Class G Preferred Stock of $635.0 million during 2012, (vi) a decrease in repurchases of common stock of $30.9 million, (vii) a decrease in principal payments of $30.0 million, and (viii) an increase in proceeds from mortgage/construction loan financing of $21.2 million.

The Company continually evaluates its debt maturities, and, based on management's current assessment, believes it has viable financing and refinancing alternatives that will not materially adversely impact its expected financial results. The Company continues to pursue borrowing opportunities with large commercial U.S. and global banks, select life insurance companies and certain regional and local banks. The Company has noticed a continuing trend that although pricing remains dependent on specific deal terms, generally spreads for non-recourse mortgage financing have stabilized from levels a year ago. The unsecured debt markets are functioning well and credit spreads are at manageable levels. The Company continues to assess 2014 and beyond to ensure the Company is prepared if credit market conditions weaken.

Debt maturities for 2014 consist of: $419.9 million of consolidated debt; $384.2 million of unconsolidated joint venture debt; and $62.2 million of preferred equity debt, assuming the utilization of extension options where available. The 2014 consolidated debt maturities are anticipated to be extended, refinanced or repaid with operating cash flows and borrowings from the Company's credit facility (which at December 31, 2013, had $1.6 billion available). The 2014 unconsolidated joint venture and preferred equity debt maturities are anticipated to be extended or repaid through debt refinancing and partner capital contributions, as deemed appropriate.

The Company intends to maintain strong debt service coverage and fixed charge coverage ratios as part of its commitment to maintain its investment-grade debt ratings. The Company plans to continue strengthening its balance sheet by pursuing deleveraging efforts over time. The Company may, from time-to-time, seek to obtain funds through additional common and preferred equity offerings, unsecured debt financings and/or mortgage/construction loan financings and other capital alternatives.

Since the completion of the Company's IPO in 1991, the Company has utilized the public debt and equity markets as its principal source of capital for its expansion needs. Since the IPO, the Company has completed additional offerings of its public unsecured debt and equity, raising in the aggregate over $9.3 billion. Proceeds from public capital market activities have been used for the purposes of, among other things, repaying indebtedness, acquiring interests in neighborhood and community shopping centers, funding ground-up development projects, expanding and improving properties in the portfolio and other investments. The Company will continue to access these markets, as available.

The Company has a $1.75 billion unsecured revolving credit facility (the "Credit Facility") with a group of banks, which is scheduled to expire in October 2015 and has a one-year extension option. This credit facility, provides funds to finance general corporate purposes, including (i) property acquisitions, (ii) investments in the Company's institutional management programs, (iii) development and redevelopment costs and (iv) any short-term working capital requirements. Interest on borrowings under the Credit Facility accrues at LIBOR plus 1.05% (1.22% as of December 31, 2013) and fluctuates in accordance with changes in the Company's senior debt ratings and has a facility fee of 0.20% per annum. As part of this Credit Facility, the Company has a competitive bid option whereby the Company could auction up to $875.0 million of its requested borrowings to the bank group. This competitive bid option provides the Company the opportunity to obtain pricing below the currently stated spread. In addition, as part of the Credit Facility, the Company has a $500.0 million sub-limit which provides it the opportunity to borrow in alternative currencies such as Canadian Dollars, British Pounds Sterling, Japanese Yen or Euros. Pursuant to the terms of the Credit Facility, the Company, among other things, is subject to covenants requiring the maintenance of (i) maximum leverage ratios on both unsecured and secured debt and (ii) minimum interest and fixed coverage ratios. As of December 31, 2013, the Credit Facility had a balance of $194.5 million outstanding and $3.3 million appropriated for letters of credit.

Pursuant to the terms of the Credit Facility, the Company, among other things, is subject to maintenance of various covenants. The Company is currently in compliance with these covenants. The financial covenants for the Credit Facility are as follows:

Covenant	**Must Be**	**As of 12/31/13**
Total Indebtedness to Gross Asset Value ("GAV")	<60%	40%
Total Priority Indebtedness to GAV	<35%	9%
Unencumbered Asset Net Operating Income to Total Unsecured Interest Expense	>1.75x	3.89x
Fixed Charge Total Adjusted EBITDA to Total Debt Service	>1.50x	2.91x

For a full description of the Credit Facility's covenants refer to the Credit Agreement dated as of October 27, 2011 filed in the Company's Current Report on Form 8-K dated November 2, 2011.

During March 2013, the Company entered into a new five year 1.0 billion Mexican peso ("MXN") term loan which matures in March 2018. This term loan bears interest at a rate equal to TIIE (Equilibrium Interbank Interest Rate) plus 1.35% (5.146% as of December 31, 2013). The Company has the option to swap this rate to a fixed rate at any time during the term of the loan. The Company used these proceeds to repay its 1.0 billion MXN term loan, which matured in March 2013 and bore interest at a fixed rate of 8.58%. As of December 31, 2013, the outstanding balance on this new term loan was MXN 1.0 billion (USD $76.5 million). The Mexican term loan covenants are similar to the Credit Facility covenants described above.

The Company also has a $400.0 million unsecured term loan with a consortium of banks, which accrues interest at LIBOR plus 105 basis points (1.22% as of December 31, 2013). The term loan is scheduled to mature in April 2014, with three additional one-year options to extend the maturity date, at the Company's discretion, to April 17, 2017. Pursuant to the terms of the Credit Agreement, the Company, among other things, is subject to covenants requiring the maintenance of (i) maximum indebtedness ratios and (ii) minimum interest and fixed charge coverage ratios. Proceeds from this term loan were used for general corporate purposes including the repayment of debt. The term loan covenants are similar to the Credit Facility covenants described above. During January 2014, the Company exercised its option to extend the maturity date to April 17, 2015.

During April 2012, the Company filed a shelf registration statement on Form S-3, which is effective for a term of three years, for the future unlimited offerings, from time-to-time, of debt securities, preferred stock, depositary shares, common stock and common stock warrants. The Company, pursuant to this shelf registration statement may, from time-to-time, offer for sale its senior unsecured debt for any general corporate purposes, including (i) funding specific liquidity requirements in its business, including property acquisitions, development and redevelopment costs and (ii) managing the Company's debt maturities. (See Footnote 12 of the Notes to Consolidated Financial Statements included in this Form 10-K.)

The Company’s supplemental indenture governing its medium term notes (“MTN”) and senior notes contains the following covenants, all of which the Company is compliant with:

Covenant	**Must Be**	**As of 12/31/13**
Consolidated Indebtedness to Total Assets	<60%	38%
Consolidated Secured Indebtedness to Total Assets	<40%	9%
Consolidated Income Available for Debt Service to Maximum Annual Service Charge	>1.50x	5.0x
Unencumbered Total Asset Value to Consolidated Unsecured Indebtedness	>1.50x	2.8x

For a full description of the various indenture covenants refer to the Indenture dated September 1, 1993; First Supplemental Indenture dated August 4, 1994; the Second Supplemental Indenture dated April 7, 1995; the Third Supplemental Indenture dated June 2, 2006; the Fifth Supplemental Indenture dated as of September 24, 2009; the Fifth Supplemental Indenture dated as of October 31, 2006; the Sixth Supplemental Indenture dated as of May 23, 2013 filed in the Company's Current Report on Form 8-K dated May 23, 2013 and First Supplemental Indenture dated October 31, 2006, as filed with the U.S. Securities and Exchange Commission. See the Exhibits Index for specific filing information.

During May 2013, the Company issued $350.0 million of 10-year Senior Unsecured Notes at an interest rate of 3.125% payable semi-annually in arrears and are scheduled to mature in June 2023. Net proceeds from the issuance were $344.7 million, after related transaction costs of $0.5 million. The proceeds were used for general corporate purposes including the partial reduction of borrowings under the Company’s revolving credit facility and the repayment of the $75.0 million senior unsecured notes which matured in June 2013.

During July 2013, a wholly-owned subsidiary of the Company issued $200.0 million Canadian denominated (“CAD”) Series 4 unsecured notes on a private placement basis in Canada. The notes bear interest at 3.855% and are scheduled to mature on August 4, 2020. Proceeds from these notes were used to repay the Company’s CAD $200.0 million 5.180% unsecured notes, which matured on August 16, 2013.

During 2013, the Company also (i) repaid its $100.0 million 6.125% senior unsecured notes, which matured in January 2013, (ii) repaid its $100.0 million 5.190% senior unsecured notes which matured on October 1, 2013, (iii) assumed $284.9 million of individual non-recourse mortgage debt relating to the acquisition of nine operating properties, including an increase of $5.8 million associated with fair value debt adjustments, (iv) repaid $256.3 million of mortgage debt that encumbered 14 properties and (v) obtained $36.0 million of individual non-recourse debt relating to three operating properties.

In addition to the public equity and debt markets as capital sources, the Company may, from time-to-time, obtain mortgage financing on selected properties and construction loans to partially fund the capital needs of its ground-up development projects. As of December 31, 2013, the Company had over 390 unencumbered property interests in its portfolio.

In connection with its intention to continue to qualify as a REIT for federal income tax purposes, the Company expects to continue paying regular dividends to its stockholders. These dividends will be paid from operating cash flows. The Company's Board of Directors will continue to evaluate the Company's dividend policy on a quarterly basis as they monitor sources of capital and evaluate the impact of the economy and capital markets availability on operating fundamentals. Since cash used to pay dividends reduces amounts available for capital investment, the Company generally intends to maintain a conservative dividend payout ratio, reserving such amounts as it considers necessary for the expansion and renovation of shopping centers in its portfolio, debt reduction, the acquisition of interests in new properties and other investments as suitable opportunities arise and such other factors as the Board of Directors considers appropriate. Cash dividends paid were $400.4 million in 2013, $382.7 million in 2012 and $353.8 million in 2011.

Although the Company receives substantially all of its rental payments on a monthly basis, it generally intends to continue paying dividends quarterly. Amounts accumulated in advance of each quarterly distribution will be invested by the Company in short-term money market or other suitable instruments. The Board of Directors declared a quarterly cash dividend per common share of $0.225 payable to shareholders of record on January 2, 2014, which was paid on January 15, 2014. Additionally, the Company's Board of Directors declared a quarterly cash dividend of $0.225 per common share payable to shareholders of record on April 3, 2014, which is scheduled to be paid on April 15, 2014.

The Company is subject to taxes on its activities in Canada, Mexico, Brazil, Chile, and Peru. During 2013, less than $0.1 million of withholding and transaction taxes were withheld from distributions related to foreign activities. In general, under local country law applicable to the structures the Company has in place and applicable treaties, the repatriation of cash to the Company from its subsidiaries and joint ventures in Canada, Mexico and Brazil generally are not subject to withholding tax. The Company does not anticipate the need to repatriate foreign funds from Chile, Peru or Brazil to provide for its cash flow needs in the U.S. and, as such, no significant withholding or transaction taxes are expected in the foreseeable future. The Company will be subject to withholding taxes in Chile and Peru on the distribution of any proceeds from sale transactions.

Contractual Obligations and Other Commitments

The Company has debt obligations relating to its revolving credit facility, term loans, MTNs, senior notes and mortgages with maturities ranging from less than one year to 21 years. As of December 31, 2013, the Company's total debt had a weighted average term to maturity of 4.0 years. In addition, the Company has non-cancelable operating leases pertaining to its shopping center portfolio. As of December 31, 2013, the Company has 46 shopping center properties that are subject to long-term ground leases where a third party owns and has leased the underlying land to the Company to construct and/or operate a shopping center. In addition, the Company has 9 non-cancelable operating leases pertaining to its retail store lease portfolio. The following table summarizes the Company's debt maturities (excluding extension options and fair market value of debt adjustments aggregating $10.8 million) and obligations under non-cancelable operating leases as of December 31, 2013 (in millions):

	Payments due by period						
Contractual Obligations:	**2014**	**2015**	**2016**	**2017**	**2018**	**Thereafter**	**Total**
Long-Term Debt-Principal(1) (3)	$838.1	$720.7	$591.2	$468.9	$572.6	$ 1,019.1	$4,210.6
Long-Term Debt-Interest(2)	$178.5	$153.9	$115.1	$87.1	$53.4	$ 134.3	$722.3
Operating Leases:							
Ground Leases	$12.3	$11.3	$10.4	$9.9	$8.8	$ 164.4	$217.1
Retail Store Leases	$2.4	$2.0	$1.7	$1.2	$0.7	$ 0.1	$8.1

(1) Maturities utilized do not reflect extension options, which range from one to five years.

(2) For loans which have interest at floating rates, future interest expense was calculated using the rate as of December 31, 2013.

(3) During January 2014, the Company exercised its one year extension option to extend the maturity date on its $400.0 million term loan from April 2014 to April 2015.

The Company has accrued $4.6 million of non-current uncertain tax benefits and related interest under the provisions of the authoritative guidance that addresses accounting for income taxes, which are included in Other liabilities on the Company's Consolidated Balance Sheets at December 31, 2013. These amounts are not included in the table above because a reasonably reliable estimate regarding the timing of settlements with the relevant tax authorities, if any, cannot be made.

The Company has $194.6 million of medium term notes, $100.0 million of unsecured notes and $125.3 million of secured debt scheduled to mature in 2014. The Company anticipates satisfying these maturities with a combination of operating cash flows, its unsecured revolving credit facility, exercise of extension options, where available, and new debt issuances.

The Company has issued letters of credit in connection with completion and repayment guarantees for loans encumbering certain of the Company’s redevelopment projects and guarantee of payment related to the Company’s insurance program. As of December 31, 2013, these letters of credit aggregate $31.9 million.

On a select basis, the Company has provided guarantees on interest bearing debt held within real estate joint ventures. The Company is often provided with a back-stop guarantee from its partners. The Company had the following outstanding guarantees as of December 31, 2013 (amounts in millions):

Name of Joint Venture	**Amount of Guarantee**	**Interest rate**	**Maturity, with extensions**	**Terms**	**Type of debt**
InTown Suites Management, Inc.	$ 139.7	LIBOR plus 1.15%	2015	(1)	Unsecured credit facility
Victoriaville	$ 2.3	3.92%	2020	Jointly and severally with partner	Promissory note

(1) During June 2013, the Company sold its unconsolidated investment in the InTown portfolio for a sales price of $735.0 million which included the assignment of $609.2 million in debt. This transaction resulted in a deferred gain to the Company of $21.7 million. The Company continues to maintain its guarantee of a portion of the debt assumed by the buyer ($139.7 million as of December 31, 2013). The guarantee is collateralized by the buyer’s ownership interest in the portfolio. Additionally, the Company has entered into a commitment to provide financing up to the outstanding amount of the guaranteed portion of the loan for five years past the date of maturity. This commitment can be in the form of extensions with the current lender or a new lender or financing directly from the Company to the buyer.

In connection with the construction of its development/redevelopment projects and related infrastructure, certain public agencies require posting of performance and surety bonds to guarantee that the Company’s obligations are satisfied. These bonds expire upon the completion of the improvements and infrastructure. As of December 31, 2013, the Company had $21.1 million in performance and surety bonds outstanding.

Off-Balance Sheet Arrangements

Unconsolidated Real Estate Joint Ventures

The Company has investments in various unconsolidated real estate joint ventures with varying structures. These joint ventures primarily operate shopping center properties or are established for development projects. Such arrangements are generally with third-party institutional investors, local developers and individuals. The properties owned by the joint ventures are primarily financed with individual non-recourse mortgage loans, however, the Company, on a selective basis, has obtained unsecured financing for certain joint ventures. These unsecured financings are guaranteed by the Company with guarantees from the joint venture partners for their proportionate amounts of any guaranty payment the Company is obligated to make (see guarantee table above). Non-recourse mortgage debt is generally defined as debt whereby the lenders' sole recourse with respect to borrower defaults is limited to the value of the property collateralized by the mortgage. The lender generally does not have recourse against any other assets owned by the borrower or any of the constituent members of the borrower, except for certain specified exceptions listed in the particular loan documents (See Footnote 7 of the Notes to Consolidated Financial Statements included in this Form 10-K). These investments include the following joint ventures:

Venture	**Kimco Ownership Interest**		**Number of Properties**	**Total GLA (in thousands)**	**Non-Recourse Mortgage Payable (in millions)**	**Number of Encumbered Properties**	**Average Interest Rate**		**Weighted Average Term (months)**
KimPru (a)	15.0%		60	10,569	$ 923.4	39	5.53	%	35.0
RioCan Venture (b)	50.0	%	45	9,307	$ 743.7	32	4.62	%	48.0
KIR (c)	48.6	%	57	11,966	$ 889.1	47	5.05	%	75.1
BIG Shopping Centers (d)	37.9%	(e)	21	3,399	$ 406.5	17	5.39	%	40.1
Kimstone (f)	33.3	%	39	5,589	$ 749.9	39	4.59	%	39.3
SEB Immobilien (g)	15.0	%	13	1,807	$ 243.8	13	5.11	%	43.3
CPP (h)	55.0	%	6	2,425	$ 138.6	3	5.23	%	19.0
Kimco Income Fund (i)	39.5	%	12	1,521	$ 158.0	12	5.45	%	8.7

(a) Represents the Company's joint ventures with Prudential Real Estate Investors.

(b) Represents the Company’s joint ventures with RioCan Real Estate Investment Trust.

(c) Represents the Company's joint ventures with certain institutional investors.

(d) Represents the Company’s joint ventures with BIG Shopping Centers (TLV:BIG), an Israeli public company.

(e) Ownership % is a blended rate.

(f) Represents the Company’s joint ventures with Blackstone.

(g) Represents the Company’s joint ventures with SEB Immobilien Investment GmbH.

(h) Represents the Company’s joint ventures with The Canadian Pension Plan Investment Board (CPPIB).

(i) Represents the Kimco Income Fund.

The Company has various other unconsolidated real estate joint ventures with varying structures. As of December 31, 2013, these other unconsolidated joint ventures had individual non-recourse mortgage loans aggregating $1.3 billion. The aggregate debt as of December 31, 2013, of all of the Company’s unconsolidated real estate joint ventures is $5.6 billion, of which the Company’s proportionate share of this debt is $2.1 billion. As of December 31, 2013, these loans had scheduled maturities ranging from one month to 20 years and bear interest at rates ranging from 1.67% to 10.50%. Approximately $384.2 million of the aggregate outstanding loan balance matures in 2014, of which the Company’s proportionate share is $175.1 million. These maturing loans are anticipated to be repaid with operating cash flows, debt refinancing and partner capital contributions, as deemed appropriate. (See Footnote 7 of the Notes to Consolidated Financial Statements included in this Form 10-K).

Other Real Estate Investments

The Company previously provided capital to owners and developers of real estate properties through its Preferred Equity program. The Company accounts for its preferred equity investments under the equity method of accounting. As of December 31, 2013, the Company’s net investment under the Preferred Equity Program was $95.6 million relating to 91 properties. As of December 31, 2013, these preferred equity investment properties had individual non-recourse mortgage loans aggregating $485.4 million. Due to the Company’s preferred position in these investments, the Company’s share of each investment is subject to fluctuation and is dependent upon property cash flows. The Company’s maximum exposure to losses associated with its preferred equity investments is primarily limited to its invested capital.

Additionally, during July 2007, the Company invested $81.7 million of preferred equity capital in a portfolio comprised of 403 net leased properties which are divided into 30 master leased pools with each pool leased to individual corporate operators. These properties consist of a diverse array of free-standing restaurants, fast food restaurants, convenience and auto parts stores. As of December 31, 2013, the remaining 392 properties were encumbered by third party loans aggregating $336.0 million, not including $56.5 million in net fair market value of debt adjustments, with interest rates ranging from 5.08% to 10.47%, a weighted average interest rate of 9.2% and maturities ranging from one to nine years.

At December 31, 2013, the Company had a 90% equity participation interest in an existing leveraged lease of 11 properties, which is reported as a net investment in leveraged lease in accordance with the FASB’s Lease guidance. The properties are leased under a long-term bond-type net lease whose primary term expires in 2016, with the lessee having certain renewal option rights. These 11 properties were encumbered by third-party non-recourse debt of $17.9 million that is scheduled to fully amortize during the primary term of the lease from a portion of the periodic net rents receivable under the net lease. As an equity participant in the leveraged lease, the Company has no recourse obligation for principal or interest payments on the debt, which is collateralized by a first mortgage lien on the properties and collateral assignment of the lease. Accordingly, this debt has been offset against the related net rental receivable under the lease.

Funds from Operations

Funds From Operations (“FFO”) is a supplemental non-GAAP measure utilized to evaluate the operating performance of real estate companies. The National Association of Real Estate Investment Trusts (“NAREIT”) defines FFO as net income/(loss) attributable to common shareholders computed in accordance with generally accepted accounting principles (“GAAP”), excluding (i) gains or losses from sales of operating real estate assets and (ii) extraordinary items, plus (iii) depreciation and amortization of operating properties and (iv) impairment of depreciable real estate and in substance real estate equity investments and (v) after adjustments for unconsolidated partnerships and joint ventures calculated to reflect funds from operations on the same basis.

The Company presents FFO as it considers it an important supplemental measure of our operating performance and believes it is frequently used by securities analysts, investors and other interested parties in the evaluation of REITs, many of which present FFO when reporting results. Comparison of our presentation of FFO to similarly titled measures for other REITs may not necessarily be meaningful due to possible differences in the application of the NAREIT definition used by such REITs.

The Company also presents FFO as adjusted as an additional supplemental measure as it believes it is more reflective of the Company’s core operating performance. The Company believes FFO as adjusted provides investors and analysts an additional measure in comparing the Company’s performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our core operating performance. FFO as adjusted is generally calculated by the Company as FFO excluding certain transactional income and expenses and non-operating impairments which management believes are not reflective of the results within the Company’s operating real estate portfolio.

FFO is a supplemental non-GAAP financial measure of real estate companies’ operating performances, which does not represent cash generated from operating activities in accordance with GAAP and therefore should not be considered an alternative for net income as a measure of liquidity. Our method of calculating FFO and FFO as adjusted may be different from methods used by other REITs and, accordingly, may not be comparable to such other REITs.

The Company's reconciliation of net income available to common shareholders to FFO and FFO as adjusted for the three months and years ended December 31, 2013 and 2012 is as follows (in thousands, except per share data):

	Three Months Ended		**Year Ended**	
	December 31,		December 31,	
	2013	**2012**	**2013**	**2012**
Net income available to common shareholders	$47,035	$59,231	$177,987	$172,673
Gain on disposition of operating properties, net of noncontrolling interests	(16,503)	(49,023)	(45,330)	(84,828)
Gain on disposition of joint venture operating properties	(5,530)	(4,914)	(113,937)	(27,927)
Depreciation and amortization - real estate related	64,511	63,246	250,253	257,278
Depreciation and amortization - real estate joint ventures, net of noncontrolling interests	24,448	32,228	117,743	133,734
Impairments of operating properties, net of tax and noncontrolling interests	20,707	26,440	165,825	59,510
FFO	**134,668**	**127,208**	**552,541**	**510,440**
Transactional (income)/charges:				
Profit participation from other real estate investments	(474)	(10,996)	(13,650)	(20,746)
Transactional losses from other real estate investments	3,091	-	3,091	-
Promote income from real estate joint ventures	-	(1,151)	-	(5,072)
Gains from development/land sales, net of tax	(1,775)	(14)	(3,448)	(8,309)
Acquisition costs	2,296	701	5,623	9,160
Deferred tax asset valuation allowance release	-	-	(9,126)	-
Severance costs	2,225	-	2,225	2,472
Excess distribution from a cost method investment	(167)	(398)	(2,213)	(398)
Gain on sale of marketable securities	(5,339)	-	(10,668)	-
Impairments on other investments, net of tax and noncontrolling interest	455	3,785	20,754	3,785
Preferred stock redemption costs	-	15,490	-	21,703
Other (income)/expense, net	(180)	143	(1,419)	1,166
Total transactional charges/(income), net	132	7,560	(8,831)	3,761
FFO as adjusted	**$134,800**	**$134,768**	**$543,710**	**$514,201**
Weighted average shares outstanding for FFO calculations:				
Basic	408,139	406,345	407,631	405,997
Units	1,522	1,522	1,523	1,455
Dilutive effect of equity awards	2,414	1,829	2,541	2,106
Diluted (1)	412,075	409,696	411,695	409,558
FFO per common share – basic	**$0.33**	**$0.31**	**$1.36**	**$1.26**
FFO per common share – diluted (1)	**$0.33**	**$0.31**	**$1.35**	**$1.25**
FFO as adjusted per common share – basic	**$0.33**	**$0.33**	**$1.33**	**$1.27**
FFO as adjusted per common share – diluted (1)	**$0.33**	**$0.33**	**$1.33**	**$1.26**

(1) *For the three and twelve months ended December 31, 2013 and 2012, the effect of certain convertible units would have an anti-dilutive effect upon the calculation of Income from continuing operations per share. Accordingly, the impact of such conversion has not been included in the determination of diluted earnings per share calculations.*

Same Property Net Operating Income

Same Property Net Operating Income ("Same Property NOI") is a supplemental non-GAAP financial measure of real estate companies' operating performance and should not be considered an alternative to net income in accordance with GAAP or as a measure of liquidity. Same Property NOI is considered by management to be an important performance measure of the Company's operations and management believes that it is helpful to investors as a measure of the Company's operating performance because it includes only the net operating income of properties that have been owned for the entire current and prior year reporting periods including those properties under redevelopment and excludes properties under development and pending stabilization. Properties are deemed stabilized at the earlier of (i) reaching 90% leased or (ii) one year following a projects inclusion in operating real estate (two years for Latin American properties). As such, Same Property NOI assists in eliminating disparities in net income due to the development, acquisition or disposition of properties during the particular period presented, and thus provides a more consistent performance measure for the comparison of the Company's properties.

Same Property NOI is calculated using revenues from rental properties (excluding straight-line rents, lease termination fees, above/below market rents and includes charges for bad debt) less operating and maintenance expense, real estate taxes and rent expense, plus the Company's proportionate share of Same Property NOI from unconsolidated real estate joint ventures, calculated on the same basis. Our method of calculating Same Property NOI may differ from methods used by other REITs and, accordingly, may not be comparable to such other REITs. The following is a reconciliation of the Company's Income from continuing operations to Same Property NOI (in thousands):

	Three Months Ended December 31,		**Year Ended December 31,**	
	2013	**2012**	**2013**	**2012**
Income from continuing operations	$61,409	$46,798	$261,683	$210,073
Adjustments:				
Management and other fee income	(9,565)	(10,469)	(36,317)	(37,522)
General and administrative expenses	31,663	28,986	127,913	123,925
Impairment charges	2,845	9,962	91,404	10,289
Depreciation and amortization	65,492	60,520	247,537	236,923
Other income	39,824	54,068	190,835	221,401
Provision for income taxes, net	6,788	3,707	34,520	16,922
Gain on change in control of interests, net	-	(1,399)	(21,711)	(15,555)
Equity in income of other real estate investments, net	(1,225)	(18,057)	(31,136)	(53,397)
Non same property net operating income	(15,135)	(25,797)	(113,645)	(118,950)
Non-operational expense from joint ventures, net	54,227	80,288	171,503	296,869
Same Property NOI	$236,323	$228,607	$922,586	$890,978

Same Property NOI increased by $7.7 million or 3.4% for the three months ended December 31, 2013, as compared to the corresponding period in 2012. This increase is primarily the result of (i) an increase of $6.0 million related to lease-up and rent commencements and (ii) an increase of $3.2 million in other property and ancillary income, partially offset by, (iii) the negative impact from changes in foreign currency exchange rates of $1.5 million.

Same Property NOI increased by $31.6 million or 3.5% for the year ended December 31, 2013, as compared to the corresponding period in 2012. This increase is primarily the result of (i) an increase of $25.9 million related to lease-up and rent commencements and (ii) an increase of $8.2 million in other property and ancillary income, partially offset by, (iii) the negative impact from changes in foreign currency exchange rates of $2.5 million.

Effects of Inflation

Many of the Company's leases contain provisions designed to mitigate the adverse impact of inflation. Such provisions include clauses enabling the Company to receive payment of additional rent calculated as a percentage of tenants' gross sales above pre-determined thresholds, which generally increase as prices rise, and/or escalation clauses, which generally increase rental rates during the terms of the leases. Such escalation clauses often include increases based upon changes in the consumer price index or similar inflation indices. In addition, many of the Company's leases are for terms of less than 10 years, which permits the Company to seek to increase rents to market rates upon renewal. Most of the Company's leases require the tenant to pay an allocable share of operating expenses, including common area maintenance costs, real estate taxes and insurance, thereby reducing the Company's exposure to increases in costs and operating expenses resulting from inflation. The Company periodically evaluates its exposure to short-term interest rates and foreign currency exchange rates and will, from time-to-time, enter into interest rate protection agreements and/or foreign currency hedge agreements which mitigate, but do not eliminate, the effect of changes in interest rates on its floating-rate debt and fluctuations in foreign currency exchange rates.

New Accounting Pronouncements

See Footnote 1 of the Company’s Consolidated Financial Statements included in this Form 10-K.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

The Company's primary market risk exposures are interest rate risk and fluctuations in foreign currency exchange rate risk. The following table presents the Company's aggregate fixed rate and variable rate domestic and foreign debt obligations outstanding as of December 31, 2013, with corresponding weighted-average interest rates sorted by maturity date. The table does not include extension options where available. Amounts include fair value purchase price allocation adjustments for assumed debt. The information is presented in U.S. dollar equivalents, which is the Company's reporting currency. The instruments' actual cash flows are denominated in U.S. dollars, Canadian dollars (CAD), Mexican pesos (MXN) and Chilean Pesos (CLP) as indicated by geographic description ($USD equivalent in millions).

	2014	2015	2016	2017	2018	Thereafter	Total	Fair Value
U.S. Dollar Denominated Secured Debt								
Fixed Rate	$125.2	$167.1	$292.3	$179.6	$37.4	$ 163.3	$964.9	$1,008.2
Average Interest Rate	6.97 %	5.27 %	6.50 %	6.13 %	4.88 %	5.18 %	6.00 %	
Variable Rate	$-	$6.0	$-	$2.0	$20.9	$ -	$28.9	$28.3
Average Interest Rate	-	0.14 %	-	4.00 %	3.02 %	-	2.49 %	
Unsecured Debt								
Fixed Rate	$294.7	$350.0	$300.0	$290.9	$300.0	$ 650.0	$2,185.6	$2,318.4
Average Interest Rate	5.20 %	5.29 %	5.78 %	5.70 %	4.30 %	4.86 %	6.88 %	
Variable Rate	$400.0	$185.1	$-	$-	$-	$ -	$585.1	$576.9
Average Interest Rate	1.22 %	1.22 %	-	-	-	-	1.22 %	
CAD Denominated Unsecured Debt								
Fixed Rate	$-	$-	$-	$-	$141.2	$ 188.2	$329.4	$348.6
Average Interest Rate	-	-	-	-	5.99 %	3.86 %	4.77 %	
Variable Rate	$-	$9.4	$-	$-	$-	$ -	$9.4	$9.3
Average Interest Rate	-	2.27 %	-	-	-	-	2.27 %	
MXN Denominated Unsecured Debt								
Variable Rate	$-	$-	$-	$-	$76.5	$ -	$76.5	$80.4
Average Interest Rate	-	-	-	-	5.15 %	-	5.15 %	
CLP Denominated Secured Debt								
Variable Rate	$-	$-	$-	$-	$-	$ 41.6	$41.6	$47.4
Average Interest Rate	-	-	-	-	-	5.68 %	5.68 %	

Based on the Company's variable-rate debt balances, interest expense would have increased by $7.4 million in 2013 if short-term interest rates were 1.0% higher.

The following table presents the Company's foreign investments and respective cumulative translation adjustment ("CTA") as of December 31, 2013. Investment amounts are shown in their respective local currencies and the U.S. dollar equivalents and CTA balances are shown in US dollars:

Foreign Investment (in millions)

Country	**Local Currency**	**US Dollars**	**CTA Gain/(Loss)**
Mexican real estate investments (MXN)	4,775.6	$ 365.0	$ (106.8)
Canadian real estate joint venture investments (CAD)	420.4	$ 395.8	$ 23.7
Chilean real estate investments (CLP)	33,178.3	$ 63.3	$ (8.0)
Peruvian real estate investments (Peruvian Nuevo Sol)	15.6	$ 5.6	$ 0.1

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

CTA results from currency fluctuations between local currency and the U.S. dollar during the period in which the Company held its investment and is recorded as a component of AOCI on the Company's Consolidated Balance Sheets. The CTA amounts are subject to future changes resulting from ongoing fluctuations in the respective foreign currency exchange rates. Changes in exchange rates are impacted by many factors that cannot be forecasted with reliable accuracy. Any change could have a favorable or unfavorable impact on the Company's CTA balance. Based on the Company's foreign investment balances at December 31, 2013, a favorable overall exchange rate fluctuation of 10% would decrease the aggregate CTA net loss balance by approximately $92.2 million, whereas, an unfavorable overall exchange rate fluctuation of 10% would increase the aggregate CTA net loss balance by approximately $75.4 million.

Under U.S. GAAP, the Company is required to release CTA balances into earnings when the Company has substantially liquidated its investment in a foreign entity. During 2013, the Company began selling properties within its Latin American portfolio and the Company may, in the near term, substantially liquidate all of its investments in this portfolio which will require the then unrealized loss on foreign currency translation to be recognized as a charge against earnings. At December 31, 2013, the aggregate CTA net loss balance relating to the Company's Latin American portfolio is $114.7 million. Based on the Company's foreign investment balances in Latin Americas at December 31, 2013, a favorable overall exchange rate fluctuation of 10% would decrease the aggregate CTA net loss balance by approximately $48.2 million, whereas, an unfavorable overall exchange rate fluctuation of 10% would increase the aggregate CTA net loss balance by approximately $39.4 million.

Item 8. Financial Statements and Supplementary Data

The response to this Item 8 is included in our audited Notes to Consolidated Financial Statements, which are contained in Part IV Item 15 of this 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 evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this report. Based on such evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, the Company's disclosure controls and procedures are effective.

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 13a-15(f) and 15d-15(f) under the Exchange Act) during the fourth fiscal quarter ended December 31, 2013, to which this report relates, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

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 term is defined in Exchange Act Rule 13a-15(f) and 15d-15(f). Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in the *Internal Control - Integrated Framework* (*1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our evaluation under the framework in *Internal Control-Integrated Framework (1992)*, our management concluded that our internal control over financial reporting was effective as of December 31, 2013.

The effectiveness of our internal control over financial reporting as of December 31, 2013, has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which is included herein.

Item 9B. Other Information

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this item is incorporated by reference to "Proposal 1—Election of Directors," "Corporate Governance," "Committees of the Board of Directors" and "Section 16(a) Beneficial Ownership Reporting Compliance" in our Proxy Statement.

We have adopted a Code of Ethics that applies to all employees. The Code of Ethics is available at the Investors/Governance/Governance Documents section of our website at www.kimcorealty.com. A copy of the Code of Ethics is available in print, free of charge, to stockholders upon request to us at the address set forth in Item 1 of this Annual Report on Form 10-K under the section "Business - Background." We intend to satisfy the disclosure requirements under the Securities and Exchange Act of 1934, as amended, regarding an amendment to or waiver from a provision of our Code of Ethics by posting such information on our web site.

Item 11. Executive Compensation

The information required by this item is incorporated by reference to “Compensation Discussion and Analysis,” “Executive Compensation Committee Report,” “Compensation Tables” and “Compensation of Directors” in our Proxy Statement.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this item is incorporated by reference to “Security Ownership of Certain Beneficial Owners and Management” and “Compensation Tables” in our Proxy Statement.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this item is incorporated by reference to “Certain Relationships and Related Transactions” and “Corporate Governance” in our Proxy Statement.

Item 14. Principal Accounting Fees and Services

The information required by this item is incorporated by reference to “Independent Registered Public Accountants” in our Proxy Statement.

PART IV

Item 15. Exhibits, Financial Statement Schedules

INDEX TO EXHIBITS

Exhibit Number	Exhibit Description	Incorporated by Reference Form	File No.	Date of Filing	Exhibit Number	Filed Herewith	Page Number
3.1(a)	Articles of Restatement of the Company, dated January 14, 2011	10-K	1-10899	02/28/11	3.1(a)		
3.1(b)	Articles Supplementary of the Company dated November 8, 2010	10-K	1-10899	02/28/11	3.1(b)		
3.2(a)	Amended and Restated By-laws of the Company, dated February 25, 2009	10-K	1-10899	02/27/09	3.2		
3.2(b)	Articles Supplementary of Kimco Realty Corporation, dated March 12, 2012	8-A12B	1-10899	03/13/12	3.2		
3.2(c)	Articles Supplementary of Kimco Realty Corporation, dated July 17, 2012	8-A12B	1-10899	07/18/12	3.2		
3.2(d)	Articles Supplementary of Kimco Realty Corporation, dated November 30, 2012	8-A12B	1-10899	12/03/12	3.2		
4.1	Agreement of the Company pursuant to Item 601(b)(4)(iii)(A) of Regulation S-K	S-11	333-42588	09/11/91	4.1		
4.2	Form of Certificate of Designations for the Preferred Stock	S-3	333-67552	09/10/93	4(d)		
4.3	Indenture dated September 1, 1993, between Kimco Realty Corporation and Bank of New York (as successor to IBJ Schroder Bank and Trust Company)	S-3	333-67552	09/10/93	4(a)		
4.4	First Supplemental Indenture, dated as of August 4, 1994	10-K	1-10899	03/28/96	4.6		
4.5	Second Supplemental Indenture, dated as of April 7, 1995	8-K	1-10899	04/07/95	4(a)		
4.6	Indenture dated April 1, 2005, between Kimco North Trust III, Kimco Realty Corporation, as guarantor and BNY Trust Company of Canada, as trustee	8-K	1-10899	04/25/05	4.1		
4.7	Third Supplemental Indenture, dated as of June 2, 2006, between Kimco Realty Corporation, as issuer and The Bank of New York, as trustee	8-K	1-10899	06/05/06	4.1		
4.8	Fifth Supplemental Indenture, dated as of October 31, 2006, among Kimco Realty Corporation, Pan Pacific Retail Properties, Inc. and Bank of New York Trust Company, N.A., as trustee	8-K	1-10899	11/03/06	4.1		
4.9	First Supplemental Indenture, dated as of October 31, 2006, among Kimco Realty Corporation, Pan Pacific Retail Properties, Inc. and Bank of New York Trust Company, N.A., as trustee	8-K	1-10899	11/03/06	4.2		
4.10		10-K	1-10899	02/28/07	4.12		

	First Supplemental Indenture, dated as of June 2, 2006, among Kimco North Trust III, Kimco Realty Corporation, as guarantor and BNY Trust Company of Canada, as trustee				
4.11	Second Supplemental Indenture, dated as of August 16, 2006, among Kimco North Trust III, Kimco Realty Corporation, as guarantor and BNY Trust Company of Canada, as trustee	10-K	1-10899	02/28/07	4.13
4.12	Fifth Supplemental Indenture, dated September 24, 2009, between Kimco Realty Corporation and The Bank of New York Mellon, as trustee	8-K	1-10899	09/24/09	4.1
4.13	Sixth Supplemental Indenture, dated May 23, 2013, between Kimco Realty Corporation and The Bank of New York Mellon, as trustee	8-K	1-10899	05/23/13	4.1
10.1	Amended and Restated Stock Option Plan	10-K	1-10899	03/28/95	10.3
10.2	Second Amended and Restated 1998 Equity Participation Plan of Kimco Realty Corporation (restated February 25, 2009)	10-K	1-10899	02/27/09	10.9
10.3	Form of Indemnification Agreement	10-K	1-10899	02/27/09	10.16

Exhibit Number	Exhibit Description	Incorporated by Reference Form	File No.	Date of Filing	Exhibit Number	Filed Herewith	Page Number
10.4	Agency Agreement, dated July 17, 2013, by and among Kimco North Trust III, Kimco Realty Corporation and Scotia Capital Inc., RBC Dominion Securities Inc., CIBC World Markets Inc. and National Bank Financial Inc.	10-Q	1-10899	08/02/13	99.1		
10.5	Fourth Supplemental Indenture, dated July 22, 2013, among Kimco North Trust III, Kimco Realty Corporation, as guarantor and BNY Trust Company of Canada, as trustee	10-Q	1-10899	08/02/13	99.2		
10.6	1 billion MXN Credit Agreement, dated as of March 3, 2008, among KRC Mexico Acquisition, LLC, as borrower, Kimco Realty Corporation, as guarantor and each of the parties named therein	10-K/A	1-10899	08/17/10	10.18		
10.7	Kimco Realty Corporation Executive Severance Plan, dated March 15, 2010	8-K	1-10899	03/19/10	10.5		
10.8	Kimco Realty Corporation 2010 Equity Participation Plan	8-K	1-10899	03/19/10	10.7		
10.9	Form of Performance Share Award Grant Notice and Performance Share Award Agreement	8-K	1-10899	03/19/10	10.8		
10.10	Underwriting Agreement, dated April 6, 2010, by and among Kimco Realty Corporation, Kimco North Trust III, and each of the parties named therein	10-Q	1-10899	05/07/10	99.1		
10.11	Third Supplemental Indenture, dated as of April 13, 2010, among Kimco Realty Corporation, as guarantor, Kimco North Trust III, as issuer and BNY Trust Company of Canada, as trustee	10-Q	1-10899	05/07/10	99.2		
10.12	Credit Agreement, dated as of April 17, 2009, among Kimco Realty Corporation and each of the parties named therein	10-K/A	1-10899	08/17/10	10.19		
10.13	Underwriting Agreement, dated August 23, 2010, by and among Kimco Realty Corporation and each of the parties named therein	8-K	1-10899	08/24/10	1.1		
10.14	$1.75 Billion Credit Agreement, dated as of October 27, 2011, among Kimco Realty Corporation and each of the parties named therein	8-K	1-10899	11/2/11	10.1		
10.15	Agreement and General Release between Kimco Realty Corporation and Barbara Pooley, dated January 18, 2012	8-K	1-10899	1/19/12	10.1		
10.16	$400 Million Credit Agreement, dated as of April 17, 2012, among Kimco Realty Corporation as borrower and each of the parties named therein	8-K	1-10899	4/20/12	10.1		
10.17	First Amendment to the Kimco Realty Corporation Executive Severance Plan, dated as of March 20, 2012	10-Q	1-10899	5/10/12	10.3		

10.18	$147.5 Million Credit Agreement, dated as of June 28, 2012, by and among InTown Hospitality Corp. as borrower, Kimco Realty Corporation as guarantor, and each of the parties named therein	8-K	1-10899	7/03/12	10.1		
10.19	Kimco Realty Corporation 2010 Equity Participation Plan	S-8	333-184776	11/06/12	99.1		
10.20	First Amendment to Credit Agreement, dated as of June 3, 2013, among Kimco Realty Corporation, a Maryland corporation, the subsidiaries of Kimco party thereto, the lenders party thereto, and JPMorgan Chase Bank, N.A., as administrative agent	8-K	1-10899	6/07/13	10.1		
12.1	Computation of Ratio of Earnings to Fixed Charges	—	—	—	—	X	104
12.2	Computation of Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends	—	—	—	—	X	105
21.1	Significant Subsidiaries of the Company	—	—	—	—	X	106
23.1	Consent of PricewaterhouseCoopers LLP	—	—	—	—	X	107
31.1	Certification of the Company's Chief Executive Officer, David B. Henry, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	—	—	—	—	X	108
31.2	Certification of the Company's Chief Financial Officer, Glenn G. Cohen, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	—	—	—	—	X	109
32.1	Certification of the Company's Chief Executive Officer, David B. Henry, and the Company's Chief Financial Officer, Glenn G. Cohen, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	—	—	—	—	X	110
99.1	Property Chart	—	—	—	—	X	111
101.INS	XBRL Instance Document	—	—	—	—	X	
101.SCH	XBRL Taxonomy Extension Schema	—	—	—	—	X	
101.CAL	XBRL Taxonomy Extension Calculation Linkbase	—	—	—	—	X	
101.DEF	XBRL Taxonomy Extension Definition Linkbase	—	—	—	—	X	
101.LAB	XBRL Taxonomy Extension Label Linkbase	—	—	—	—	X	
101.PRE	XBRL Taxonomy Extension Presentation Linkbase	—	—	—	—	X	

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

KIMCO REALTY CORPORATION

By: /s/ David B. Henry

David B. Henry

Chief Executive Officer

Dated: February 26, 2014

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Milton Cooper Milton Cooper	Executive Chairman of the Board of Directors	February 26, 2014
/s/ David B. Henry David B. Henry	Chief Executive Officer and Vice Chairman of the Board of Directors	February 26, 2014
/s/ Richard G. Dooley Richard G. Dooley	Director	February 26, 2014
/s/ Joe Grills Joe Grills	Director	February 26, 2014

/s/ F. Patrick Hughes F. Patrick Hughes	Director	February 26, 2014
/s/ Frank Lourenso Frank Lourenso	Director	February 26, 2014
/s/ Richard Saltzman Richard Saltzman	Director	February 26, 2014
/s/ Philip Coviello Philip Coviello	Director	February 26, 2014
/s/ Colombe Nicholas Colombe Nicholas	Director	February 26, 2014
/s/ Conor Flynn Conor Flynn	Executive Vice President - Chief Operating Officer	February 26, 2014
/s/ Glenn G. Cohen Glenn G. Cohen	Executive Vice President - Chief Financial Officer and Treasurer	February 26, 2014
/s/ Paul Westbrook Paul Westbrook	Vice President - Chief Accounting Officer	February 26, 2014

ANNUAL REPORT ON FORM 10-K

ITEM 8, ITEM 15 (a) (1) and (2)

INDEX TO FINANCIAL STATEMENTS

AND

FINANCIAL STATEMENT SCHEDULES

Report of Independent Registered Public Accounting Firm

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

In our opinion, the consolidated financial statements listed in the index appearing under Item 15(a)(1) present fairly, in all material respects, the financial position of Kimco Realty Corporation and its subsidiaries (the "Company") at December 31, 2013 and 2012, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2013 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedules listed in the index appearing under Item 15(a)(2) present fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2013, based on criteria established in *Internal Control - Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements and financial statement schedules, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on these financial statements, on the financial statement schedules, and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP

New York, New York

February 26, 2014

KIMCO REALTY CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(in thousands, except share information)

	December 31, 2013	**December 31, 2012**
Assets:		
Real Estate		
Rental property		
Land	$2,072,099	$2,024,300
Building and improvements	6,953,427	6,825,724
	9,025,526	8,850,024
Less: accumulated depreciation and amortization	(1,878,681)	(1,745,462)
	7,146,845	7,104,562
Real estate under development	97,818	97,263
Real estate, net	7,244,663	7,201,825
Investments and advances in real estate joint ventures	1,257,010	1,428,155
Other real estate investments	274,641	317,557
Mortgages and other financing receivables	30,243	70,704
Cash and cash equivalents	148,768	141,875
Marketable securities	62,766	36,541
Accounts and notes receivable	164,326	171,540
Deferred charges and prepaid expenses	175,698	171,373
Other assets	305,515	211,664
Total assets	$9,663,630	$9,751,234
Liabilities:		
Notes payable	$3,186,047	$3,192,127
Mortgages payable	1,035,354	1,003,190
Accounts payable and accrued expenses	124,290	111,881
Dividends payable	104,496	96,518
Other liabilities	357,764	333,962
Total liabilities	4,807,951	4,737,678
Redeemable noncontrolling interests	86,153	81,076
Commitments and Contingencies		
Stockholders' equity:		
Preferred stock, $1.00 par value, authorized 5,961,200 shares 102,000 shares issued and outstanding (in series), Aggregate liquidation preference $975,000	102	102
Common stock, $.01 par value, authorized 750,000,000 shares issued and outstanding 409,731,058 and 407,782,102 shares, respectively	4,097	4,078

Paid-in capital	5,689,258	5,651,170
Cumulative distributions in excess of net income	(996,058)	(824,008)
Accumulated other comprehensive income	(64,982)	(66,182)
Total stockholders' equity	4,632,417	4,765,160
Noncontrolling interests	137,109	167,320
Total equity	4,769,526	4,932,480
Total liabilities and equity	$9,663,630	$9,751,234

The accompanying notes are an integral part of these consolidated financial statements

KIMCO REALTY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(in thousands, except share information)

	Year Ended December 31,		
	2013	**2012**	**2011**
Revenues			
Revenues from rental properties	$910,356	$836,881	$779,156
Management and other fee income	36,317	37,522	35,321
Total revenues	946,673	874,403	814,477
Operating expenses			
Rent	13,347	12,745	13,847
Real estate taxes	117,563	110,747	104,451
Operating and maintenance	115,151	107,204	102,538
General and administrative expenses	127,913	123,925	118,559
Provision for doubtful accounts	8,256	6,022	5,965
Impairment charges	91,404	10,289	13,077
Depreciation and amortization	247,537	236,923	218,260
Total operating expenses	721,171	607,855	576,697
Operating income	225,502	266,548	237,780
Other income/(expense)			
Mortgage financing income	4,304	7,504	7,273
Interest, dividends and other investment income	16,999	2,041	15,796
Other expense, net	(533)	(7,687)	(4,010)
Interest expense	(213,911)	(225,710)	(221,678)
Income from other real estate investments	2,306	2,451	4,121
Gain on sale of development properties	-	-	12,074
Income from continuing operations before income taxes, equity in income of joint ventures, gain on change in control of interests and equity in income from other real estate investments	34,667	45,147	51,356
Provision for income taxes, net	(34,520)	(16,922)	(25,789)
Equity in income of joint ventures, net	208,689	112,896	63,467
Gain on change in control of interests, net	21,711	15,555	569
Equity in income of other real estate investments, net	31,136	53,397	51,813
Income from continuing operations	261,683	210,073	141,416
Discontinued operations			

Income from discontinued operating properties, net of tax	18,224	21,082	40,582
Impairment/loss on operating properties sold, net of tax	(83,900)	(38,432)	(17,343)
Gain on disposition of operating properties, net of tax	43,914	83,253	17,327
(Loss)/income from discontinued operations	(21,762)	65,903	40,566
Gain on sale of operating properties, net of tax	1,432	4,299	108
Net income	241,353	280,275	182,090
Net income attributable to noncontrolling interests	(5,072)	(14,202)	(13,039)
Net income attributable to the Company	236,281	266,073	169,051
Preferred stock redemption costs	-	(21,703)	-
Preferred dividends	(58,294)	(71,697)	(59,363)
Net income available to the Company's common shareholders	$177,987	$172,673	$109,688
Per common share:			
Income from continuing operations:			
-Basic	$0.47	$0.27	$0.18
-Diluted	$0.47	$0.27	$0.18
Net income attributable to the Company:			
-Basic	$0.43	$0.42	$0.27
-Diluted	$0.43	$0.42	$0.27
Weighted average shares:			
-Basic	407,631	405,997	406,530
-Diluted	408,614	406,689	407,669
Amounts attributable to the Company's common shareholders:			
Income from continuing operations	$191,448	$109,903	$71,921
Income/(loss) from discontinued operations	(13,461)	62,770	37,767
Net income	$177,987	$172,673	$109,688

The accompanying notes are an integral part of these consolidated financial statements

KIMCO REALTY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in thousands)

	Year Ended December 31,		
	2013	**2012**	**2011**
Net income	$241,353	$280,275	$182,090
Other comprehensive income:			
Change in unrealized gain/(loss) on marketable securities	6,773	3,013	(4,065)
Change in unrealized gain on interest rate swaps	-	450	549
Change in foreign currency translation adjustment, net	(4,208)	43,515	(82,228)
Other comprehensive income/(loss)	2,565	46,978	(85,744)
Comprehensive income	243,918	327,253	96,346
Comprehensive income attributable to noncontrolling interests	(6,436)	(19,702)	(11,102)
Comprehensive income attributable to the Company	$237,482	$307,551	$85,244

The accompanying notes are an integral part of these consolidated financial statements.

KIMCO REALTY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the Years Ended December 31, 2013, 2012 and 2011

(in thousands)

	Cumulative Distributions in Excess of **Net Income**	**Accumulated** Other Comprehensive **Income**	**Preferred Stock** **Issued**	**Preferred Stock** **Amount**	**Common Stock** **Issued**	**Common Stock** **Amount**	**Paid-in** **Capital**	**Total** Stockholders' **Equity**	**Noncontrolling** **Interests**	**Total** **Equity**
Balance, January 1, 2011	$(515,164)	$(23,853)	954	$954	406,424	$4,064	$5,469,841	$4,935,842	$225,444	$5,161,28
Contributions from noncontrolling interests	-	-	-	-	-	-	-	-	1,045	1,045
Comprehensive income:										
Net income attributable to the Company	169,051	-	-	-	-	-	-	169,051	13,039	182,090
Other comprehensive income, net of tax:										
Change in unrealized loss on marketable securities	-	(4,065)	-	-	-	-	-	(4,065)	-	(4,065
Change in unrealized gain on interest rate swaps	-	549	-	-	-	-	-	549	-	549
Change in foreign currency translation adjustment	-	(80,291)	-	-	-	-	-	(80,291)	(1,937)	(82,228

Redeemable noncontrolling interests	-	-	-	-	-	-	-	-	(6,370)	(6,370
Dividends ($0.73 per Common Share; $1.6625 per Class F Depositary Share, $1.9375 per Class G Depositary Share and $1.7250 per Class H Depositary Share, respectively)	(356,886)	-	-	-	-	-	-	(356,886)	-	(356,886
Distributions to noncontrolling interests	-	-	-	-	-	-	-	-	(13,827)	(13,827
Issuance of common stock	-	-	-	-	438	5	4,936	4,941	-	4,941
Surrender of common stock	-	-	-	-	(34)	(2)	(579)	(581)	-	(581
Repurchase of common stock	-	-	-	-	(334)	(2)	(6,001)	(6,003)	-	(6,003
Exercise of common stock options	-	-	-	-	444	4	6,533	6,537	-	6,537
Acquisition of noncontrolling interests	-	-	-	-	-	-	4,452	4,452	(23,637)	(19,185
Amortization of equity awards	-	-	-	-	-	-	12,840	12,840	-	12,840
Balance, December 31, 2011	(702,999)	(107,660)	954	954	406,938	4,069	5,492,022	4,686,386	193,757	4,880,14
Contributions from noncontrolling interests	-	-	-	-	-	-	-	-	1,384	1,384
Comprehensive income:										
	266,073	-	-	-	-	-	-	266,073	14,202	280,275

Net income attributable to the Company										
Other comprehensive income, net of tax:										
Change in unrealized gain on marketable securities	-	3,013	-	-	-	-	-	3,013	-	3,013
Change in unrealized gain on interest rate swaps	-	450	-	-	-	-	-	450	-	450
Change in foreign currency translation adjustment	-	38,015	-	-	-	-	-	38,015	5,500	43,515
Redeemable noncontrolling interests	-	-	-	-	-	-	-	-	(6,337)	(6,337
Dividends ($0.78 per common share; $1.0344 per Class F Depositary Share, $1.5016 per Class G Depositary Share, $1.725 per Class H Depositary Share, $1.1708 per Class I Depositary Share, $0.5958 per Class J Depositary Share, and $0.0938 per Class K Depositary Share,	(387,082)	-	-	-	-	-	-	(387,082)	-	(387,082

respectively)										
Distributions to noncontrolling interests	-	-	-	-	-	-	-	-	(15,328)	(15,328
Issuance of common stock	-	-	-	-	1,096	11	18,104	18,115	-	18,115
Issuance of preferred stock	-	-	32	32	-	-	774,125	774,157	-	774,157
Surrender of common stock	-	-	-	-	(111)	(1)	(2,072)	(2,073)	-	(2,073
Repurchase of common stock	-	-	-	-	(1,636)	(16)	(30,931)	(30,947)	-	(30,947
Exercise of common stock options	-	-	-	-	1,495	15	22,576	22,591	-	22,591
Acquisition of noncontrolling interests	-	-	-	-	-	-	(95)	(95)	(25,858)	(25,953
Amortization of equity awards	-	-	-	-	-	-	11,557	11,557	-	11,557
Redemption of preferred stock	-	-	(884)	(884)	-	-	(634,116)	(635,000)	-	(635,000
Balance, December 31, 2012	(824,008)	(66,182)	102	102	407,782	4,078	5,651,170	4,765,160	167,320	4,932,48
Contributions from noncontrolling interests	-	-	-	-	-	-	-	-	1,026	1,026
Comprehensive income:										
Net income attributable to the Company	236,281	-	-	-	-	-	-	236,281	5,072	241,353
Other comprehensive income, net of tax:										
Change in unrealized gain on marketable securities	-	6,773	-	-	-	-	-	6,773	-	6,773
Change in foreign currency translation adjustment	-	(5,573)	-	-	-	-	-	(5,573)	1,365	(4,208

Redeemable noncontrolling interests	-	-	-	-	-	-	-	-	(6,892)	(6,892
Dividends ($0.855 per common share; $1.725 per Class H Depositary Share, $1.5000 per Class I Depositary Share, $1.3750 per Class J Depositary Share and $1.40625 per Class K Depositary Share, respectively)	(408,331)	-	-	-	-	-	-	(408,331)	-	(408,331
Distributions to noncontrolling interests	-	-	-	-	-	-	-	-	(10,686)	(10,686
Issuance of common stock	-	-	-	-	560	5	9,208	9,213	-	9,213
Surrender of restricted stock	-	-	-	-	(247)	(2)	(3,889)	(3,891)	-	(3,891
Exercise of common stock options	-	-	-	-	1,636	16	30,193	30,209	-	30,209
Acquisition of noncontrolling interests	-	-	-	-	-	-	(8,894)	(8,894)	(20,096)	(28,990
Amortization of equity awards	-	-	-	-	-	-	11,470	11,470	-	11,470
Balance, December 31, 2013	$(996,058)	$(64,982)	102	$102	409,731	$4,097	$5,689,258	$4,632,417	$137,109	$4,769,52

The accompanying notes are an integral part of these consolidated financial statements.

KIMCO REALTY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2013, 2012 and 2011

(in thousands)

	Year Ended December 31,		
	2013	2012	2011
Cash flow from operating activities:			
Net income	$241,353	$280,275	$182,090
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	257,855	262,742	251,139
Impairment charges	190,218	59,569	32,763
Gain on sale of development properties	-	-	(12,074)
Gain on sale of operating properties	(51,529)	(94,369)	(17,435)
Equity in income of joint ventures, net	(208,689)	(112,896)	(63,467)
Gain on change in control of interests, net	(21,711)	(15,555)	(569)
Equity in income from other real estate investments, net	(31,136)	(53,397)	(51,813)
Distributions from joint ventures and other real estate investments	258,050	194,110	163,048
Change in accounts and notes receivable	7,213	2,940	(19,271)
Change in accounts payable and accrued expenses	10,166	(11,281)	(8,082)
Change in other operating assets and liabilities	(81,755)	(33,084)	(7,716)
Net cash flow provided by operating activities	570,035	479,054	448,613
Cash flow from investing activities:			
Acquisition of operating real estate	(354,287)	(442,541)	(268,282)
Improvements to operating real estate	(107,277)	(109,928)	(75,017)
Improvements to real estate under development	(591)	(2,487)	(37,896)
Investment in marketable securities	(33,588)	-	-
Proceeds from sale/repayments of marketable securities	26,406	156	188,003
Investments and advances to real estate joint ventures	(296,550)	(219,885)	(171,695)
Reimbursements of investments and advances to real estate joint ventures	440,161	187,856	63,529
Investment in other real estate investments	(23,566)	(5,638)	(6,958)
Reimbursements of investments and advances to other real estate investments	30,151	33,720	68,881
Investment in mortgage loans receivable	(11,469)	(16,021)	-
Collection of mortgage loans receivable	29,192	63,600	19,148
Investment in other investments	(21,366)	(924)	(730)
Reimbursements of other investments	9,175	11,553	20,116
Proceeds from sale of operating properties	385,844	449,539	135,646
Proceeds from sale of development properties	-	-	44,495
Net cash flow provided by/(used for) investing activities	72,235	(51,000)	(20,760)

Cash flow from financing activities:			
Principal payments on debt, excluding normal amortization of rental property debt	(256,346)	(284,815)	(62,470)
Principal payments on rental property debt	(23,804)	(23,130)	(22,720)
Principal payments on construction loan financings	-	(2,177)	(3,428)
Proceeds from mortgage/construction loan financings	35,974	14,776	20,346
(Repayments)/Proceeds under unsecured revolving credit facility, net	(57,775)	8,559	112,137
Proceeds from issuance of unsecured term loan/notes	621,562	400,000	-
Repayments under unsecured term loan/notes	(546,717)	(215,900)	(92,600)
Financing origination costs	(8,041)	(2,138)	(11,478)
Redemption of noncontrolling interests	(30,086)	(42,315)	(26,682)
Dividends paid	(400,354)	(382,722)	(353,764)
Proceeds from issuance of stock	30,210	796,748	6,537
Redemption of preferred stock	-	(635,000)	-
Repurchase of common stock	-	(30,947)	(6,003)
Net cash flow used for financing activities	(635,377)	(399,061)	(440,125)
Change in cash and cash equivalents	6,893	28,993	(12,272)
Cash and cash equivalents, beginning of year	141,875	112,882	125,154
Cash and cash equivalents, end of year	$148,768	$141,875	$112,882
Interest paid during the year (net of capitalized interest of $1,263, $1,538 and $7,086, respectively)	$216,258	$226,775	$220,270
Income taxes paid during the year	$33,838	$2,122	$2,606

The accompanying notes are an integral part of these consolidated financial statements

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KIMCO REALTY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Amounts relating to the number of buildings, square footage, tenant and occupancy data, joint venture debt average interest rates and terms and estimated project costs are unaudited.

1. Summary of Significant Accounting Policies:

Business

Kimco Realty Corporation and subsidiaries (the "Company" or "Kimco"), affiliates and related real estate joint ventures are engaged principally in the operation of neighborhood and community shopping centers which are anchored generally by discount department stores, supermarkets or drugstores. The Company also provides property management services for shopping centers owned by affiliated entities, various real estate joint ventures and unaffiliated third parties.

Additionally, in connection with the Tax Relief Extension Act of 1999 (the "RMA"), which became effective January 1, 2001, the Company is permitted to participate in activities which it was precluded from previously in order to maintain its qualification as a Real Estate Investment Trust ("REIT"), so long as these activities are conducted in entities which elect to be treated as taxable subsidiaries under the Internal Revenue Code, as amended (the "Code"), subject to certain limitations. As such, the Company, through its wholly-owned taxable REIT subsidiaries (“TRS”), has been engaged in various retail real estate related opportunities including (i) ground-up development of neighborhood and community shopping centers and the subsequent sale thereof upon completion and (ii) retail real estate management and disposition services which primarily focuses on leasing and disposition strategies of retail real estate controlled by both healthy and distressed and/or bankrupt retailers. The Company may consider other investments through its TRS should suitable opportunities arise.

The Company seeks to reduce its operating and leasing risks through diversification achieved by the geographic distribution of its properties, avoiding dependence on any single property and a large tenant base. At December 31, 2013, the Company's single largest neighborhood and community shopping center accounted for only 1.7% of the Company's annualized base rental revenues and only 1.3% of the Company’s total shopping center gross leasable area ("GLA"), including the proportionate share of base rental revenues from properties in which the Company has less than a 100% economic interest. At December 31, 2013, the Company’s five largest tenants were TJX Companies, The

Home Depot, Wal-Mart, Bed Bath & Beyond, and Kohl’s which represented 3.0%, 2.8%, 2.3%, 1.8% and 1.7%, respectively, of the Company’s annualized base rental revenues, including the proportionate share of base rental revenues from properties in which the Company has less than a 100% economic interest.

The principal business of the Company and its consolidated subsidiaries is the ownership, management, development and operation of retail shopping centers, including complementary services that capitalize on the Company’s established retail real estate expertise. The Company evaluates performance on a property specific or transactional basis and does not distinguish its principal business or group its operations on a geographical basis for purposes of measuring performance. Accordingly, the Company believes it has a single reportable segment for disclosure purposes in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Principles of Consolidation and Estimates

The accompanying Consolidated Financial Statements include the accounts of Kimco Realty Corporation and subsidiaries (the “Company”). The Company’s subsidiaries includes subsidiaries which are wholly-owned and all entities in which the Company has a controlling interest, including where the Company has been determined to be a primary beneficiary of a variable interest entity (“VIE”) or meets certain criteria of a sole general partner or managing member in accordance with the Consolidation guidance of the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”). All inter-company balances and transactions have been eliminated in consolidation.

GAAP requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses during a reporting period. The most significant assumptions and estimates relate to the valuation of real estate and related intangible assets and liabilities, equity method investments, marketable securities and other investments, including the assessment of impairments, as well as, depreciable lives, revenue recognition, the collectability of trade accounts receivable, realizability of deferred tax assets and the assessment of uncertain tax positions. Application of these assumptions requires the exercise of judgment as to future uncertainties, and, as a result, actual results could differ from these estimates.

KIMCO REALTY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, continued

Subsequent Events

The Company has evaluated subsequent events and transactions for potential recognition or disclosure in its consolidated financial statements.

Real Estate

Real estate assets are stated at cost, less accumulated depreciation and amortization. Upon acquisition of real estate operating properties, the Company estimates the fair value of acquired tangible assets (consisting of land, building, building improvements and tenant improvements) and identified intangible assets and liabilities (consisting of above and below-market leases, in-place leases and tenant relationships, where applicable), assumed debt and redeemable units issued at the date of acquisition, based on evaluation of information and estimates available at that date. Fair value is determined based on an exit price approach, which contemplates the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. If, up to one year from the acquisition date, information regarding fair value of the assets acquired and liabilities assumed is received and estimates are refined, appropriate adjustments are made to the purchase price allocation on a retrospective basis. The Company expenses transaction costs associated with business combinations in the period incurred.

In allocating the purchase price to identified intangible assets and liabilities of an acquired property, the value of above-market and below-market leases is estimated based on the present value of the difference between the contractual amounts, including fixed rate below-market lease renewal options, to be paid pursuant to the leases and management’s estimate of the market lease rates and other lease provisions (i.e., expense recapture, base rental changes, etc.) measured over a period equal to the estimated remaining term of the lease. The capitalized above-market or below-market intangible is amortized to rental income over the estimated remaining term of the respective leases, which includes the expected renewal option period. Mortgage debt discounts or premiums are amortized into interest expense over the remaining term of the related debt instrument. Unit discounts and premiums are amortized into noncontrolling interest in income, net over the period from the date of issuance to the earliest redemption date of the units.

In determining the value of in-place leases, management considers current market conditions and costs to execute similar leases in arriving at an estimate of the carrying costs during the expected lease-up period from vacant to existing occupancy. In estimating carrying costs, management includes real estate taxes, insurance, other operating expenses, estimates of lost rental revenue during the expected lease-up periods and costs to execute similar leases including leasing commissions, legal and other related costs based on current market demand. The value assigned to in-place leases and tenant relationships is amortized over the estimated remaining term of the leases. If a lease were to be terminated prior to its scheduled expiration, all unamortized costs relating to that lease would be written off.

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

Buildings and building improvements	15 to 50 years
Fixtures, leasehold and tenant improvements (including certain identified intangible assets)	Terms of leases or useful lives, whichever is shorter

Expenditures for maintenance and repairs are charged to operations as incurred. Significant renovations and replacements, which improve or extend the life of the asset, are capitalized. The useful lives of amortizable intangible assets are evaluated each reporting period with any changes in estimated useful lives being accounted for over the revised remaining useful life.

When a real estate asset is identified by management as held-for-sale, the Company ceases depreciation of the asset and estimates the sales price, net of selling costs. If the net sales price of the asset is less than the net book value of the asset, an adjustment to the carrying value would be recorded to reflect the estimated fair value of the property.

On a continuous basis, management assesses whether there are any indicators, including property operating performance and general market conditions, that the value of the real estate properties (including any related amortizable intangible assets or liabilities) may be impaired. A property value is considered impaired only if management’s estimate of current and projected operating cash flows (undiscounted and unleveraged) of the property over its remaining useful life is less than the net carrying value of the property. Such cash flow projections consider factors such as expected future operating income, trends and prospects, as well as the effects of demand, competition and other factors. To the extent impairment has occurred, the carrying value of the property would be adjusted to an amount to reflect the estimated fair value of the property.

KIMCO REALTY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, continued

Real Estate Under Development

Real estate under development represents both the ground-up development of neighborhood and community shopping center projects which may be subsequently sold upon completion and projects which the Company may hold as long-term investments. These properties are carried at cost. The cost of land and buildings under development includes specifically identifiable costs. The capitalized costs include pre-construction costs essential to the development of the property, development costs, construction costs, interest costs, real estate taxes, salaries and related costs of personnel directly involved and other costs incurred during the period of development. The Company ceases cost capitalization when the property is held available for occupancy upon substantial completion of tenant improvements, but no later than one year from the completion of major construction activity. If, in management's opinion, the net sales price of assets held for resale or the current and projected undiscounted cash flows of these assets to be held as long-term investments is less than the net carrying value, the carrying value would be adjusted to an amount that reflects the estimated fair value of the property.

Investments in Unconsolidated Joint Ventures

The Company accounts for its investments in unconsolidated joint ventures under the equity method of accounting as the Company exercises significant influence, but does not control these entities. These investments are recorded initially at cost and subsequently adjusted for cash contributions and distributions. Earnings for each investment are recognized in accordance with each respective investment agreement and where applicable, based upon an allocation of the investment's net assets at book value as if the investment was hypothetically liquidated at the end of each reporting period.

The Company's joint ventures and other real estate investments primarily consist of co-investments with institutional and other joint venture partners in neighborhood and community shopping center properties, consistent with its core business. These joint ventures typically obtain non-recourse third-party financing on their property investments, thus contractually limiting the Company's exposure to losses primarily to the amount of its equity investment; and due to the lender's exposure to losses, a lender typically will require a minimum level of equity in order to mitigate its risk. The Company, on a limited selective basis, has obtained unsecured financing for certain joint ventures. These unsecured financings are guaranteed by the Company with guarantees from the joint venture partners for their proportionate amounts of any guaranty payment the Company is obligated to make.

To recognize the character of distributions from equity investees the Company reviews the nature of the cash distribution to determine the proper character of cash flow distributions as either returns on investment, which would be included in operating activities or returns of investment, which would be included in investing activities.

On a continuous basis, management assesses whether there are any indicators, including the underlying investment property operating performance and general market conditions, that the value of the Company's investments in unconsolidated joint ventures may be impaired. An investment's value is impaired only if management's estimate of the fair value of the investment is less than the carrying value of the investment and such difference is deemed to be other-than-temporary. To the extent impairment has occurred, the loss shall be measured as the excess of the carrying amount of the investment over the estimated fair value of the investment.

The Company's estimated fair values are based upon a discounted cash flow model for each joint venture that includes all estimated cash inflows and outflows over a specified holding period and, where applicable, any estimated debt premiums. Capitalization rates, discount rates and credit spreads utilized in these models are based upon rates that the Company believes to be within a reasonable range of current market rates.

KIMCO REALTY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, continued

Other Real Estate Investments

Other real estate investments primarily consist of preferred equity investments for which the Company provides capital to owners and developers of real estate. The Company typically accounts for its preferred equity investments on the equity method of accounting, whereby earnings for each investment are recognized in accordance with each respective investment agreement and based upon an allocation of the investment's net assets at book value as if the investment was hypothetically liquidated at the end of each reporting period.

On a continuous basis, management assesses whether there are any indicators, including the underlying investment property operating performance and general market conditions, that the value of the Company's Other real estate investments may be impaired. An investment's value is impaired only if management's estimate of the fair value of the investment is less than the carrying value of the investment and such difference is deemed to be other-than-temporary. To the extent impairment has occurred, the loss shall be measured as the excess of the carrying amount of the investment over the estimated fair value of the investment.

The Company's estimated fair values are based upon a discounted cash flow model for each investment that includes all estimated cash inflows and outflows over a specified holding period and, where applicable, any estimated debt premiums. Capitalization rates, discount rates and credit spreads utilized in these models are based upon rates that the Company believes to be within a reasonable range of current market rates.

Mortgages and Other Financing Receivables

Mortgages and other financing receivables consist of loans acquired and loans originated by the Company. Borrowers of these loans are primarily experienced owners, operators or developers of commercial real estate. The Company's loans are primarily mortgage loans that are collateralized by real estate. Loan receivables are recorded at stated principal amounts, net of any discount or premium or deferred loan origination costs or fees. The related discounts or premiums on mortgages and other loans purchased are amortized or accreted over the life of the related loan receivable. The Company defers certain loan origination and commitment fees, net of certain origination costs and amortizes them as an adjustment of the loan's yield over the term of the related loan. The Company reviews on a quarterly basis credit quality indicators such as (i) payment status to identify performing versus non-performing loans,

(ii) changes affecting the underlying real estate collateral and (iii) national and regional economic factors.

Interest income on performing loans is accrued as earned. A non-performing loan is placed on non-accrual status when it is probable that the borrower may be unable to meet interest payments as they become due. Generally, loans 90 days or more past due are placed on non-accrual status unless there is sufficient collateral to assure collectability of principal and interest. Upon the designation of non-accrual status, all unpaid accrued interest is reserved against through current income. Interest income on non-performing loans is generally recognized on a cash basis. Recognition of interest income on non-performing loans on an accrual basis is resumed when it is probable that the Company will be able to collect amounts due according to the contractual terms.

The Company has determined that it has one portfolio segment, primarily represented by loans collateralized by real estate, whereby it determines, as needed, reserves for loan losses on an asset-specific basis. The reserve for loan losses reflects management's estimate of loan losses as of the balance sheet date. The reserve is increased through loan loss expense and is decreased by charge-offs when losses are confirmed through the receipt of assets such as cash or via ownership control of the underlying collateral in full satisfaction of the loan upon foreclosure or when significant collection efforts have ceased.

The Company considers a loan to be impaired when, based upon current information and events, it is probable that the Company will be unable to collect all amounts due under the existing contractual terms. A reserve allowance is established for an impaired loan when the estimated fair value of the underlying collateral (for collateralized loans) or the present value of expected future cash flows is lower than the carrying value of the loan. An internal valuation is performed generally using the income approach to estimate the fair value of the collateral at the time a loan is determined to be impaired. The model is updated if circumstances indicate a significant change in value has occurred. The Company does not provide for an additional allowance for loan losses based on the grouping of loans as the Company believes the characteristics of the loans are not sufficiently similar to allow an evaluation of these loans as a group for a possible loan loss allowance. As such, all of the Company’s loans are evaluated individually for impairment purposes.

KIMCO REALTY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, continued

Cash and Cash Equivalents

Cash and cash equivalents (demand deposits in banks, commercial paper and certificates of deposit with original maturities of three months or less). Cash and cash equivalent balances may, at a limited number of banks and financial institutions, exceed insurable amounts. The Company believes it mitigates risk by investing in or through major financial institutions and primarily in funds that are currently U.S. federal government insured. Recoverability of investments is dependent upon the performance of the issuers.

Marketable Securities

The Company classifies its marketable equity securities as available-for-sale in accordance with the FASB's Investments-Debt and Equity Securities guidance. These securities are carried at fair market value with unrealized gains and losses reported in stockholders' equity as a component of Accumulated other comprehensive income ("AOCI"). Gains or losses on securities sold are based on the specific identification method.

All debt securities are generally classified as held-to-maturity because the Company has the positive intent and ability to hold the securities to maturity. It is more likely than not that the Company will not be required to sell the debt security before its anticipated recovery and the Company expects to recover the security's entire amortized cost basis even if the entity does not intend to sell. Held-to-maturity securities are stated at amortized cost, adjusted for amortization of premiums and accretion of discounts to maturity. Debt securities which contain conversion features generally are classified as available-for-sale.

On a continuous basis, management assesses whether there are any indicators that the value of the Company's marketable securities may be impaired, which includes reviewing the underlying cause of any decline in value and the estimated recovery period, as well as the severity and duration of the decline. In the Company's evaluation, the Company considers its ability and intent to hold these investments for a reasonable period of time sufficient for the Company to recover its cost basis. A marketable security is impaired if the fair value of the security is less than the carrying value of the security and such difference is deemed to be other-than-temporary. To the extent impairment has occurred, the loss shall be measured as the excess of the carrying amount of the security over the estimated fair value in the security.

Deferred Leasing and Financing Costs

Costs incurred in obtaining tenant leases and long-term financing, included in deferred charges and prepaid expenses in the accompanying Consolidated Balance Sheets, are amortized on a straight-line basis, which approximates the effective interest method, over the terms of the related leases or debt agreements, as applicable. Such capitalized costs include salaries, lease incentives and related costs of personnel directly involved in successful leasing efforts.

Software Development Costs

Expenditures for major software purchases and software developed for internal use are capitalized and amortized on a straight-line basis generally over a 3 to 5 year period. The Company’s policy provides for the capitalization of external direct costs of materials and services associated with developing or obtaining internal use computer software. In addition, the Company also capitalizes certain payroll and payroll-related costs for employees who are directly associated with internal use computer software projects. The amount of capitalizable payroll costs with respect to these employees is limited to the time directly spent on such projects. Costs associated with preliminary project stage activities, training, maintenance and all other post-implementation stage activities are expensed as incurred. As of December 31, 2013 and 2012, the Company had unamortized software development costs of $28.2 million and $26.8 million, respectively, which is included in Other assets on the Company’s Consolidated Balance Sheets. The Company incurred $7.6 million, $5.5 million and $3.1 million in amortization of software development costs during the years ended December 31, 2013, 2012 and 2011, respectively.

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 these leases also provide for percentage rents based upon the level of sales achieved by the lessee. These percentage rents are recognized once the required sales level is achieved. Rental income may also include payments received in connection with lease termination agreements. In addition, leases typically provide for reimbursement to the Company of common area maintenance costs, real estate taxes and other operating expenses. Operating expense reimbursements are recognized as earned.

KIMCO REALTY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, continued

Management and other fee income consists of property management fees, leasing fees, property acquisition and disposition fees, development fees and asset management fees. These fees arise from contractual agreements with third parties or with entities in which the Company has a noncontrolling interest. Management and other fee income, including acquisition and disposition fees, are recognized as earned under the respective agreements. Management and other fee income related to partially owned entities are recognized to the extent attributable to the unaffiliated interest.

Gains and losses from the sale of depreciated operating property and ground-up development projects are generally recognized using the full accrual method in accordance with the FASB's real estate sales guidance, provided that various criteria relating to the terms of sale and subsequent involvement by the Company with the properties are met.

Gains and losses on transfers of operating properties result from the sale of a partial interest in properties to unconsolidated joint ventures and are recognized using the partial sale provisions of the FASB's real estate sales guidance.

The Company makes estimates of the uncollectability of its accounts receivable related to base rents, straight-line rent, expense reimbursements and other revenues. The Company analyzes accounts receivable and historical bad debt levels, customer credit worthiness and current economic trends when evaluating the adequacy of the allowance for doubtful accounts. In addition, tenants in bankruptcy are analyzed and estimates are made in connection with the expected recovery of pre-petition and post-petition claims. The Company's reported net earnings are directly affected by management's estimate of the collectability of accounts receivable.

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 purposes. Accordingly, the Company generally will not be subject to federal income tax, provided that distributions to its stockholders equal at least the amount of its REIT taxable income as defined under Section 856 through 860 of the Code.

In connection with the RMA, which became effective January 1, 2001, the Company is permitted to participate in certain activities which it was previously precluded from in order to maintain its qualification as a REIT, so long as these activities are conducted by entities which elect to be treated as taxable REIT subsidiaries under the Code. As such, the Company is subject to federal and state income taxes on the income from these activities. The Company is also subject to local taxes on certain non-U.S. investments.

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry-forwards. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. The Company provides a valuation allowance for deferred tax assets for which it does not consider realization of such assets to be more likely than not.

The Company reviews the need to establish a valuation allowance against deferred tax assets on a quarterly basis. The review includes an analysis of various factors, such as future reversals of existing taxable temporary differences, the capacity for the carryback or carryforward of any losses, the expected occurrence of future income or loss and available tax planning strategies.

The Company applies the FASB's guidance relating to uncertainty in income taxes recognized in a Company's financial statements. Under this guidance the Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement. The guidance on accounting for uncertainty in income taxes also provides guidance on de-recognition, classification, interest and penalties on income taxes, and accounting in interim periods.

KIMCO REALTY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, continued

Foreign Currency Translation and Transactions

Assets and liabilities of the Company's foreign operations are translated using year-end exchange rates, and revenues and expenses are translated using exchange rates as determined throughout the year. Gains or losses resulting from translation are included in AOCI, as a separate component of the Company's stockholders' equity. Gains or losses resulting from foreign currency transactions are translated to local currency at the rates of exchange prevailing at the dates of the transactions. The effect of the transactions gain or loss is included in the caption Other expense, net in the Consolidated Statements of Income. The Company is required to release cumulative translation adjustment ("CTA") balances into earnings when the Company has substantially liquidated its investment in a foreign entity.

Derivative/Financial Instruments

The Company is exposed to certain risk arising from both its business operations and economic conditions. The Company principally manages its exposures to a wide variety of business and operational risk through management of its core business activities. The Company manages economic risks, including interest rate, liquidity, and credit risk primarily by managing the amount, sources, and duration of its debt funding and the use of derivative financial instruments. Specifically, the Company may use derivatives to manage exposures that arise from changes in interest rates, foreign currency exchange rate fluctuations and market value fluctuations of equity securities. The Company limits these risks by following established risk management policies and procedures including the use of derivatives.

The Company measures its derivative instruments at fair value and records them in the Consolidated Balance Sheet as an asset or liability, depending on the Company's rights or obligations under the applicable derivative contract. The accounting for changes in the fair value of the derivatives depends on the intended use of the derivative, whether the Company has elected to designate a derivative in a hedging relationship and apply hedge accounting and whether the hedging relationship has satisfied the criteria necessary to apply hedge accounting. Derivatives designated and qualifying as a hedge of the exposure to changes in the fair value of an asset, liability, or firm commitment attributable to a particular risk, such as interest rate risk, are considered fair value hedges. Derivatives designated and qualifying as a hedge of the exposure to variability in expected future cash flows, or other types of forecasted transactions, are considered cash flow hedges. Derivatives may also be designated as hedges of the foreign currency exposure of a net investment in a foreign operation. Hedge accounting generally provides for the matching of the timing of gain or loss recognition on the hedging instrument with the recognition of the changes in the fair value of the hedged asset or liability that are attributable to the hedged risk in a fair value hedge or the earnings effect of the hedged forecasted transactions in a cash flow hedge. The Company may enter into derivative contracts that are intended to economically hedge certain of its risk, even though hedge accounting does not apply or the Company elects not to apply hedge accounting under the Derivatives and Hedging guidance issued by the FASB.

The effective portion of the changes in fair value of derivatives designated and that qualify as cash flow hedges is recorded in AOCI and is subsequently reclassified into earnings in the period that the hedged forecasted transaction affects earnings. Any ineffective portion of the change in fair value of the derivatives is recognized directly in earnings. During 2013, 2012 and 2011, the Company had no hedge ineffectiveness.

Noncontrolling Interests

The Company accounts for noncontrolling interests in accordance with the Consolidation guidance and the Distinguishing Liabilities from Equity guidance issued by the FASB. Noncontrolling interests represent the portion of equity that the Company does not own in those entities it consolidates. The Company identifies its noncontrolling interests separately within the equity section on the Company’s Consolidated Balance Sheets. The amounts of consolidated net earnings attributable to the Company and to the noncontrolling interests are presented separately on the Company’s Consolidated Statements of Income.

Noncontrolling interests also includes amounts related to partnership units issued by consolidated subsidiaries of the Company in connection with certain property acquisitions. These units have a stated redemption value or a defined redemption amount based upon the trading price of the Company’s common stock and provides the unit holders various rates of return during the holding period. The unit holders generally have the right to redeem their units for cash at any time after one year from issuance. For convertible units, the Company typically has the option to settle redemption amounts in cash or common stock.

KIMCO REALTY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, continued

The Company evaluates the terms of the partnership units issued in accordance with the FASB's Distinguishing Liabilities from Equity guidance. Units which embody an unconditional obligation requiring the Company to redeem the units for cash after a specified or determinable date (or dates) or upon an event that is certain to occur are determined to be mandatorily redeemable under this guidance and are included as Redeemable noncontrolling interest and classified within the mezzanine section between Total liabilities and Stockholders' equity on the Company's Consolidated Balance Sheets. Convertible units for which the Company has the option to settle redemption amounts in cash or Common Stock are included in the caption Noncontrolling interest within the equity section on the Company's Consolidated Balance Sheets.

Earnings Per Share

The following table sets forth the reconciliation of earnings and the weighted-average number of shares used in the calculation of basic and diluted earnings per share (amounts presented in thousands, except per share data):

	For the year ended December 31,		
	2013	**2012**	**2011**
Computation of Basic Earnings Per Share:			
Income from continuing operations	$261,683	$210,073	$141,416
Gain on sale of operating properties, net of tax	1,432	4,299	108
Net income attributable to noncontrolling interests	(5,072)	(14,202)	(13,039)
Discontinued operations attributable to noncontrolling interests	(8,301)	3,133	2,799
Preferred stock redemption costs	-	(21,703)	-
Preferred stock dividends	(58,294)	(71,697)	(59,363)
Income from continuing operations available to the common Shareholders	191,448	109,903	71,921
Earnings attributable to unvested restricted shares	(1,360)	(1,221)	(608)
Income from continuing operations attributable to common Shareholders	190,088	108,682	71,313
(Loss)/income from discontinued operations attributable to the Company	(13,461)	62,770	37,767
Net income attributable to the Company's common shareholders for basic earnings per share	$176,627	$171,452	$109,080
Weighted average common shares outstanding	407,631	405,997	406,530

Basic Earnings Per Share Attributable to the Company's Common Shareholders:

Income from continuing operations	$0.47	$0.27	$0.18
(Loss)/income from discontinued operations	(0.04)	0.15	0.09
Net income	$0.43	$0.42	$0.27
Computation of Diluted Earnings Per Share:			
Income from continuing operations attributable to common shareholders	$190,088	$108,682	$71,313
(Loss)/income from discontinued operations attributable to the Company	(13,461)	62,770	37,767
Net income attributable to the Company's common shareholders for diluted earnings per share	$176,627	$171,452	$109,080
Weighted average common shares outstanding – basic	407,631	405,997	406,530
Effect of dilutive securities(a):			
Equity awards	983	692	1,139
Shares for diluted earnings per common share	408,614	406,689	407,669
Diluted Earnings Per Share Attributable to the Company's Common Shareholders:			
Income from continuing operations	$0.47	$0.27	$0.18
(Loss)/income from discontinued operations	(0.04)	0.15	0.09
Net income	$0.43	$0.42	$0.27

(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. Additionally, there were 10,950,388, 11,159,160 and 13,304,016, stock options that were not dilutive as of December 31, 2013, 2012 and 2011, respectively.

KIMCO REALTY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, continued

The Company's unvested restricted share awards contain non-forfeitable rights to distributions or distribution equivalents. The impact of the unvested restricted share awards on earnings per share has been calculated using the two-class method whereby earnings are allocated to the unvested restricted share awards based on dividends declared and the unvested restricted shares' participation rights in undistributed earnings.

Stock Compensation

The Company maintains two equity participation plans, the Second Amended and Restated 1998 Equity Participation Plan (the “Prior Plan”) and the 2010 Equity Participation Plan (the “2010 Plan”) (collectively, the “Plans”). The Prior Plan provides for a maximum of 47,000,000 shares of the Company’s common stock to be issued for qualified and non-qualified options and restricted stock grants. The 2010 Plan provides for a maximum of 10,000,000 shares of the Company’s common stock to be issued for qualified and non-qualified options, restricted stock, performance awards and other awards, plus the number of shares of common stock which are or become available for issuance under the Prior Plan and which are not thereafter issued under the Prior Plan, subject to certain conditions. Unless otherwise determined by the Board of Directors at its sole discretion, options granted under the Plans generally vest ratably over a range of three to five years, expire ten years from the date of grant and are exercisable at the market price on the date of grant. Restricted stock grants generally vest (i) 100% on the fourth or fifth anniversary of the grant, (ii) ratably over three or four years, (iii) over three years at 50% after two years and 50% after the third year or (iv) over ten years at 20% per year commencing after the fifth year. Performance share awards provide a potential to receive shares of restricted stock based on the Company’s performance relative to its peers, as defined, or based on other performance criteria as determined by the Board of Directors. In addition, the Plans provide for the granting of certain options and restricted stock to each of the Company’s non-employee directors (the “Independent Directors”) and permits such Independent Directors to elect to receive deferred stock awards in lieu of directors’ fees.

The Company accounts for equity awards in accordance with the FASB’s Stock Compensation guidance which requires that all share based payments to employees, be recognized in the Statement of Income over the service period based on their fair values. Fair value is determined, depending on the type of award, using either the Black-Scholes option pricing formula or the Monte Carlo method, both of which are intended to estimate the fair value of the awards at the grant date (see Footnote 20 for additional disclosure on the assumptions and methodology).

New Accounting Pronouncements

In July 2013, the FASB released ASU 2013-11, Income Taxes (Topic 740): Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists (a consensus of the FASB Emerging Issues Task Force) ("ASU 2013-11"). This update requires that an unrecognized tax benefit, or portion of an unrecognized tax benefit, be presented as a reduction of a deferred tax asset for a net operating loss carryforward, a similar tax loss or a tax credit carryforward. If an applicable deferred tax asset is not available or a company does not expect to use the applicable deferred tax asset, the unrecognized tax benefit should be presented as a liability in the financial statements and should not be combined with an unrelated deferred tax asset. The amendments in ASU 2013-11 are effective for fiscal years, and interim periods within those years, beginning after December 15, 2013, with early adoption permitted. The amendments should be applied prospectively to all unrecognized tax benefits that exist at the effective date, however retrospective application is permitted. The Company early adopted, on a prospective basis, ASU 2013-11 during 2013. The adoption of this ASU did not have a material impact on the Company's financial position or results of operations (see Footnote 21).

KIMCO REALTY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, continued

Additionally, during July 2013, the FASB released ASU 2013-10, Derivatives and Hedging (Topic 815): Inclusion of the Fed Funds Effective Swap Rate (or Overnight Index Swap Rate) as a Benchmark Interest Rate for Hedge Accounting Purposes (“ASU 2013-10”). The update permits the Fed Funds Effective Swap Rate (“OIS”) to be used as a U.S. benchmark interest rate for hedge accounting purposes. In addition, the amendments remove the restriction on using different benchmark rates for similar hedges. The provisions of ASU 2013-10 are effective prospectively for qualifying new or redesignated hedging relationships entered into on or after July 17, 2013. The adoption of ASU 2013-10 did not have a material impact on the Company’s financial position or results of operations.

In February 2013, the FASB issued new guidance regarding liabilities, Accounting Standards Update ("ASU") 2013-04, Liabilities (Topic 405): Obligations Resulting from Joint and Several Liability Arrangements for Which the Total Amount of the Obligation Is Fixed at the Reporting Date (“ASU 2013-04”), effective retrospectively for fiscal years beginning after December 15, 2013 and interim periods within those years. The amendments require an entity to measure obligations resulting from joint and several liability arrangements for which the total amount of the obligation within the scope of the guidance is fixed at the reporting date, as the sum of the amount the reporting entity agreed to pay on the basis of its arrangement among its co-obligors and any additional amount the reporting entity expects to pay on behalf of its co-obligors. In addition, the amendments require an entity to disclose the nature and amount of the obligation, as well as other information about the obligations. The adoption of ASU 2013-04 is not expected to have a material impact on the Company’s financial position or results of operations.

In January 2013, the FASB released ASU 2013-02, Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income (“ASU 2013-02”). This guidance is the culmination of the board’s redeliberation on reporting reclassification adjustments from accumulated other comprehensive income. The standard requires that companies present either in a single note or parenthetically on the face of the financial statements, the effect of significant amounts reclassified from each component of accumulated other comprehensive income based on its source (e.g., the release due to cash flow hedges from interest rate contracts) and the income statement line items affected by the reclassification (e.g., interest income or interest expense). If a component is not required to be reclassified to net income in its entirety (e.g., the net periodic pension cost), companies would instead cross reference to the related footnote for additional information (e.g., the pension footnote). The new requirements will take effect for public companies in interim and annual reporting periods beginning after December 15, 2012. The adoption of ASU 2013-02 did not have a material impact on the Company’s financial statement presentation or disclosures.

In December 2011, the FASB released ASU 2011-11, Balance Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities (“ASU 2011-11”). ASU 2011-11 requires companies to provide new disclosures about offsetting and related arrangements for financial instruments and derivatives. The provisions of ASU 2011-11 are effective for annual reporting periods beginning on or after January 1, 2013, and are required to be applied retrospectively. The adoption of ASU 2011-11 did not have a material impact on the Company's financial statement presentation.

Reclassifications

The Company made certain immaterial reclassifications to the Company's Consolidated Balance Sheets as of December 31, 2012, to conform to the current year presentation.

KIMCO REALTY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, continued

2. Real Estate:

The Company's components of Rental property consist of the following (in thousands):

	December 31,	
	2013	**2012**
Land	$1,989,830	$1,927,800
Undeveloped land	82,269	96,500
Buildings and improvements:		
Buildings	4,572,740	4,607,931
Building improvements	1,168,959	1,091,810
Tenant improvements	725,570	708,626
Fixtures and leasehold improvements	61,015	59,690
Other rental property (1)	425,143	357,667
	9,025,526	8,850,024
Accumulated depreciation and amortization	(1,878,681)	(1,745,462)
Total	$7,146,845	$7,104,562

(1) At December 31, 2013 and 2012, Other rental property (net of accumulated amortization of $252.8 million and $212.9 million, respectively), consisted of intangible assets including (i) $290,838 and $237,166, respectively, of in-place leases, (ii) $21,326 and $21,335, respectively, of tenant relationships, and (iii) $112,979 and $99,166, respectively, of above-market leases.

In addition, at December 31, 2013 and 2012, the Company had intangible liabilities relating to below-market leases from property acquisitions of $181.5 million and $167.2 million, respectively, net of accumulated amortization of $155.7 million and $138.3 million, respectively. These amounts are included in the caption Other liabilities in the Company's Consolidated Balance Sheets.

The Company's amortization associated with the above and below market leases for the years ended December 31, 2013, 2012 and 2011 were net increases to revenue of $11.9 million, $14.9 million and $12.0 million, respectively. The estimated net amortization associated with the Company's above and below market leases for the next five years are as follows (in millions): 2014, $10.5; 2015, $10.8; 2016, $11.0; 2017, $9.7 and 2018, $7.4.

The Company's amortization expense associated with leases in place and tenant relationships for the years ended December 31, 2013, 2012 and 2011 was $33.2 million, $30.1 million and $26.9 million, respectively. The estimated net amortization associated with the Company's these intangible assets for the next five years are as follows (in millions): 2014, $18.6; 2015, $15.3; 2016, $12.4; 2017, $10.1 and 2018, $8.2.

3. Property Acquisitions, Developments and Other Investments:

Operating property acquisitions, ground-up development costs and other investments have been funded principally through the application of proceeds from the Company's public equity and unsecured debt issuances, proceeds from mortgage financings, proceeds from the disposition of properties and availability under the Company's revolving lines of credit.

Acquisition of Operating Properties –

KIMCO REALTY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, continued

During the year ended December 31, 2013, the Company acquired the following properties, in separate transactions (in thousands):

			Purchase Price				
Property Name	Location	Month Acquired	Cash	Debt Assumed	Other	Total	GLA*
Santee Trolley Square (1)	Santee, CA	Jan-13	$26,863	$48,456	$22,681	$98,000	311
Shops at Kildeer (2)	Kildeer, IL	Jan-13	-	32,724	-	32,724	168
Village Commons S.C.	Tallahassee, FL	Jan-13	7,100	-	-	7,100	125
Putty Hill Plaza (3)	Baltimore, MD	Jan-13	4,592	9,115	489	14,196	91
Columbia Crossing II S.C.	Columbia, MD	Jan-13	21,800	-	-	21,800	101
Roseville Plaza Outparcel	Roseville, MN	Jan-13	5,143	-	-	5,143	80
Wilton River Park (4)	Wilton, CT	Mar-13	777	36,000	5,223	42,000	187
Canyon Square (5)	Santa Clarita, CA	Apr-13	1,950	13,800	-	15,750	97
JTS Portfolio (7 properties) (6)	Baton Rouge, LA	Apr-13	-	43,267	11,733	55,000	520
Factoria Mall (7)	Bellevue, WA	May-13	37,283	56,000	37,467	130,750	510
6 Outparcels	Various	Jun-13	13,053	-	-	13,053	97
Highlands Ranch II	Highlands Ranch, CO	July-13	14,600	-	-	14,600	44
Elmsford	Elmsford, NY	Aug-13	23,000	-	-	23,000	143
Northridge	Arvada, CO	Oct-13	8,239	11,511	-	19,750	146
Five Forks Crossing	Liburn, GA	Oct-13	9,825	-	-	9,825	74
Greenwood S.C. Outparcel	Greenwood, IN	Oct-13	4,067	-	-	4,067	30
Clark Portfolio (4 properties)	Clark, NJ	Nov-13	35,553	-	-	35,553	189
Winn Dixie Portfolio (6 properties)	Louisiana & Florida	Dec-13	43,506	-	-	43,506	392
Tomball S.C.	Houston, TX	Dec-13	35,327	-	-	35,327	149
Atascocita S.C.	Humble, TX	Dec-13	38,250	28,250	-	66,500	317
Lawrenceville	Lawrenceville, GA	Dec-13	36,824	-	-	36,824	286
			$367,752	**$279,123**	**$77,593**	**$724,468**	**4,057**

* Gross leasable area ("GLA")

(1) This property was acquired from a joint venture in which the Company had a 45% noncontrolling interest. The Company evaluated this transaction pursuant to the FASB's Consolidation guidance and as such recognized a gain of $22.7 million, before income tax, from the fair value adjustment associated with the Company's original ownership due to a change in control, which is reflected in the purchase price above in Other.

(2) This property was acquired from a joint venture in which the Company had a 19% noncontrolling interest. The Company evaluated this transaction pursuant to the FASB's Consolidation guidance. This transaction resulted in a change in control with no gain or loss recognized.

(3) The Company acquired the remaining 80% interest in an operating property from an unconsolidated joint venture in which the Company had a 20% noncontrolling interest. The Company evaluated this transaction pursuant to the FASB's Consolidation guidance and as such recognized a gain of $0.5 million from the fair value adjustment associated with the Company's original ownership due to a change in control, which is reflected in the purchase price above in Other.

(4) The acquisition of this property included the issuance of $5.2 million of redeemable units, which are redeemable at the option of the holder after one year and earn a yield of 6% per annum, which is included in the purchase price above in Other. In connection with this transaction, the Company provided the sellers a $5.2 million loan at a rate of 6.5%, which is secured by the redeemable units.

(5) This property was acquired from a joint venture in which the Company has a 15% noncontrolling interest. The Company evaluated this transaction pursuant to the FASB's Consolidation guidance. This transaction resulted in a change in control with no gain or loss recognized.

(6) The Company acquired the remaining interest in a portfolio of office properties from a preferred equity investment in which the Company held a noncontrolling interest. The Company evaluated this transaction pursuant to the FASB's Consolidation guidance and as such recognized a change in control loss of $9.6 million from the fair value adjustment associated with the Company's original ownership, which is reflected in the purchase price above in Other. The debt assumed in connection with this transaction of $43.3 million was repaid in April 2013 and the properties within the portfolio were later sold during October and November 2013.

(7) The Company acquired an additional 49% interest in this operating property from an unconsolidated joint venture in which the Company had a 50% noncontrolling interest. As such the Company now consolidates this investment. The Company evaluated this transaction pursuant to the FASB's Consolidation guidance and as a result, recognized a gain of $8.2 million from the fair value adjustment associated with the Company's original ownership due to a change in control, which is reflected in the purchase price above in Other.

KIMCO REALTY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, continued

During the year ended December 31, 2012, the Company acquired the following properties, in separate transactions (in thousands):

			Purchase Price			
Property Name	**Location**	**Month Acquired**	**Cash**	**Debt Assumed**	**Total**	**GLA***
Woodbridge S.C.	Sugarland, TX	Jan-12	$9,000	$-	$9,000	97
Bell Camino Center	Sun City, AZ	Jan-12	4,185	4,210	8,395	63
31 parcels (2)	Various	Jan-12	30,753	-	30,753	83
1 parcel (3)	Duncan, SC	Jan-12	1,048	-	1,048	3
Olympia West Outparcel	Olympia, WA	Feb-12	1,200	-	1,200	6
Frontier Village (1)	Lake Stevens, WA	Mar-12	12,231	30,900	43,131	195
Silverdale S.C. (1)	Silverdale, WA	Mar-12	8,335	24,000	32,335	170
30 parcels (2)	Various	Mar-12	39,493	-	39,493	107
1 parcel (3)	Peru, IL	Mar-12	995	-	995	4
Towson Place (4)	Towson, MD	Apr-12	69,375	57,625	127,000	680
Prien Lake Outparcel	Lake Charles, LA	May-12	1,800	-	1,800	8
Devon Village	Devon, PA	Jun-12	28,550	-	28,550	79
4 Properties	Various, NC	Jun-12	63,750	-	63,750	368
Lake Jackson (5)	Lake Jackson, TX	Jul-12	5,500	-	5,500	35
Woodlawn S.C.	Charlotte, NC	Jul-12	7,050	-	7,050	137
Columbia Crossing - 2 Outparcels	Columbia, MD	Jul-12	11,060	-	11,060	69
Pompano Beach (6)	Pompano Beach, FL	Jul-12	12,180	-	12,180	81
6 Parcels (2)	Various	Jul-12	8,111	-	8,111	19
Wilton S.C.	Wilton, CT	Aug-12	18,800	20,900	39,700	96
Hawthorne Hills S. C.	Vernon Hills, IL	Aug-12	15,974	21,563	37,537	193
Greeley Shopping Center (7)	Greeley, CO	Oct-12	23,250	-	23,250	139
Savi Ranch Center Phase II	Yorba Linda, CA	Oct-12	34,500	-	34,500	161
Wild Lake Plaza Outparcel	Columbia, MD	Nov-12	300	-	300	75
City Heights Retail Village	San Francisco, CA	Nov-12	15,600	20,000	35,600	109
Snowden Square (8)	Columbia, MD	Dec-12	6,182	-	6,182	50
“Key Food” Portfolio (5 properties)	Various, NY	Dec-12	26,058	-	26,058	59
		Total	**$455,280**	**$179,198**	**$634,478**	**3,086**

* Gross leasable area ("GLA")

(1) These properties were acquired from a joint venture in which the Company has a 15% noncontrolling interest. The Company evaluated these transactions pursuant to the FASB's Consolidation guidance and as such recognized an aggregate gain of $2.0 million from the fair value adjustment associated with its original ownership due to a change in control.
(2) Acquired an aggregate of 67 parcels net leased to restaurants through a consolidated joint venture, in which the Company has a 99.1% controlling interest. During July 2012, the Company purchased the remaining 0.9% interest for $0.7 million.
(3) Acquired an aggregate of two parcels net leased to restaurants through a consolidated joint venture, in which the Company has a 92.0% controlling interest. During July 2012, the Company sold 4% of its interest for $0.1 million. The Company continues to have a controlling interest in the joint venture and therefore continues to consolidate this investment.
(4) This property was acquired from a joint venture in which the Company had a 30% noncontrolling interest. The Company evaluated this transaction pursuant to the FASB's Consolidation guidance and as such recognized a gain of $12.1 million from the fair value adjustment associated with its original ownership due to a change in control. In addition, the Company recognized promote income of $1.1 million in connection with this transaction. The promote income is included in Equity in income of joint ventures, net on the Company's Consolidated Statements of Income. Additionally, the debt assumed in connection with this transaction of $57.6 million was repaid in May 2012.

(5) The Company acquired this property from a preferred equity investment in which the Company held a noncontrolling interest. The Company evaluated this transaction pursuant to the FASB's Consolidation guidance. This transaction resulted in a change in control with no gain or loss recognized.

(6) This property was acquired from a joint venture in which the Company had a 50% noncontrolling interest. The Company evaluated this transaction pursuant to the FASB's Consolidation guidance. This transaction resulted in a change in control with no gain or loss recognized.

(7) This property was acquired from a joint venture in which the Company has an 11% noncontrolling interest. The Company evaluated this transaction pursuant to the FASB's Consolidation guidance and as such recognized a gain of $0.4 million from the fair value adjustment associated with its original ownership due to a change in control.

(8) This property was acquired from a joint venture in which the Company has a 50% noncontrolling interest. The Company evaluated this transaction pursuant to the FASB's Consolidation guidance and as such recognized a gain of $1.0 million from the fair value adjustment associated with its original ownership due to a change in control.

KIMCO REALTY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, continued

The aggregate purchase price of the above 2013 and 2012 property acquisitions have been allocated as follows (in thousands):

	2013	2012
Land	$198,263	$196,219
Buildings	368,478	319,955
Below Market Rents	(25,298)	(40,375)
Above Market Rents	15,758	14,977
In-Place Leases	35,262	31,248
Building Improvements	115,110	99,092
Tenant Improvements	22,196	19,327
Mortgage Fair Value Adjustment	(5,794)	(5,965)
Other Assets	894	-
Other Liabilities	(401)	-
	$724,468	$634,478

Additionally, during the years ended December 31, 2013 and 2012, the Company acquired the remaining interest in four and six previously consolidated joint ventures for $9.4 million and $12.0 million, respectively. The Company continues to consolidate these entities as there was no change in control from these transactions. The purchase of the remaining interests resulted in an aggregate decrease in noncontrolling interest of $0.4 million and $10.4 million for the years ended December 31, 2013 and 2012, respectively and an aggregate decrease of $8.2 million and $0.3 million, after income taxes, to the Company’s Paid-in capital, during 2013 and 2012, respectively.

Ground-Up Development -

The Company is engaged in ground-up development projects, which will be held as long-term investments by the Company. As of December 31, 2013, the Company had in progress a total of three ground-up development projects, consisting of two located in the U.S. and one located in Peru.

FNC Realty Corporation –

During 2012, the Company acquired an additional 13.62% interest in FNC Realty Corporation ("FNC") for $15.3 million, which increased the Company's total ownership interest to 82.7%. During 2013, the Company acquired the remaining ownership interest in FNC of 17.3% for $20.3 million. As a result of this transaction the Company now owns 100% of FNC. The Company had previously and continues to consolidate FNC. Since there was no change in control from these transactions, the purchase of the additional interests resulted in a decrease in noncontrolling interest during 2013 and 2012 of $19.7 million and $15.4 million, respectively, and a decrease of $0.7 million during 2013 and an increase of $0.1 million during 2012 to the Company's Paid-in capital.

4. Dispositions of Real Estate:

Operating Real Estate –

During 2013, the Company disposed of 36 operating properties and three out-parcels in separate transactions, for an aggregate sales price of $279.5 million. These transactions, which are included in Discontinued operations in the Company's Consolidated Statements of Income, resulted in an aggregate gain of $25.4 million and impairment charges of $61.9 million, before income taxes.

Additionally, during 2013, the Company sold eight properties in its Latin American portfolio for an aggregate sales price of $115.4 million. These transactions, which are included in Discontinued operations in the Company's Consolidated Statements of Income, resulted in an aggregate gain of $23.3 million, before income taxes, and aggregate impairment charges of $26.9 million (including the release of the cumulative foreign currency translation loss of $7.8 million associated with the sale of the Company's interest in two properties within Brazil, which represents a full liquidation of the Company's investment in Brazil), before income taxes and noncontrolling interests.

During 2012, the Company disposed of 62 operating properties and two outparcels, in separate transactions, for an aggregate sales price of $418.9 million. These transactions, which are included in Discontinued operations in the Company's Consolidated Statements of Income, resulted in an aggregate pre-tax gain of $85.9 million and aggregate impairment charges of $22.5 million, before income taxes. The Company provided seller financing in connection with the sale of one of the operating properties for $4.2 million, which bore interest at a rate of 6.0% and matured in November 2013. The Company evaluated this transaction pursuant to the FASB's real estate sales guidance and concluded that the criteria for sale recognition were met.

During 2012, the Company sold a previously consolidated operating property to a newly formed unconsolidated joint venture in which the Company has a 20% noncontrolling interest for a sales price of $55.5 million. This transaction resulted in a pre-tax gain of $10.0 million, of which the Company deferred $2.0 million due to its continued involvement. This gain has been recorded as Gain on sale of operating properties, net of tax in the Company's Consolidated Statements of Income.

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KIMCO REALTY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, continued

During 2011, the Company disposed of 27 operating properties, one development property and one outparcel, in separate transactions, for an aggregate sales price of $124.9 million. These transactions, which are included in Discontinued operations in the Company's Consolidated Statements of Income, resulted in an aggregate gain of $17.3 million and aggregate impairment charges of $16.9 million, before an income tax benefit and noncontrolling interest. The Company provided seller financing aggregating $11.9 million on three of these transactions which bear interest at rates ranging from 5.50% to 8.00% per annum and have maturities ranging from one to seven years. The Company evaluated these transactions pursuant to the FASB's real estate sales guidance to determine sale and gain recognition.

Also, during 2011, a consolidated joint venture in which the Company had a preferred equity investment disposed of a property for a sales price of $6.1 million. As a result of this capital transaction, the Company received $1.4 million of profit participation, before noncontrolling interest of $0.1 million. This profit participation has been recorded as Income from other real estate investments and is reflected in Income from discontinued operating properties in the Company's Consolidated Statements of Income.

During 2011, the Company transferred an operating property for a sales price of $23.9 million to a newly formed unconsolidated joint venture in which the Company has a noncontrolling interest. This transaction resulted in a gain of $0.4 million, of which the Company deferred $0.1 million due to its continued involvement. This gain has been recorded as Gain on sale of operating properties, net of tax in the Company's Consolidated Statements of Income.

Land Sales –

During 2013, the Company sold nine land parcels for an aggregate sales price of $18.2 million in separate transactions. These transactions resulted in an aggregate gain of $11.5 million, before income taxes expense and noncontrolling interest. The gains from these transactions are recorded as other income, which is included in Other expense, net, in the Company's Consolidated Statements of Income.

During 2012, the Company disposed of two land parcels and two outparcels for an aggregate sales price of $4.1 million and recognized an aggregate gain of $2.0 million related to these transactions. These gains are recorded as other income, which is included in Other expense, net, in the Company's Consolidated Statements of Income. The Company provided seller financing in connection with the sale of one of the land parcels for $1.8 million, which bore interest at a rate of 6.5% for the first six months and 7.5% for the remaining term and matured in March 2013. The Company evaluated this transaction pursuant to the FASB's real estate sales guidance and concluded that the criteria for sale recognition were met.

Also, during 2012, the Company sold a land parcel in San Juan del Rio, Mexico for a sales price of 24.3 million Mexican Pesos ("MXN") (USD $1.9 million). The Company recognized a gain of MXN 5.7 million (USD $0.4 million) on this transaction. The gain from this transaction is recorded as other income, which is included in Other expense, net, in the Company's Consolidated Statements of Income.

Ground-up Development –

During 2011, the Company transferred a merchant building property for a sales price of $37.6 million to a newly formed unconsolidated joint venture in which the Company has a noncontrolling interest. This transaction resulted in an aggregate gain of $14.2 million, before income tax expense, of which the Company deferred $2.1 million due to its continued involvement.

5. Discontinued Operations and Assets Held-for-Sale:

The Company reports as discontinued operations assets held-for-sale as of the end of the current period and assets sold during the period. All results of these discontinued operations are included in a separate component of income on the Consolidated Statements of Income under the caption Discontinued operations. This has resulted in certain reclassifications of 2013, 2012 and 2011 financial statement amounts.

KIMCO REALTY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, continued

The components of Income from discontinued operations for each of the three years in the period ended December 31, 2013, are shown below. These include the results of Income through the date of each respective sale for properties sold during 2013, 2012 and 2011, and the operations for the applicable periods for those assets classified as held-for-sale as of December 31, 2013 (in thousands):

	2013	**2012**	**2011**
Discontinued operations:			
Revenues from rental property	$44,168	$76,442	$113,508
Rental property expenses	(14,861)	(26,203)	(40,054)
Depreciation and amortization	(10,318)	(25,820)	(32,878)
Provision for doubtful accounts	(847)	(2,243)	(2,904)
Interest income/(expense)	300	(2,882)	(3,672)
Income from other real estate investments	-	13	1,703
Other expense, net	(449)	(922)	(351)
Income from discontinued operating properties, before income taxes	17,993	18,385	35,352
Impairment of property carrying value, before income taxes	(98,815)	(49,280)	(19,698)
Gain on disposition of operating properties, before income taxes	48,731	85,894	17,327
Benefit for income taxes	10,329	10,904	7,585
(Loss)/income from discontinued operating properties	(21,762)	65,903	40,566
Net loss/(income) attributable to noncontrolling interests	8,301	(3,133)	(2,799)
(Loss)/income from discontinued operations attributable to the Company	$(13,461)	$62,770	$37,767

During 2013, the Company classified as held-for-sale 19 operating properties, comprising 1.9 million square feet of GLA. The aggregate book value of these properties was $178.4 million, net of accumulated depreciation of $19.2 million. The Company recognized impairment charges of $25.2 million, after income taxes, on eight of these properties. The book value of the other properties did not exceed their estimated fair value, less costs to sell, and as such no impairment charges were recognized. The Company's determination of the fair value of these properties, aggregating $158.6 million, was based upon executed contracts of sale with third parties (see Footnote 15). In addition, the Company completed the sale of 15 held-for-sale operating properties during the year ended December 31, 2013, one of which was classified as held-for-sale during 2012 (these dispositions are included in Footnote 4 above). At December 31, 2013, the Company had five remaining operating properties classified as held-for-sale at a carrying amount of $70.3 million, net of accumulated depreciation of $8.1 million, which are included in Other assets on the Company's Consolidated Balance Sheets.

During 2012, the Company classified as held-for-sale 18 operating properties, comprising 2.1 million square feet of GLA. The book value of these properties was $73.2 million, net of accumulated depreciation of $57.2 million. The Company recognized impairment charges of $4.2 million on three of these properties. The book value of the other properties did not exceed their estimated fair value, less costs to sell, and as such no impairment charges were recognized. The Company's determination of the fair value of these properties, aggregating $102.0 million, was based upon executed contracts of sale with third parties (see Footnote 15). In addition, the Company completed the sale of 19 operating properties during the year ended December 31, 2012, of which two were classified as held-for-sale during 2011 (these dispositions are included in Footnote 4 above). At December 31, 2012, the Company had one operating property classified as held-for-sale at a carrying amount of $3.4 million, net of accumulated depreciation of $6.8 million, which is included in Other assets on the Company's Consolidated Balance Sheets.

During 2011, the Company classified as held-for-sale seven operating properties comprising 0.2 million square feet of GLA. The book value of each of these properties aggregated $10.0 million, net of accumulated depreciation of $7.3 million. The individual book values of the seven operating properties did not exceed each of their estimated fair values less costs to sell; as such no impairments were recognized. The Company's determination of the fair value of these properties and land parcel, aggregating $19.7 million, was based upon executed contracts of sale with third parties. The Company completed the sale of five of these operating properties during the year ended December 31, 2011 (these dispositions are included in Footnote 4 above).

KIMCO REALTY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, continued

6. Impairments:

Management assesses on a continuous basis whether there are any indicators, including property operating performance and general market conditions, that the value of the Company's assets (including any related amortizable intangible assets or liabilities) may be impaired. To the extent impairment has occurred, the carrying value of the asset would be adjusted to an amount to reflect the estimated fair value of the asset.

The Company's efforts to market certain assets and management's assessment as to the likelihood and timing of such potential transactions and/or the property hold period caused the Company to recognize impairment charges for the years ended December 31, 2013, 2012 and 2011 as follows (in millions):

	2013	**2012**	**2011**
Impairment of property carrying values * (1)(2)(5)(6)	$76.7	$7.6	$3.1
Investments in other real estate investments* (3)(7)(8)	2.9	2.7	3.3
Marketable securities and other investments* (4)	10.7	-	1.6
Investments in real estate joint ventures* (9)	1.1	-	5.1
Total Impairment charges included in operating expenses	91.4	10.3	13.1
Impairment of property carrying values included in discontinued operations **	98.8	49.3	19.7
Total gross impairment charges	190.2	59.6	32.8
Noncontrolling interests	(10.6)	(0.4)	0.7
Income tax benefit	(22.4)	(10.6)	(4.5)
Total net impairment charges	$157.2	$48.6	$29.0

* See Footnote 15 for additional disclosure on fair value.

**See Footnotes 4 & 5 above for additional disclosure.

(1) During 2013, the Company was in advanced negotiations to sell several operating properties within its Mexico portfolio. Based upon the allocation of the estimated selling prices, the Company determined that the estimated fair values of certain of the properties were below their respective current carrying value. As such, the Company recorded impairment charges of $58.2 million relating to these assets. This amount is subject to change based upon finalization of contract terms, closing costs, additional cash amounts received as earn outs and fluctuations in the Mexican Peso exchange rate (see Footnote 22).

(2) During 2013, the Company recorded $18.5 million, before an income tax benefit of $6.4 million and noncontrolling interests of $1.0 million, in impairment charges primarily related to two land parcels and four operating properties based upon purchase prices or purchase price offers.

(3) Based upon a review of the debt maturity status and the likelihood of foreclosure of the underlying property within one of the Company's preferred equity investments, the Company believes it will not recover its investment and as such recorded a full impairment of $2.6 million, before an income tax benefit of $1.1 million, on its investment during 2013.

(4) During 2013, the Company reviewed the underlying cause of the decline in value of a cost method investment, as well as the severity and the duration of the decline and determined that the decline was other-than-temporary. Impairment charges were recognized based upon the calculation of an estimated fair value of $4.7 million using a discounted cash flow model.

(5) During 2012, the Company recognized an aggregate impairment charge of $7.6 million, before income tax benefit of $2.9 million, relating to its investment in four land parcels. The estimated aggregate fair value of these properties was based upon purchase price offers.

(6) During 2011, the Company recognized an aggregate impairment charge of $3.1 million, before income tax benefit of $1.1 million, relating to a portion of an operating property and four land parcels. The estimated aggregate fair value of these properties was based upon purchase price offers.

(7) Based upon a review of the debt maturity status and the likelihood of foreclosure of the underlying property within one of the Company's preferred equity net leased investment, the Company believed it would not recover its investment and as such recorded a full impairment of $2.7 million on its investment during 2012.

(8) During 2011, two properties within two of the Company's preferred equity investments were in default of their respective mortgages and received foreclosure notices from the respective mortgage lenders. As such, the Company recognized full impairment charges on both of the investments aggregating $2.2 million.

(9) During 2011, the Company exited its investment in a redevelopment joint venture property in Harlem, NY. As a result, the Company recognized an-other-than-temporary impairment charge of approximately $3.1 million representing the Company's entire investment balance. Additionally, during 2011, the Company recorded an other-than-temporary impairment of $2.0 million, before income tax benefit, against the carrying value of an investment in which the Company held a 13.4% noncontrolling ownership interest. The Company determined the fair

value of its investment based on the estimated sales price of the property in the joint venture.

KIMCO REALTY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, continued

In addition to the impairment charges above, the Company recognized pretax impairment charges during 2013, 2012 and 2011 of $29.5 million, $11.1 million, and $14.1 million, respectively, relating to certain properties held by various unconsolidated joint ventures in which the Company holds noncontrolling interests. These impairment charges are included in Equity in income of joint ventures, net in the Company’s Consolidated Statements of Income (see Footnote 7).

The Company will continue to assess the value of its assets on an on-going basis. Based on these assessments, the Company may determine that one or more of its assets may be impaired due to a decline in value and would therefore write-down its cost basis accordingly.

7. Investment and Advances in Real Estate Joint Ventures:

The Company and its subsidiaries have investments in and advances to various real estate joint ventures. These joint ventures are engaged primarily in the operation of shopping centers which are either owned or held under long-term operating leases. The Company and the joint venture partners have joint approval rights for major decisions, including those regarding property operations. As such, the Company holds noncontrolling interests in these joint ventures and accounts for them under the equity method of accounting. The table below presents joint venture investments for which the Company held an ownership interest at December 31, 2013 and 2012 (in millions, except number of properties):

	As of December 31, 2013					**As of December 31, 2012**				
Venture	**Average Ownership Interest**	**Number of Properties**	**GLA**	**Gross Real Estate**	**The Company's Investment**	**Average Ownership Interest**	**Number of Properties**	**GLA**	**Gross Real Estate**	**The Company's Investment**
Prudential Investment Program (“KimPru” and “KimPru II”) (1) (2) (11)	15.0%	60	10.6	$2,724.0	$ 179.7	15.0%	61	10.7	$2,744.9	$ 170.1
	48.6%	57	12.0	1,496.0	163.6	45.0%	58	12.4	1,543.2	140.3

Kimco Income Opportunity Portfolio (“KIR”) (2) (7) (15)										
UBS Programs (“UBS”) (2) (8) (14)*	-	-	-	-	1.1	17.9%	40	5.7	1,260.1	58.4
Kimstone (2) (14)	33.3%	39	5.6	1,095.3	100.3	-	-	-	-	-
BIG Shopping Centers (2) (10)*	37.9%	21	3.4	520.1	29.5	37.7%	22	3.6	547.7	31.3
The Canada Pension Plan Investment Board (“CPP”) (2)	55.0%	6	2.4	437.4	144.8	55.0%	6	2.4	436.1	149.5
Kimco Income Fund (2)(6)	39.5%	12	1.5	288.7	50.6	15.2%	12	1.5	287.0	12.3
SEB Immobilien (2)	15.0%	13	1.8	361.9	0.9	15.0%	13	1.8	361.2	1.5
Other Institutional Programs (2) (9)	Various	56	2.1	385.3	16.8	Various	58	2.6	499.2	21.3
RioCan	50.0%	45	9.3	1,314.3	156.3	50.0%	45	9.3	1,379.3	111.0
Intown (3)	-	-	-	-	-	-	138	N/A	841.0	86.9
Latin America (13) (16)	Various	28	3.7	313.2	156.7	Various	131	18.0	1,198.1	334.2
Other Joint Venture Programs (4) (5) (12)	Various	75	11.5	1,548.9	256.7	Various	87	13.2	1,846.7	311.4
Total		**412**	**63.9**	**$10,485.1**	**$1,257.0**		**671**	**81.2**	**$12,944.5**	**$1,428.2**

* Ownership % is a blended rate

KIMCO REALTY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, continued

The table below presents the Company's share of net income/(loss) for these investments which is included in the Company's Consolidated Statements of Income under Equity in income of joint ventures, net for the years ended December 31, 2013, 2012 and 2011 (in millions):

	Year ended December 31,		
	2013	2012	2011
KimPru and KimPru II (11) (21) (22) (23)	$9.1	$7.4	$(1.6)
KIR (15) (24)	25.3	23.4	17.3
UBS Programs (14) (25)	1.8	0.5	(0.8)
Kimstone (14)	3.6	-	-
BIG Shopping Centers (10) (26)	3.0	(3.7)	(2.9)
CPP	5.8	5.3	5.2
Kimco Income Fund	3.3	1.7	1.0
SEB Immobilien	1.1	0.7	-
Other Institutional Programs (19) (27)	1.4	5.0	5.0
RioCan (20)	27.6	30.4	19.7
Intown	1.4	4.0	(1.9)
Latin America (13) (16) (17)	103.1	15.8	12.5
Other Joint Venture Programs (12) (18) (28) (29)	22.2	22.4	10.0
Total	$208.7	$112.9	$63.5

(1) This venture represents four separate joint ventures, with four separate accounts managed by Prudential Real Estate Investors ("PREI"), three of these ventures are collectively referred to as KimPru and the remaining venture is referred to as KimPru II.

(2) The Company manages these joint venture investments and, where applicable, earns acquisition fees, leasing commissions, property management fees, asset management fees and construction management fees.

(3) The Company's share of this investment was subject to fluctuation and dependent upon property cash flows. During June 2013, the Intown portfolio was sold for a sales price of $735.0 million which included the assignment of $609.2 million in debt. This transaction resulted in a deferred gain to the Company of $21.7 million. The Company maintains its guarantee on a portion of the debt ($139.7 million as of December 31, 2013) assumed by the buyer. The guarantee is collateralized by the buyer's ownership interest in the portfolio. The Company is entitled to a guarantee fee, for the initial term of the loan, which is scheduled to mature in December 2015. The guarantee fee is calculated based upon the difference between LIBOR plus 1.15% and 5.0% per annum multiplied by the outstanding amount of the loan. Additionally, the Company has entered into a commitment to provide financing up to the outstanding amount of the guaranteed portion of the loan for five years past the date of maturity. This commitment can be in the form of extensions with the current lender, loans from a new lender or financing directly from the Company to the buyer. Due to this continued involvement, the Company deferred its gain until such time that the guarantee and commitment expire.

(4) During the year ended December 31, 2013, the Company amended one of its Canadian preferred equity investment agreements to restructure the investment as a pari passu joint venture in which the Company holds a noncontrolling interest. As a result of this transaction, the Company continues to account for its investment in this joint venture under the equity method of accounting and includes this investment in Investments and advances to real estate joint ventures within the Company's Consolidated Balance Sheets.

(5) During the year ended December 31, 2013, two joint ventures in which the Company held noncontrolling interests sold two operating properties to the Company, in separate transactions, for an aggregate sales price of $228.8 million. The Company evaluated these transactions pursuant to the FASB's Consolidation guidance. As such, the Company recognized an aggregate gain of $30.9 million, before income tax, from the fair value adjustment associated with its original ownership due to a change in control and now consolidates these operating properties.

(6) During the year ended December 31, 2013, the Company purchased an additional 24.24% interest in Kimco Income Fund for $38.3 million.

(7) During the year ended December 31, 2013, the Company purchased an additional 3.57% interest in KIR for $48.4 million.

(8) During the year ended December 31, 2013, UBS sold an operating property to the Company for a sales price of $32.7 million, which was equal to the remaining debt balance. The Company evaluated this transaction pursuant to the FASB's Consolidation guidance. As such the Company recognized no gain or loss from a change in control and now consolidates this operating property.

(9) During the year ended December 31, 2013, a joint venture in which the Company held a noncontrolling interest sold an operating property to the Company for a sales price of $14.2 million. The Company evaluated this transaction pursuant to the FASB's Consolidation guidance. As such the Company recognized a gain of $0.5 million from the fair value adjustment associated with the Company's original ownership due to a change in control and now consolidates this operating property.

KIMCO REALTY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, continued

(10) During the year ended December 31, 2013, BIG recognized a gain on early extinguishment of debt of $13.7 million related to a property that was foreclosed on by a third party lender. The Company’s share of this gain was $2.4 million.

(11) During the year ended December 31, 2013, the Company purchased the remaining interest in an operating property for a purchase price of $15.8 million. As a result of this transaction, KimPru recognized an impairment charge of $4.0 million, of which the Company’s share was $0.6 million.

(12) During the year ended December 31, 2013, joint ventures in which the Company has noncontrolling interests sold six operating properties, in separate transactions, for an aggregate sales price of $132.1 million. In connection with these transactions, the Company recognized its share of the aggregate gains of $6.1 million and aggregate impairment charges of $1.5 million.

(13) During the year ended December 31, 2013, joint ventures in which the Company held noncontrolling interests sold 20 operating properties located throughout Mexico and Chile for $341.9 million. These transactions resulted in an aggregate net gain to the Company of $22.9 million, after tax, which represents the Company's share.

(14) During June 2013, the Company increased its ownership interest in the UBS Programs to 33.3% and simultaneously UBS transferred its remaining 66.7% ownership interest in the UBS Programs to affiliates of Blackstone Real Estate Partners VII (“Blackstone”). Both of these transactions were based on a gross purchase price of $1.1 billion. Upon completion of these transactions, Blackstone and the Company entered into a new joint venture (Kimstone) in which the Company owns a 33.3% noncontrolling interest.

(15) During the year ended December 31, 2013, KIR sold an operating property in Cincinnati, OH for a sales price of $30.0 million and recognized a gain of $6.1 million. The Company’s share of this gain was $3.0 million.

(16) During the year ended December 31, 2013, the Company and its joint venture partner sold their noncontrolling ownership interest in a joint venture which held interests in 84 operating properties located throughout Mexico for $603.5 million (including debt of $301.2 million). The Company's share of the net gain of $78.2 million, before income taxes of $25.1 million.

(17) The Company is currently in advanced negotiations to sell 10 operating properties located throughout Mexico, which are held in unconsolidated joint ventures in which the Company holds noncontrolling interests. Based upon the allocation of the selling price, the Company has recorded its share of impairment charges of $9.4 million on six of these properties.

(18) During the year ended December 31, 2012, two joint ventures in which the Company holds noncontrolling interests sold two properties, in separate transactions, for an aggregate sales price of $118.0 million. The Company’s share of the aggregate gain related to these transactions was $8.3 million.

(19) During the year ended December 31, 2012, a joint venture in which the Company holds a noncontrolling interest sold two encumbered operating properties to the Company for an aggregate sales price of $75.5 million. As a result of this transaction, the Company recognized promote income of $2.6 million. Additionally, another joint venture in which the Company holds a noncontrolling interest sold an operating property to the Company for a sales price of $127.0 million. As a result of this transaction, the Company recognized promote income of $1.1 million.

(20) During the year ended December 31, 2012, the Company recognized income of $7.5 million, before taxes of $1.5 million, from the sale of certain air rights at one of the properties in the RioCan portfolio.

(21)

KimPru recognized impairment charges of \$6.5 million related to the sale of two properties and \$53.6 million related to the potential foreclosure of two properties during the years ended December 31, 2012 and 2011, respectively. The Company had previously taken other-than-temporary impairment charges on its investment in KimPru and had allocated these impairment charges to the underlying assets of the KimPru joint ventures including a portion to these operating properties. As such, the Company's share of these impairment charges for the years ended December 31, 2012 and 2011 were \$0.8 million and \$6.0 million, respectively.

(22) During 2011, a third party mortgage lender foreclosed on an operating property for which KimPru had previously taken an impairment charge during 2010. As a result of the foreclosure during 2011, KimPru recognized an aggregate gain on early extinguishment of debt of \$29.6 million. The Company's share of this gain was \$4.4 million, before income taxes.

(23) KimPru II recognized impairment charges of \$7.3 million for the year ended December 31, 2011, related to the foreclosure of one operating property. The Company had previously taken other-than-temporary impairment charges on its investment in KimPru II and had allocated these impairment charges to the underlying assets of the KimPru II joint ventures including a portion to this operating property. As such, the Company's share of this impairment charge for the year ended December 31, 2011 was \$1.0 million.

(24) KIR recognized an impairment charge of \$4.6 million related to the sale of one operating property for the year ended December 31, 2011. The Company's share of this impairment charge was \$2.1 million for the year ended December 31, 2011.

(25) The UBS Program recognized impairment charges of \$13.0 million related to the sale of two properties and \$9.7 million related to the sale of one property, during the years ended December 31, 2012 and 2011, respectively. The Company's share of these impairment charges for the years ended December 31, 2012 and 2011 were \$2.2 million and \$1.9 million, respectively. Additionally, during the year ended December 31, 2011, the UBS Program recognized an impairment charge of \$5.0 million relating to a property that was anticipated to be foreclosed on by the third party lender in 2012. The Company's share of this impairment charge was \$0.8 million. A deed in lieu of foreclosure was given to the third party lender in 2012.

(26) During the year ended December 31, 2012, BIG recognized an impairment charge of \$9.0 million on a property that was foreclosed upon in 2013. The Company's share of this impairment charge was \$0.9 million.

(27) During the year ended December 31, 2012, two joint ventures in which the Company has a noncontrolling interest recognized aggregate impairment charges of \$6.5 million related to the sale of four operating properties. The Company's share of these impairment charges was \$0.8 million.

(28) During the year ended December 31, 2012, three joint ventures in which the Company has noncontrolling interests recognized aggregate impairment charges of \$12.8 million related to the sale of one operating property, the pending sale of one property and the potential foreclosure of another property. The Company's share of these impairment charges was \$6.4 million.

(29) During the year ended December 31, 2011, the Company sold its interest in a Canadian hotel portfolio to its partner, for Canadian Dollars ("CAD") \$2.5 million (USD \$2.4 million). As a result, the Company recorded its share of an impairment charge of USD \$5.2 million, before income taxes.

KIMCO REALTY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, continued

The table below presents debt balances within the Company's joint venture investments for which the Company held noncontrolling ownership interests at December 31, 2013 and 2012 (dollars in millions):

Venture	As of December 31, 2013 Mortgages and Notes Payable	Average Interest Rate	Average Remaining Term (months)**	As of December 31, 2012 Mortgages and Notes Payable	Average Interest Rate	Average Remaining Term (months)**
KimPru and KimPru II	$923.4	5.53%	35.0	$1,010.2	5.54%	44.5
KIR	889.1	5.05%	75.1	914.6	5.22%	78.6
UBS Programs	-	-	-	691.9	5.40%	39.1
Kimstone	749.9	4.62%	39.3	-	-	-
BIG Shopping Centers	406.5	5.39%	40.1	443.8	5.52%	45.5
CPP	138.6	5.23%	19.0	141.5	5.19%	31.0
Kimco Income Fund	158.0	5.45%	8.7	161.4	5.45%	20.7
SEB Immobilien	243.8	5.11%	43.3	243.8	5.11%	55.3
RioCan	743.7	4.59%	48.0	923.2	5.16%	41.2
Intown	-	-	-	614.4	4.46%	46.1
Other Institutional Programs	272.9	5.32%	31.0	310.5	5.24%	39.0
Other Joint Venture Programs	1,063.1	5.53%	60.6	1,612.2	5.70%	57.8
Total	$5,589.0			$7,067.5		

** Average remaining term includes extensions

KIR -

The Company holds a 48.6% noncontrolling limited partnership interest in KIR and has a master management agreement whereby the Company performs services for fees relating to the management, operation, supervision and maintenance of the joint venture properties.

The Company's equity in income from KIR for the year ended December 31, 2013 and 2012, exceeded 10% of the Company's income from continuing operations before income taxes; as such the Company is providing summarized financial information for KIR as follows (in millions):

	December 31,	
	2013	**2012**
Assets:		
Real estate, net	$1,064.2	$1,134.2
Other assets	81.9	87.7
	$1,146.1	$1,221.9
Liabilities and Members' Capital:		
Mortgages payable	$889.1	$914.6
Other liabilities	21.8	26.8
Members' capital	235.2	280.5
	$1,146.1	$1,221.9

KIMCO REALTY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, continued

	Year Ended December 31,		
	2013	**2012**	**2011**
Revenues from rental property	$198.2	$191.8	$190.0
Operating expenses	(54.2)	(51.3)	(52.5)
Interest expense	(47.8)	(54.0)	(58.8)
Depreciation and amortization	(39.1)	(39.2)	(36.8)
Impairment charges	-	-	(0.3)
Other expense, net	(0.6)	(1.3)	(2.6)
	(141.7)	(145.8)	(151.0)
Income from continuing operations	56.5	46.0	39.0
Discontinued Operations:			
Income from discontinued operations	1.5	2.3	(0.1)
Impairment on dispositions of properties	(9.8)	(0.1)	(4.8)
Gain on dispositions of properties	6.1	-	-
Net income	**$54.3**	**$48.2**	**$34.1**

RioCan Investments -

During October 2001, the Company formed three joint ventures (collectively, the "RioCan Ventures") with RioCan Real Estate Investment Trust ("RioCan"), in which the Company has 50% noncontrolling interests, to acquire retail properties and development projects in Canada. The acquisition and development projects are to be sourced and managed by RioCan and are subject to review and approval by a joint oversight committee consisting of RioCan management and the Company’s management personnel. Capital contributions will only be required as suitable opportunities arise and are agreed to by the Company and RioCan.

The Company’s equity in income from the Riocan Ventures for the year ended December 31, 2012, exceeded 10% of the Company’s income from continuing operations, as such the Company is providing summarized financial information for the RioCan Ventures as follows (in millions):

	December 31,	
	2013	**2012**
Assets:		
Real estate, net	$1,106.2	$1,189.9

Other assets	43.8	43.7
	$1,150.0	$1,233.6
Liabilities and Members' Capital:		
Mortgages payable	$743.7	$923.2
Other liabilities	13.0	18.1
Members' capital	393.3	292.3
	$1,150.0	$1,233.6

	Year ended December 31,		
	2013	**2012**	**2011**
Revenues from rental properties	$209.9	$213.3	$209.2
Operating expenses	(76.9)	(78.1)	(73.0)
Interest expense	(40.1)	(51.9)	(57.5)
Depreciation and amortization	(36.0)	(37.3)	(36.8)
Other (expense)/income, net	(1.8)	14.7	(0.2)
	(154.8)	(152.6)	(167.5)
Net income	$55.1	$60.7	$41.7

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KIMCO REALTY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, continued

Summarized financial information for the Company’s investment and advances in real estate joint ventures (excluding KIR and the RioCan Ventures, which are presented above) is as follows (in millions):

	December 31,	
	2013	**2012**
Assets:		
Real estate, net	$6,601.8	$8,523.3
Other assets	390.1	507.7
	$6,991.9	$9,031.0
Liabilities and Partners’/Members’ Capital:		
Notes payable	$-	$148.0
Mortgages payable	3,956.2	5,056.5
Construction loans	-	25.1
Other liabilities	102.0	188.5
Noncontrolling interests	19.2	19.1
Partners’/Members’ capital	2,914.5	3,593.8
	$6,991.9	$9,031.0

	Year Ended December 31,		
	2013	**2012**	**2011**
Revenues from rental property	$935.1	$1,066.8	$1,109.3
Operating expenses	(297.6)	(348.1)	(388.8)
Interest expense	(253.6)	(306.9)	(329.4)
Depreciation and amortization	(242.0)	(277.6)	(322.6)
Impairment charges	(32.3)	(25.9)	(13.5)
Other (expense)/income, net	(14.5)	(11.3)	7.4
	(840.0)	(969.8)	(1046.9)
Income from continuing operations	95.1	97.0	62.4
Discontinued Operations:			
Income/(loss) from discontinued operations	12.1	(4.0)	30.6
Impairment on dispositions of properties	(5.0)	(21.1)	(75.7)
Gain/(loss) on dispositions of properties	223.4	94.5	(0.1)
Net income	**$325.6**	**$166.4**	**$17.2**

Other liabilities included in the Company’s accompanying Consolidated Balance Sheets include accounts with certain real estate joint ventures totaling $41.5 million and $21.3 million at December 31, 2013 and 2012, respectively. The

Company and its subsidiaries have varying equity interests in these real estate joint ventures, which may differ 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 carrying value in these investments. Generally, such investments contain operating properties and the Company has determined these entities do not contain the characteristics of a VIE. As of December 31, 2013 and 2012, the Company's carrying value in these investments is $1.3 billion.

8. Other Real Estate Investments:

Preferred Equity Capital –

The Company previously provided capital to owners and developers of real estate properties through its Preferred Equity program. As of December 31, 2013, the Company's net investment under the Preferred Equity program was $236.9 million relating to 483 properties, including 392 net leased properties. For the year ended December 31, 2013, the Company earned $43.0 million from its preferred equity investments, including $20.8 million in profit participation earned from 16 capital transactions. For the year ended December 31, 2012, the Company's net investment under the Preferred Equity program was $287.8 million relating to 504 properties, including 397 net leased properties. For the year ended December 31, 2012, the Company earned $43.1 million from its preferred equity investments, including $17.6 million in profit participation earned from 21 capital transactions.

KIMCO REALTY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, continued

During 2013, the Company amended one of its Canadian preferred equity agreements to restructure its investment, into a pari passu joint venture investment in which the Company holds a noncontrolling interest. As a result of the amendment, the Company continues to account for this investment under the equity method of accounting and from the date of the amendment will include this investment in Investments and advances to real estate joint ventures within the Company's Consolidated Balance Sheets.

During 2013, a preferred equity investment in a portfolio of properties was acquired by the Company. As a result of this transaction, the Company now consolidates this investment. The Company evaluated this transaction pursuant to the FASB's Consolidation guidance and as such recognized a change in control loss of $9.6 million, from the fair value adjustment associated with the Company's original ownership. The Company's estimated fair value relating to the change in control loss was based upon a discounted cash flow model that included all estimated cash inflows and outflows over a specified holding period. The capitalization rate, and discount rate utilized in this model were based upon rates that the Company believes to be within a reasonable range of current market rates.

During 2012, the Company amended one of its preferred equity agreements to restructure its investment, into a pari passu joint venture investment in which the Company holds a noncontrolling interest. The Company will continue to account for this investment under the equity method of accounting and from the date of the amendment will include this investment in Investments and advances in real estate joint ventures within the Company's Consolidated Balance Sheets.

Included in the capital transactions described above for the year ended December 31, 2012, is the sale of three preferred equity investments in which the Company had a $0 investment and recognized promote income of $10.0 million. In connection with this transaction, the Company provided seller financing for $7.5 million, which bore interest at a rate of 7.0% and was paid off in October 2013. The Company evaluated this transaction pursuant to the FASB's real estate sales guidance and concluded that the criteria for sale recognition was met.

During 2007, the Company invested $81.7 million of preferred equity capital in an entity which was comprised of 403 net leased properties ("Net Leased Portfolio") which consisted of 30 master leased pools with each pool leased to individual corporate operators. Each master leased pool is accounted for as a direct financing lease. These properties consist of a diverse array of free-standing restaurants, fast food restaurants, convenience and auto parts stores. As of December 31, 2013, the remaining 392 properties were encumbered by third party loans aggregating $336.0 million with interest rates ranging from 5.08% to 10.47% with a weighted-average interest rate of 9.2% and maturities ranging from one to nine years. The Company recognized $13.2 million, $14.0 million and $12.7 million in equity in income from this investment during the years ended December 31, 2013, 2012 and 2011, respectively.

The Company's maximum exposure to losses associated with its preferred equity investments is primarily limited to its invested capital. As of December 31, 2013 and 2012, the Company's invested capital in its preferred equity investments approximated $236.9 million and $287.8 million, respectively.

Summarized financial information relating to the Company's preferred equity investments is as follows (in millions):

	December 31,	
	2013	**2012**
Assets:		
Real estate, net	$571.7	$824.7
Other assets	676.1	719.1
	$1,247.8	$1,543.8
Liabilities and Partners'/Members' Capital:		
Notes and mortgages payable	$878.1	$1,116.9
Other liabilities	26.1	51.8
Partners'/Members' capital	343.6	375.1
	$1,247.8	$1,543.8

KIMCO REALTY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, continued

	Year Ended December 31,		
	2013	**2012**	**2011**
Revenues from rental property	$159.5	$195.0	$233.1
Operating expenses	(34.8)	(44.7)	(57.0)
Interest expense	(55.2)	(72.0)	(89.5)
Depreciation and amortization	(24.0)	(33.7)	(43.6)
Impairment charges (a)	-	(2.7)	-
Other expense, net	(7.1)	(8.3)	(6.3)
Income from continuing operations	38.4	33.6	36.7
Discontinued Operations:			
Gain on disposition of properties	20.8	17.5	6.2
Net income	$59.2	$51.1	$42.9

(a) Represents an impairment charge against one master leased pool due to decline in fair market value.

Kimsouth -

Kimsouth Realty Inc. (“Kimsouth”) is a wholly-owned subsidiary of the Company that holds a 13.6% noncontrolling interest in a joint venture which owns a portion of Albertson’s Inc. During the year ended December 31, 2013, the Company funded an aggregate $70.8 million as its participation in a transaction with Supervalu, Inc. (“SVU”) through a consortium led by Cerberus Capital Management, L.P. This investment included a contribution of $22.3 million to acquire 414 Albertsons locations from SVU through the Company’s existing joint venture in Albertsons in which the Company now holds a 13.6% noncontrolling ownership interest. The Company recorded this additional investment in Other real estate investments on the Company’s Consolidated Balance Sheets and will continue to account for its investment in this joint venture under the equity method of accounting. During the year ended December 31, 2013, the Company recorded $16.5 million in equity losses from operations in this joint venture, which is included in Equity in income from other real estate investments, net on the Company’s Consolidated Statements of Income. As such, the Company’s investment in its Albertsons joint venture as of December 31, 2013, was $5.8 million. Also included in this aggregate funding is the Company’s contribution of $14.9 million to fund its 15% noncontrolling investment in NAI Group Holdings Inc., a C-corporation, to acquire four grocery banners (Shaw’s, Jewel-Osco, Acme and Star Market) totaling 456 locations from SVU. The Company recorded this investment in Other assets on the Company’s Consolidated Balance Sheets and will account for this investment under the cost method of accounting. Additionally, as part of this overall funding, the Company acquired 8.2 million shares of SVU common stock for $33.6 million, which is recorded in Marketable securities on the Company’s Consolidated Balance Sheets.

During 2012, the Albertsons joint venture distributed $50.3 million of which the Company received $6.9 million, which was recognized as income from cash received in excess of the Company’s investment, before income tax, and is included in Equity in income from other real estate investments, net on the Company’s Consolidated Statements of Income.

Investment in Retail Store Leases -

The Company has interests in various retail store leases relating to the anchor store premises in neighborhood and community shopping centers. These premises have been sublet to retailers who lease the stores pursuant to net lease agreements. Income from the investment in these retail store leases during the years ended December 31, 2013, 2012 and 2011, was $0.9 million, $0.9 million and $0.8 million, respectively. These amounts represent sublease revenues during the years ended December 31, 2013, 2012 and 2011, of $3.6 million, $3.9 million and $5.1 million, respectively, less related expenses of $2.7 million, $3.0 million and $4.3 million, respectively. The Company's future minimum revenues under the terms of all non-cancelable tenant subleases and future minimum obligations through the remaining terms of its retail store leases, assuming no new or renegotiated leases are executed for such premises, for future years are as follows (in millions): 2014, $3.9 and $2.4; 2015, $3.1 and $2.0; 2016, $2.7 and $1.7; 2017, $2.1 and $1.2; 2018, $1.5 and $0.7, and thereafter, $0.09 and $0.06, respectively.

Leveraged Lease -

During June 2002, the Company acquired a 90% equity participation interest in an existing leveraged lease of 30 properties. The properties are leased under a long-term bond-type net lease whose primary term expires in 2016, with the lessee having certain renewal option rights. The Company’s cash equity investment was $4.0 million. This equity investment is reported as a net investment in leveraged lease in accordance with the FASB’s lease guidance.

As of December 31, 2013, 19 of these properties were sold, whereby the proceeds from the sales were used to pay down the mortgage debt by $32.3 million and the remaining 11 properties were encumbered by third-party non-recourse debt of $17.9 million that is scheduled to fully amortize during the primary term of the lease from a portion of the periodic net rents receivable under the net lease.

As an equity participant in the leveraged lease, the Company has no recourse obligation for principal or interest payments on the debt, which is collateralized by a first mortgage lien on the properties and collateral assignment of the lease. Accordingly, this obligation has been offset against the related net rental receivable under the lease.

At December 31, 2013 and 2012, the Company's net investment in the leveraged lease consisted of the following (in millions):

	2013	**2012**
Remaining net rentals	$15.9	$24.0
Estimated unguaranteed residual value	30.3	30.3
Non-recourse mortgage debt	(16.1)	(19.0)
Unearned and deferred income	(19.9)	(27.6)
Net investment in leveraged lease	$10.2	$7.7

9. Variable Interest Entities:

Consolidated Ground-Up Development Projects

Included within the Company's ground-up development projects at December 31, 2013, are two entities that are VIEs, for which the Company is the primary beneficiary. These entities were established to develop real estate property to hold as long-term investments. The Company's involvement with these entities is through its majority ownership and management of the properties. The entities were deemed VIEs primarily based on the fact that the equity investment at risk is not sufficient to permit the entity to finance its activities without additional financial support. The initial equity contributed to these entities was not sufficient to fully finance the real estate construction as development costs are funded by the partners throughout the construction period. The Company determined that it was the primary beneficiary of these VIEs as a result of its controlling financial interest.

At December 31, 2013, total assets of these ground-up development VIEs were $88.3 million and total liabilities were $0.1 million. The classification of these assets is primarily within Real estate under development in the Company's Consolidated Balance Sheets and the classifications of liabilities are primarily within Accounts payable and accrued expenses on the Company's Consolidated Balance Sheets.

Substantially all of the projected development costs to be funded for these ground-up development VIEs, aggregating $33.7 million, will be funded with capital contributions from the Company and by the outside partners, when contractually obligated. The Company has not provided financial support to these VIEs that it was not previously contractually required to provide.

Unconsolidated Gro