FEDERAL REALTY INVESTMENT TRUST
Form 10-K/A
March 26, 2004

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K/A

Amendment No. 1

þ Annual report pursuant to the Section 13 or 15(d) of the Securities Exchange Act of 1934
For the fiscal year ended December 31, 2003

Or

o 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: 1-07533

FEDERAL REALTY INVESTMENT TRUST

(Exact Name of Registrant as Specified in its Declaration of Trust)

Maryland	52-0782497
(State of Organization)	(IRS Employer Identification No.)
1626 East Jefferson Street, Rockville, Maryland	20852
(Address of Principal Executive Offices)	(Zip Code)

(301) 998-8100

(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 Shares of Beneficial Interest, $.01 par value per share, with associated Common Share Purchase Rights	New York Stock Exchange
8.5% Series B Cumulative Redeemable Preferred Shares	New York Stock Exchange

of Beneficial Interest, par value $.01 per share,
(Liquidation Preference $25.00 per share)

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

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. þ Yes o No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K 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. o

Indicate by check mark whether the Registrant is an accelerated filer (as defined in Exchange Act Rule 12b-2). þ Yes o No

The aggregate market value of the Registrant s common shares held by non-affiliates of the Registrant, based upon the closing sales price of the Registrant s common shares on June 30, 2003 was $1.569 billion.

The number of Registrant s common shares outstanding on March 9, 2004 was 49,221,894.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant s Proxy Statement to be filed with the Securities and Exchange Commission for its 2004 annual meeting of shareholders to be held in May 2004 are incorporated by reference into Part III hereof.

EXPLANATORY NOTE

Federal Realty Investment Trust is filing this Form 10-K/A to correct the following errors and omissions with respect to its Form 10-K for the fiscal year ended December 31, 2003: (i) the following typographical errors in Financial Statement Schedule III Summary of Real Estate and Accumulated Depreciation for Clifton, the encumbrance in Column B should have been shown as $3,256,000 and not $3,556,000; for Mount Vernon Plaza, the land value in Column E should have been zero and not $12,026,646; for FR Plaza del Mercado, LLC, the Cost Capitalized Subsequent to Acquisition in Column D should have been $16,590 and not $787,590; and the Total for Cost Capitalized Subsequent to Acquisition should have been $1,261,930,013 and not $1,361,930,013; (ii) the Trust s Computation of Ratios of Earnings to Fixed Charges and Earnings to Combined Fixed Charges and Preferred Share Dividends was inadvertently omitted as an exhibit from the original filing; and (iii) the Trust s list of subsidiaries, which was filed as Exhibit 21.1 to the Form 10-K, was inadvertently omitted from the list of Exhibits contained in Item 15(a)(3).

With the exceptions of the foregoing corrections, no other changes have been made to the Trust s Consolidated Financial Statements or Financial Statement Schedules and the Trust s Form 10-K for the fiscal year ended December 31, 2003 has not otherwise been updated.

PART II

Item 8. Financial Statements and Supplementary Data

NOTICE REGARDING ARTHUR ANDERSEN LLP

Section 11(a) of the Securities Act of 1933, as amended, provides that if any part of a registration statement at the time it becomes effective contains an untrue statement of a material fact or an omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, any person acquiring a security pursuant to the registration statement (unless it is proved that at the time of the acquisition the person knew of the untruth or omission) may sue, among others, every accountant who has consented to be named as having prepared or certified any part of the registration statement or as having prepared or certified any report or valuation which is used in connection with the registration statement with respect to the statement in the registration statement, report or valuation which purports to have been prepared or certified by the accountant.

Prior to the date of the filing of this Form 10-K, the Arthur Andersen LLP partners who reviewed our audited financial statements contained herein resigned from Arthur Andersen LLP and Arthur Andersen LLP was convicted for obstruction of justice and elected to cease practicing before the SEC in August 2002. As a result, after reasonable efforts, we have been unable to obtain Arthur Andersen LLP s written consent to the incorporation by reference into our previously filed Registration Statements File No. 333-100819, 333-84210, 333-97945, 333-63619, File No. 33-63687, File No. 33-63955, File No. 33-15264 and File No. 33-55111 and in their related prospectuses (the Prior Registration Statements) of its audit report with respect to our financial statements for the fiscal year ended December 31, 2001.

Under these circumstances, Rule 437a under the Securities Act permits us to file this Form 10-K without a written consent from Arthur Andersen LLP. Accordingly, Arthur Andersen LLP will not be liable to persons acquiring our securities registered pursuant to the Prior Registration Statements under Section 11(a) of the Securities Act because it has not consented to being named as an expert in the Prior Registration Statements.

Index to Consolidated Financial Statements

Report of Independent Certified Public Accountants

Trustees and Shareholders of Federal Realty Investment Trust

We have audited the consolidated balance sheet of Federal Realty Investment Trust (a Maryland real estate investment trust) (the Trust) and subsidiaries as of December 31, 2003 and 2002, and the related consolidated statements of operations, common shareholders equity, and cash flows for each of the two years in the period ended December 31, 2003. These financial statements are the responsibility of the Trust s management. Our responsibility is to express an opinion on these financial statements based on our audits. The consolidated financial statements of Federal Realty Investment Trust and subsidiaries as of December 31, 2001, and for the year then ended, were audited by other auditors who have ceased operations. Those auditors expressed an unqualified opinion on those consolidated financial statements in their report dated February 11, 2002.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Federal Realty Investment Trust and subsidiaries as of December 31, 2003 and 2002, and the consolidated results of its operations and its consolidated cash flows for each of the two years in the period ended December 31, 2003, in conformity with accounting principles generally accepted in the United States of America.

We have also audited Schedules III and IV for the years ended December 31, 2003 and 2002. In our opinion, these schedules present fairly, in all material respects, the information therein when considered in relation to the basic financial statements taken as a whole.

As discussed above, the consolidated financial statements of Federal Realty Investment Trust and subsidiaries as of December 31, 2001, and for the year then ended, were audited by other auditors who have ceased operations. As described in Note 1, these financial statements have been restated to reflect discontinued operations. We have audited the adjustments described in Note 1 that were applied to restate the 2001 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. However, we were not engaged to audit, review or apply any procedures to the 2001 financial statements of the Trust other than with respect to such adjustments, and, accordingly, we do not express an opinion or any other form of assurance on the 2001 financial statements taken as a whole.

/s/ GRANT THORNTON LLP

Vienna, Virginia
February 5, 2004

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Trustees and Shareholders of Federal Realty Investment Trust:

We have audited the accompanying consolidated balance sheets of Federal Realty Investment Trust (a Maryland real estate investment trust) and subsidiaries as of December 31, 2001 and 2000 and the related consolidated statements of operations, common shareholders equity and cash flows for each of the years in the three year period ended December 31, 2001. These financial statements are the responsibility of the Trust s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion. In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Federal Realty Investment Trust and subsidiaries as of December 31, 2001 and 2000 and the results of their operations and their cash flows for each of the years in the three year period ended December 31, 2001 in conformity with accounting principles generally accepted in the United States.

Our audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The financial statement schedules included on pages F-29 through F-34 of the Form 10-K are presented for purposes of complying with the Securities and Exchange Commission s rules and are not a required part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in our audit of the basic consolidated financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

/s/ ARTHUR ANDERSEN LLP

Vienna, Virginia
February 11, 2002

Note: As permitted by Rule 2-02(e) of Regulation S-X promulgated under the Securities Act, this is a copy of the audit report previously issued by Arthur Andersen LLP in connection with the filing of our Form 10-K for the fiscal year ended December 31, 2001. After reasonable efforts, we have been unable to have Arthur Andersen LLP reissue this audit report in connection with the filing of this Form 10-K. See Item 8. Financial Statements and Supplemental Data - Notice Regarding Arthur Andersen LLP for a further discussion. The consolidated balance sheet as of December 31, 2000, and the related consolidated statements of operations, changes in shareholders equity and other comprehensive income, and cash flows for the two fiscal years ended December 31, 2000 referred to in this report have not been included in the accompanying financial statements or schedules. In addition, Arthur Andersen s audit report relates to the financial statements of the Trust for 2000 and 2001 before restatement adjustments to reflect discontinued operations. The restatement adjustments for these years have been audited by Grant Thornton LLP.

Federal Realty Investment Trust

CONSOLIDATED BALANCE SHEETS

	December 31, 2003	December 31, 2002
	(in thousands, except share data)	
ASSETS		
Real estate, at cost		
Operating	$ 2,342,315	$ 1,940,312
Development	127,834	340,488
Discontinued operations		26,026
	2,470,149	2,306,826
Less accumulated depreciation and amortization	(514,177)	(450,697)
Net real estate investments	1,955,972	1,856,129
Cash and cash equivalents	34,968	23,123
Mortgage notes receivable	41,500	35,577
Accounts and notes receivable	31,207	18,722
Prepaid expenses and other assets, principally lease commissions and property taxes	69,335	57,257
Debt issuance costs, net of accumulated amortization of $3,111 and $6,344, respectively	10,453	8,570
	$ 2,143,435	$ 1,999,378
LIABILITIES AND SHAREHOLDERS EQUITY		
Liabilities		
Obligations under capital leases	$ 159,486	$ 104,395
Mortgages and construction loans payable	254,871	279,417
Notes payable	361,323	207,711
Accounts payable and accrued expenses	61,018	79,517
Dividends payable	26,021	24,356
Security deposits	7,208	6,685
Prepaid rents	17,552	13,644
Senior notes and debentures	535,000	535,000
5 1/4% Convertible subordinated debentures		75,000

Total liabilities	1,422,479	1,325,725
Minority interests	29,582	29,366
Commitments and contingencies		
Shareholders equity		
Preferred stock, authorized 15,000,000 shares, $.01 par:		
7.95% Series A Cumulative Redeemable Preferred Shares, (stated at liquidation preference $25 per share), 4,000,000 shares issued in 1997		100,000
8.5% Series B Cumulative Redeemable Preferred Shares, (stated at liquidation preference $25 per share), 5,400,000 shares issued in 2001	135,000	135,000
Common shares of beneficial interest, $.01 par, 100,000,000 shares authorized, 50,670,851 and 44,996,382 issued, respectively	506	450
Additional paid in capital	980,227	818,290
Accumulated dividends in excess of Trust net income	(386,738)	(368,839)
	728,995	684,901
Less:		
1,470,275 and 1,461,147 common shares in treasury at cost, respectively	(28,445)	(28,193)
Deferred compensation on restricted shares	(5,474)	(2,657)
Notes receivable from employee stock plans	(3,615)	(5,151)
Accumulated other comprehensive income (loss)	(87)	(4,613)
Total shareholders equity	691,374	644,287
	$ 2,143,435	$ 1,999,378

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

Federal Realty Investment Trust

CONSOLIDATED STATEMENTS OF OPERATIONS

	Year ended December 31,		
	2003	**2002**	**2001**
	(In thousands, except per share data)		
Revenue			
Rental income	$ 334,697	$ 295,016	$ 269,288
Other property income	17,800	15,468	13,707
Interest and other income	5,379	5,156	6,590
	357,876	315,640	289,585
Expenses			
Rental	83,447	72,990	61,619
Real estate taxes	34,596	30,687	27,646
Interest	75,232	65,058	69,313
Administrative	11,820	13,790	14,281
Restructuring		22,269	
Depreciation and amortization	75,089	63,777	58,231
	280,184	268,571	231,090
Income before minority interests and discontinued operations	77,692	47,069	58,495
Minority Interests	(4,670)	(4,112)	(5,170)
Income from continuing operations	73,022	42,957	53,325
Operating income from discontinued operations	1,422	2,876	6,246
Gain on sale of real estate	20,053	9,454	9,185
Income from discontinued operations	21,475	12,330	15,431
Net income	**94,497**	**55,287**	**68,756**

Dividends on preferred stock	(15,084)	(19,425)	(9,034)
Preferred stock redemption excess of redemption cost over carrying value	(3,423)		
Net income available for common shareholders	$ 75,990	$ 35,862	$ 59,722
Basic earnings per common share:			
Income from continuing operations	$ 1.15	$ 0.57	$ 1.13
Discontinued operations	0.45	0.29	0.39
	$ 1.60	$ 0.86	$ 1.52
Weighted average number of common shares, basic	47379	41624	39164
Diluted earnings per common share:			
Income from continuing operations	$ 1.15	$ 0.57	$ 1.13
Discontinued operations	0.44	0.28	0.39
	$ 1.59	$ 0.85	$ 1.52
Weighted average number of common shares, diluted	48619	42882	40266

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

Federal Realty Investment Trust

CONSOLIDATED STATEMENTS OF COMMON SHAREHOLDERS EQUITY

	Year ended December 31,								
	2003			2002			2001		
usands, except share data)	**Shares**	**Amount**	**Additional Paid-in Capital**	**Shares**	**Amount**	**Additional Paid-in Capital**	**Shares**	**Amount**	**Ad P C**
inued Operations									
n Shares of Beneficial									
, beginning of year	44,996,382	$ 450	$ 818,290	41,524,165	$ 417	$ 730,835	40,910,972	$ 410	$ 7
e of stock options	2,124,869	21	50,749	951,971	9	20,857	22,066		
ssued under dividend ment plan	109,835	1	3,541	134,247	1	3,488	159,234	2	
ance and Restricted Shares net of Restricted Shares	138,568	1	3,960	98,092		2,468	96,657	2	
e of shares in public offering	3,236,245	32	98,368	2,185,000	22	56,631			
fication for preferred stock ion			3,423						
ssued to purchase operating hip units	64,952	1	1,896	100,000	1	2,769			
8.5% Series B Cumulative d Shares									
ated vesting of options and d shares						1,165			
ssued to purchase hip interest				2,907		77	335,236	3	
, end of period	50,670,851	$ 506	$ 980,227	44,996,382	$ 450	$ 818,290	41,524,165	$ 417	$ 7
ulated Dividends in Excess Net Income									
, beginning of year		$ (368,839)			$ (322,428)			$ (306,287)	
ome		94,497			55,287			68,756	
ds declared to common lders		(93,889)			(82,273)			(75,863)	
ds declared to preferred lders and redemption costs		(18,507)			(19,425)			(9,034)	
, end of period		$ (386,738)			$ (368,839)			$ (322,428)	

n Shares of Beneficial in Treasury						
, beginning of year	(1,461,147)	$ (28,193)	(1,452,926)	$ (27,990)	(1,441,594)	$ (27,753)
ance and Restricted Shares d	(9,128)	(252)	(8,221)	(203)	(11,322)	(237)
, end of period	(1,470,275)	$ (28,445)	(1,461,147)	$ (28,193)	(1,452,916)	$ (27,990)
d Compensation on ed Shares						
, beginning of year	-153,993	$ (2,657)	(666,656)	$ (15,005)	(735,875)	$ (17,254)
ance and Restricted Shares net of forfeitures	-118,400	(3,371)	(73,821)	(1,763)	(61,369)	(830)
of Performance and ed Shares	51,727	554	586,484	14,111	130,588	3,079
, end of period	(220,666)	$ (5,474)	(153,993)	$ (2,657)	(666,656)	$ (15,005)
ptions receivable from ee stock plans						
, beginning of year	-184,063	$ (5,151)	(218,555)	$ (7,245)	(242,638)	$ (6,734)
ption loans issued	-87,641	(1,999)	(93,469)	(2,986)	(3,333)	(973)
ption loans paid	115,430	3,535	127,961	5,080	27,416	462
, end of period	(156,274)	$ (3,615)	(184,063)	$ (5,151)	(218,555)	$ (7,245)
ulated other comprehensive (loss)						
, beginning of year		$ (4,613)		$ (4,293)		$
due to recognizing ain on securities		(92)		(44)		49
in valuation on interest rate		3,563		(276)		(4,342)
interest rate hedge ion		1,055				
, end of period		$ (87)		$ (4,613)		$ (4,293)
hensive income						
ome		$ 94,497		$ 55,287		$ 68,756
		(92)		(44)		49

due to recognizing loss on es			
in valuation on interest rate	3,563	(276)	(4,342)
interest rate hedge ion	1,055		
mprehensive income	$ 99,023	$ 54,967	$ 64,463

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

Federal Realty Investment Trust

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31,		
	2003	2002	2001
(In thousands)			
OPERATING ACTIVITIES			
Net income	$ 94,497	$ 55,287	$ 68,756
Items not requiring cash outlays			
Depreciation and amortization, including discontinued operations	74,616	64,529	59,914
Gain on sale of real estate	(20,053)	(19,101)	(9,185)
Loss on abandoned developments held for sale		9,647	
Non-cash portion of restructuring expense		19,586	
Other, net	3,649	4,792	1,041
Changes in assets and liabilities			
Increase in accounts and notes receivable	(12,485)	(3,239)	(4,641)
Increase in prepaid expenses and other assets before depreciation and amortization	(22,614)	(19,762)	(18,305)
Increase in operating accounts payable, security deposits and prepaid rent	4,147	2,996	4,132
Increase in accrued expenses	634	4,334	7,736
Net cash provided by operating activities	122,391	119,069	109,448
INVESTING ACTIVITIES			
Acquisition of real estate	(50,629)		(61,415)
Capital expenditures development	(123,883)	(221,357)	(158,048)
Capital expenditures other	(50,641)	(43,579)	(41,013)
Santana Row fire insurance proceeds reducing cost basis	95,895	21,000	
Proceeds from sale of real estate	43,909	62,544	25,063
(Issuance) repayment of mortgage notes receivable, net	(5,923)	5,648	3,275
Net cash used in investing activities	(91,272)	(175,744)	(232,138)
FINANCING ACTIVITIES			
Borrowing (repayment) of short-term debt, net	28,750	27,000	(34,000)
(Repayment) proceeds from mortgage and construction financing, net of costs		(60,718)	145,427
Increase in term notes to banks, net	125,000		
Note issuance (repayment), net of costs		148,746	
Issuance of Series B Preferred shares, net of costs			130,225

Repayment of Series A Preferred shares	(100,000)		
Issuance of common shares, net of subscriptions receivable	151,614	76,701	398
Payments on mortgages, capital leases and notes payable	(117,913)	(29,627)	(31,550)
Dividends paid	(104,802)	(96,461)	(80,593)
(Decrease) increase in minority interest, net	(1,923)	(3,406)	(1,011)
Net cash (used in) provided by financing activities	(19,274)	62,235	128,896
Increase in cash	11,845	5,560	6,206
Cash at beginning of year	23,123	17,563	11,357
Cash at end of year	$ 34,968	$ 23,123	$ 17,563

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

Federal Realty Investment Trust
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2003, 2002 and 2001

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Federal Realty Investment Trust (the Trust) is an equity real estate investment trust specializing in the ownership, management, development and redevelopment of high quality community and neighborhood shopping centers and main street mixed-use properties located in densely developed urban and suburban areas in strategic metropolitan markets in the Mid-Atlantic and Northeast regions and California.

We operate in a manner intended to enable us to qualify as a real estate investment trust for federal income tax purposes. A trust which distributes at least 90% of its real estate investment trust taxable income to its shareholders each year and which meets certain other conditions will not be taxed on that portion of its taxable income which is distributed to its shareholders. Therefore, Federal income taxes have been and are generally expected to be immaterial. We are obligated for state taxes, generally consisting of franchise or gross receipts taxes in certain states. Such state taxes have not been material.

Our consolidated financial statements include the accounts of the Trust, its corporate subsidiaries, and numerous partnerships and limited liability companies, all of which we control. The equity interests of other investors are reflected as investors interest in consolidated assets. All significant intercompany transactions and balances are eliminated in consolidation. We account for our interests in joint ventures which we do not control or manage using the equity method of accounting.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, which we refer to as GAAP, requires management to make estimates and assumptions that in certain circumstances affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and revenues and expenses. These estimates are prepared using management s best judgment, after considering past and current events and economic conditions. Actual results could differ from these estimates.

Revenue Recognition and Accounts Receivable. Leases with tenants are classified as operating leases. Minimum rents are recognized on a straight-line basis over the terms of the related leases net of valuation adjustments based on management s assessment of credit, collection and other business risk. Percentage rents, which represent additional rents based on gross tenant sales, are recognized at the end of the lease year or other period in which tenant sales thresholds have been reached and the percentage rents are due. Real estate tax and other cost reimbursements are recognized on an accrual basis over the periods in which the expenditures occurred. We make estimates of the collectibility of our accounts receivable related to base rents, including straight line rentals, expense reimbursements and other revenue or income. In some cases the ultimate collectibility of these claims extends beyond one year. We generally reserve for straight-line rents due beyond ten years due to uncertainty of collection.

Real Estate. Land, buildings and real estate under development are recorded at cost. Depreciation is computed using the straight-line method. Estimated useful lives range generally from 35 years to a maximum of 50 years on buildings and improvements. Maintenance and repair costs are charged to operations as incurred. Tenant work and other major improvements are capitalized and depreciated over the life of the lease or their estimated useful life, respectively. Upon termination of a lease, undepreciated tenant improvement costs are charged to operations if the assets are replaced and the asset and the corresponding accumulated depreciation are retired. Minor improvements, furniture and equipment are capitalized and depreciated over useful lives ranging from three to 15 years. In accordance with Statement of Financial Accounting Standard (SFAS) No. 66, Accounting for Sales of Real Estate , sales are recognized at closing only when sufficient down payments have been obtained, possession and other attributes of ownership have been transferred to the buyer and we have no significant continuing involvement. The gain or loss resulting from the sale of properties is included in net income at the time of sale.

We evaluate the carrying value of our long-lived assets in accordance with SFAS No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of . In cases where particular assets are being held for sale, impairment is based on whether the fair value (estimated sales price less costs of disposal) of each individual property to be sold is less than the net book value. Otherwise, impairment is based on whether it is probable that undiscounted future cash flows from each property will be less than its net book value. If a property is impaired, its basis is adjusted to its estimated fair market value.

In August 2001, the FASB issued SFAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets (effective for us on January 1, 2002). SFAS No. 144 requires that one accounting model be used for long-lived assets to be disposed of by sale, whether previously held and used or newly-acquired, and broadens the presentation of discontinued operations to include components of an entity comprising operations and cash flows that can be distinguished, operationally and for financial reporting purposes from the rest of the entity.

In June 2002, the FASB issued SFAS No. 146, Accounting for Costs Associated with Exit or Disposal Activities, which addresses accounting and processing for costs associated with exit or disposal activities. SFAS No. 146 requires the recognition of a liability for a cost associated with an exit or disposal activity when the liability is incurred versus the date the Trust commits to an exit plan. In addition, SFAS No. 146 states that the liability should be initially measured at fair value. The requirements of SFAS No. 146 are effective for exit or disposal activities that are initiated after December 31, 2002. This pronouncement has not had a material impact on our financial position or results of operations.

When applicable as lessee, we classify our leases of land and buildings as operating or capital leases in accordance with the provisions of SFAS No. 13, Accounting for Leases .

Certain external and internal costs directly related to the development, redevelopment and leasing of real estate including applicable salaries and their related direct costs are capitalized. The capitalized costs associated with developments, redevelopments and leasing are depreciated or amortized over the life of the improvement or lease, whichever is shorter. Unamortized leasing costs are charged to operations if the applicable tenant vacates before the expiration of its lease.

Interest costs on developments and major redevelopments are capitalized as part of the development and redevelopment until it is placed in service. Capitalization of interest commences when development activities and expenditures begin and end upon completion, i.e. when the asset is ready for its intended use. Generally rental property is considered substantially complete and ready for its intended use upon completion of tenant improvements, but no later than one year from the completion of major construction activity.

Debt Issue Costs. Costs related to the issuance of debt instruments are capitalized and are amortized as interest expense over the life of the related issue using the effective interest method. Upon conversion or in the event of early redemption, any unamortized costs are charged to operations.

Cash and Cash Equivalents. We define cash as cash on hand, demand deposits with financial institutions and short term liquid investments with an initial maturity under three months. Cash balances in individual banks may exceed insurable amounts.

Risk Management. We enter into derivative contracts, which qualify as cash flow hedges under SFAS No. 133 Accounting for Derivative Instruments and Hedging Activities , in order to manage interest rate risk. Derivatives are not purchased for speculation. During 2001, to hedge our exposure to interest rates on our $125 million term loan, we entered into interest rate swaps, which fixed the LIBOR interest rate on that term loan at 5.27%. The interest rate on this term loan was LIBOR plus 95 basis points, thus fixing the interest rate at 6.22% on notional amounts totaling $125 million. The swaps were documented as cash flow hedges and designated as effective at inception of the swap contract. Consequently, the unrealized gain or loss upon measuring the swaps at their fair market value is recorded as a component of other comprehensive income within shareholders equity and either a derivative instrument asset or liability is recorded on the balance sheet. At December 31, 2002, a cumulative unrealized loss of $4.6 million, representing the difference between the then current market value and the 6.22% fixed interest rate on the swap, was recorded in other comprehensive income with a corresponding derivative liability on the balance sheet. In October 2003, we unwound the interest rate swaps which were due to expire December 19, 2003 at a cost of approximately $1.1 million. There were no open derivative contracts at December 31, 2003. In January 2004, to hedge our exposure to interest rates on our $150 million term loan issued in October 2003, we entered into interest rate swaps, which fixed the LIBOR portion of the interest rate on the term loan at 2.40% through October 2006.

In anticipation of a $150 million Senior Unsecured Note offering, on August 1, 2002, we entered into a treasury rate lock that fixed the benchmark five year treasury rate at 3.472% through August 19, 2002. The rate lock was documented as a cash flow hedge of a forecasted transaction and designated as effective at the inception of the contract. On August 16, 2002, we priced the Senior Unsecured Notes with a scheduled closing date of August 21, 2002 and closed out the associated rate lock. Five year treasury rates declined between the pricing period and the settlement of the hedge purchase; therefore, to settle the rate lock, we paid $1.5 million. As a result of the August 19, 2002 fire at Santana Row, we were not able to proceed with the note offering at that time. However, we consummated a $150 million Senior Unsecured Note offering on November 15, 2002, and thus, the hedge loss is being amortized into interest expense over the life of the related Notes.

Acquisition, Development and Construction Loan Arrangements. We have made certain mortgage loans that, because of their nature, qualify as loan receivables. At the time the loans were made, we did not intend for the arrangement to be anything other than a financing and did not contemplate a real estate investment. Using guidance set forth in the Third Notice to Practitioners issued by the AICPA in February 1986 entitled ADC Arrangements (the Third Notice), we evaluate each investment to determine whether the loan arrangement qualifies under the Third Notice as a loan, joint venture or real estate investment and the appropriate accounting thereon. Such determination affects our balance sheet classification of these investments and the recognition of interest income derived therefrom. Generally, we receive additional interest on these loans, however we never receive in excess of 50% of the residual profit in the project (as defined in the Third Notice) and because the borrower has either a substantial investment in the project or has guaranteed all or a portion of our loan (or a combination thereof) the loans qualify for loan accounting. The amounts under ADC arrangements at December 31, 2003 and 2002 were $48.9 million and $35.6 million respectively and interest income recognized thereon was $3.7 million and $4.3 million, respectively.

Comprehensive Income. Our interest rate swaps were documented as cash flow hedges and designated as effective at inception of the swap contract, therefore, the unrealized gain or loss upon measuring the swaps at their fair market value is recorded as a component of other comprehensive income within shareholders equity. In accordance with SFAS No. 115, Accounting for Certain Investments in Debt and Equity Securities , investments purchased in connection with our nonqualified deferred compensation plan are classified as available for sale securities and reported at fair value. Unrealized gains or losses on these investments purchased to match our obligation to the participants is also recorded as a component of other comprehensive income. At December 31, 2003 these investments consisted of mutual funds and are stated at market value.

Earnings Per Share. We calculate basic and diluted earnings per share in accordance with SFAS No. 128, Earnings Per Share . Basic EPS excludes dilution and is computed by dividing net income available for common shareholders by the weighted average number of common shares outstanding for the period. Diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue common shares were exercised or converted into common shares and then shared in our earnings.

The following table sets forth the reconciliation between basic and diluted EPS (in thousands, except per share data):

	2003	2002	2001
Numerator			
Net income available for common shareholders basic	$ 75,990	$ 35,862	$ 59,722
Income attributable to operating partnership units	1,317	740	1,384
Net income available for common shareholders diluted	$ 77,307	$ 36,602	$ 61,106
Denominator			
Denominator for basic EPS- weighted average shares	47,379	41,624	39,164
Effect of dilutive securities, stock options and awards	412	417	197
Operating partnership units	828	841	905
Weighted average shares diluted	48,619	42,882	40,266
Earnings per common share basic	$1.60	$0.86	$1.52
Earnings per common share diluted	$1.59	$0.85	$1.52

Stock-Based Compensation. In December 2002 the FASB issued SFAS No. 148, Accounting for Stock Based Compensation-Transition and Disclosure as an amendment of FASB Statement No. 123, Accounting for Stock-Based Compensation . SFAS No. 148 amends the disclosure provisions to require prominent disclosure about the effects on reported net income of an entity s accounting policy decisions with respect to stock-based compensation. Stock options are accounted for using the intrinsic method in accordance with APB No. 25, Accounting for Stock Issued to Employees, as interpreted, whereby if options are priced at fair market value or above at the date of grant and the number of shares is fixed or certain, no compensation expense is recognized. In addition, certain of our stock-based compensation arrangements provide for performance-based vesting which calls for the use of variable plan accounting whereby compensation expense is periodically recorded for the intrinsic value of vested shares. Historically, compensation arising from such arrangements has not been material to operations. The pro forma information is as follows (in thousands except for earnings per share):

	2003	2002	2001
Net income available to common shareholders	$75,990	$35,862	$59,722

Stock-based employee compensation cost included in net income as reported			
Stock-based employee compensation cost under the fair value method of SFAS No. 123	$606	$432	$680
Pro forma net income available to common shareholders	$75,384	$35,430	$59,042
Earnings per common share, basic	$1.60	$0.86	$1.52
Earnings per common share, diluted	$1.59	$0.85	$1.52
Pro forma earnings per common share, basic	$1.59	$0.85	$1.51
Pro forma earnings per common share, diluted	$1.58	$0.84	$1.50

Reclassifications. Certain components of rental income, other property income, rental expense, real estate tax expense and depreciation and amortization on the December 31, 2002 and 2001 Consolidated Statements of Operations have been reclassified to Income from operations of discontinued assets to assure comparability of all periods presented. In addition, certain balance sheet accounts have been reclassified to assure comparability of all periods presented.

Redemption of preferred stock. On June 13, 2003, we redeemed our $100 million 7.95% Series A Cumulative Redeemable Preferred Shares at their face value. The original issuance costs of $3.4 million were charged to shareholders equity in 1997, when the shares were issued. On July 31, 2003, the Emerging Issues Task Force provided clarification on the treatment of the difference between the redemption value and the carrying value, adjusting for issuance costs, for GAAP financial reporting. In accordance with this clarification, we are required to make a change in accounting to retroactively reflect this difference as a reduction of net earnings to arrive at net earnings available to common shareholders. As a result of this change in accounting presentation, our Consolidated Statement of Operations for the year ended December 31, 2003 reflects a charge of $3.4 million in the line Preferred stock redemption - excess of redemption cost over carrying value as a reduction of net income in computing net income available for common shareholders.

Guarantor s Accounting. In November 2002, the FASB issued FASB Interpretation No. 45, Guarantor s Accounting and Disclosure Requirements for Guarantees, Including Guarantees of Indebtedness of Others (FIN 45). FIN 45 addresses the disclosure requirements of a guarantor in its interim and annual financial statements about its obligations under certain guarantees that it has issued. FIN 45 also requires a guarantor to recognize, at the inception of a guarantee, a liability for the fair value of the obligation undertaken in issuing the guarantee. The disclosure requirements of FIN 45 were effective for us on December 31, 2002. The liability recognition requirements are applicable prospectively to all guarantees issued or modified after December 31, 2002. The adoption of this pronouncement has not had a material impact on our financial position or results of operations.

Variable Interest Entities. On January 31, 2003, the FASB issued FASB Interpretation No. 46, Consolidation of Variable Interest Entities (FIN 46). FIN 46 clarifies existing accounting for whether interest entities should be consolidated in financial statements based upon the investees ability to finance its activities without additional financial support and whether investors possess characteristics of a controlling financial interest. We have evaluated the applicability of FIN 46 to our investments in certain restaurant joint ventures established in 2001 and 2002 at Santana Row and have determined that these joint ventures do not meet the definition of a Variable Interest Entity and therefore consolidation of these ventures is not required. Accordingly, these investments will continue to be accounted for using the equity method.

As of December 31, 2003, we have invested approximately $7.8 million in these ventures, principally to fund buildout costs of each restaurant. Of this amount, $6.5 million has been capitalized as an investment in these ventures and $1.3 million was expensed in 2002 to reflect our estimate of the permanent impairment of our investment in two of these ventures due principally to declining economic conditions. We are currently committed to invest a total of $8.0 million in these ventures and as such, our maximum exposure to further losses as a result of involvement in these ventures is $6.7 million at December 31, 2003.

Statement of Financial Accounting Standards No. 149. In April 2003, the FASB issued SFAS No. 149, Amendment of Statement 133 on Derivative Instruments and Hedging Activities which clarifies the accounting and reporting for derivative instruments. The statement is effective for contracts entered into or modified after June 30, 2003. The adoption of SFAS 149 has not had a material effect on the Trust s financial statements.

Statement of Financial Accounting Standards No. 150. In May 2003, the FASB issued SFAS No 150 Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity. SFAS No. 150 addresses the classification and measurement of freestanding financial instruments, including mandatorily redeemable preferred and common stock, and requires an issuer to classify certain instruments as liabilities. The adoption of SFAS No. 150 has not had a material effect on the Trust s financial Statements.

NOTE 2: REAL ESTATE AND ENCUMBRANCES

A summary of our properties at December 31, 2003 and 2002 is as follows (in thousands):

2003	Cost	Accumulated depreciation and amortization	Encumbrances
Retail and mixed-use properties	$2,197,276	$434,063	$254,871
Retail properties under capital leases	246,143	73,767	159,486
Residential	26,730	6,347	
	$2,470,149	$514,177	$414,357
2002			
Retail and mixed-use properties	$2,123,890	$378,148	$288,817
Retail properties under capital leases	176,253	66,538	104,395
Residential	6,683	6,011	
	$2,306,826	$450,697	$393,212

Retail and mixed-use properties includes the residential portion of our Santana Row development partner. The residential property investments comprised our investments in Rollingwood Apartments and Crest Apartments at Congressional Plaza.

During 2003 we expended cash of $174.5 million to improve, redevelop and develop our existing real estate. Of the $174.5 million spent in 2003 on our existing real estate portfolio, approximately $123.9 million was invested in our Santana Row development project, located in San Jose, California. The remaining $50.6 million of capital expenditures relates to improvements to common areas, tenant work and various redevelopments, including the cost of

Congressional Apartments in Rockville, Maryland, the redevelopment of retail buildings in San Antonio, Texas and the completion of tenant work at the Woodmont East development in Bethesda, Maryland.

During 2003, we expended cash of $50.6 million acquiring four shopping centers and $55.4 million of assets were acquired through capital leases.

On March 21, 2003, a partnership in which one of our wholly owned subsidiaries is the general partner, purchased the 214,000 square foot South Valley Shopping Center in Alexandria, Virginia for a purchase price of approximately $13.7 million in cash. All of the purchase price has been allocated to real estate assets except for approximately $125,000 which has been allocated to prepaid and other assets associated with the net fair value assigned to above-market leases assumed and $332,000 which has been allocated to other liabilities associated with the net fair value assigned to below-market leases assumed.

On March 31, 2003, the same partnership acquired the leasehold interest, which extends through December 31, 2077, in the 257,000 square foot Mount Vernon Plaza in Alexandria, Virginia, for aggregate consideration of approximately $17.5 million in the form of approximately $700,000 of cash, 120,000 partnership units valued at $3.5 million and the assumption of a $13.3 million mortgage. All of the purchase price has been allocated to real estate assets except for approximately $756,000 which has been allocated to prepaid and other assets associated with the net fair value assigned to above-market leases assumed and $1.75 million which has been allocated to other liabilities associated with the net fair value assigned to the assumed leases at the property assigned.

On October 14, 2003, the Trust acquired the leasehold interest, which extends through September 30, 2028, in the 321,000 square foot Mercer Mall in Lawrenceville, New Jersey for $10.5 million paid out of proceeds from dispositions and from borrowings under our credit facility. The master lease includes a fixed purchase price option for $55 million in 2023. If we fail to exercise our purchase option, the owner of Mercer Mall has a put option which would require us to purchase Mercer Mall for $60 million in 2025. All of the purchase price has been allocated to real estate assets except for approximately $736,000 allocated to prepaid and other assets associated with the net fair value assigned to above-market leases assumed, and $2.4 million allocated to other liabilities associated with the net fair value assigned to below-market leases assumed.

On October 31, 2003, FR Plaza del Mercado, LLC, a wholly owned subsidiary of the Trust, purchased the 96,000 square foot Plaza del Mercado shopping center located in Silver Spring, Maryland for a purchase price of approximately $20 million in cash. All of the purchase price has been allocated to real estate assets except for approximately $929,000 fair value assigned to above-market leases assumed and $962,000 allocated to other liabilities associated with the net fair value assigned to below-market leases assumed.

On December 4, 2003, FR Mercer Mall, LLC, a wholly owned subsidiary of the Trust, purchased a 40,000 square foot out-parcel of Mercer Mall in Lawrenceville, New Jersey for a purchase price of approximately $6.5 million including the assumption. All of the purchase price has been allocated to real estate assets except for approximately $15,000 which has been allocated to prepaid and other assets associated with the net fair value assigned to above-market lease assumed.

On June 16, 2003, we sold the street retail property located at 4929 Bethesda Avenue in Bethesda, Maryland for approximately $1.5 million resulting in a gain of $551,000.

During the first quarter of 2003 an action was filed by a local governmental authority to condemn a shopping center in Rockville, Maryland, owned by one of our partnerships to facilitate the authority s redevelopment of its town center. The shopping center has a cost basis of $10.5 million and contributes less than 1% to our rental income. We have agreed with the governmental authority on a condemnation value of $14.3 million, subject to certain terms, and anticipate closing of this transaction in mid-2004. Because the anticipated condemnation proceeds are in excess of our carrying value, we have not recorded any impairment in value of the property.

On July 31, 2003 we sold the street retail property located at 4925 Bethesda Avenue in Bethesda, Maryland for approximately $1.1 million resulting in a gain of $157,000.

On September 12, 2003 we sold the undeveloped land located in Washington County, Oregon for approximately $9.7 million resulting in a gain of $1.9 million.

On September 15, 2003 we sold the street retail property located in Brookline, Massachusetts for approximately $8.2 million resulting in a gain of $4.3 million.

On September 22, 2003 we sold a street retail property located at 2106 Central Avenue in North Evanston, Illinois for approximately $1.8 million resulting in a gain of $780,000.

On October 31, 2003 we sold a street retail property located at 234 Greenwich Avenue in Greenwich, Connecticut for approximately $8.0 million, resulting in a gain of $4.5 million.

On December 18, 2003 we sold four street retail properties located in West Hartford, Connecticut for approximately $15.7 million, resulting in a gain of approximately $7.9 million.

These property sales constitute discontinued operations and as such, the accompanying financial statements have been restated to reclassify the operations of these properties as discontinued operations. A summary of the financial information for the discontinued operations is as follows:

	2003	2002	2001
Revenue from discontinued operations	$2,792	$5,328	$10,917
Income from operations of discontinued operations	$1,422	$2,876	$ 6,246

On February 1, 2002, we redeemed the minority partner s interest in Santana Row in exchange for a $2.6 million investment in a partnership. We made a $5.9 million loan to the partnership in January 2001 that was due February 28, 2003 but was not repaid on the due date. The loan currently bears interest at 7.88% and is secured by an office building in San Francisco, California. We are currently negotiating with the borrower to extend the loan through March 31, 2005. When the loan modification is complete, the interest rate on the note will decrease to 6%, retroactive to July 1, 2003. Interest on the loan is current through December 31, 2003 and based in part on the value of the underlying collateral, we believe the loan is collectible and as such, no reserve has been established at this time.

Our 111 retail properties at December 31, 2003 are located in 14 states and the District of Columbia. There are approximately 2,200 tenants providing a wide range of retail products and services. These tenants range from sole proprietorships to national retailers; no one tenant or corporate group of tenants accounts for more than 2.3% of annualized base rent.

Mortgage notes receivable of $48.9 million are due over various terms from February 2003 to May 2021 and have a weighted average interest rate of 9.07%. Under the terms of certain of these mortgages, we will receive additional interest based upon the gross income of the secured properties and, upon sale of the properties, we will share in the appreciation of the properties.

Mortgages payable and capital lease obligations are due in installments over various terms extending to 2028 and 2060, respectively, with interest rates ranging from 3.14% to 11.25%. Certain of the capital lease obligations require additional interest payments based upon property performance.

On November 19, 2002 we used the proceeds from our $150 million public note offering, as well as $20 million of available insurance proceeds relating to the Santana Row fire and approximately $7.1 million in borrowings under our credit facility, to pay in full and retire the Santana Row construction loan.

At December 31, 2002 there was $24.4 million borrowed under the construction loan for our Woodmont East development in Bethesda, Maryland. The loan had a floating interest rate of LIBOR plus 120 basis points. On February 11, 2003 the $24.4 million Woodmont East

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construction loan and the $17.0 million Friendship Center mortgage were paid off through borrowings under our revolving credit facility.

Scheduled principal payments on mortgage and construction loan indebtedness as of December 31, 2003 are as follows (in thousands):

Year ending December 31,	
2004	$2,803
2005	3,229
2006	3,581
2007	3,858
2008	13,633
Thereafter	227,767
	$254,871

Future minimum lease payments and their present value for property under capital leases as of December 31, 2003, are as follows (in thousands):

Year ending December 31,	
2004	$14,389
2005	15,637
2006	15,799
2007	15,911
2008	16,075
Thereafter	629,066
	706,877
Less amount representing interest	(547,391)
Present value	$159,486

Leasing Arrangements

Our leases with commercial property and residential tenants are classified as operating leases. Leases on apartments are generally for a period of one year or less. Commercial property leases generally range from three to ten years (certain leases with anchor tenants may be longer), and in addition to minimum rents, usually provide for contingent rentals based on the tenant s gross sales and sharing of certain operating costs.

Minimum future commercial property rentals on noncancelable operating leases, before any reserve for uncollectible amounts, on operating properties as of December 31, 2003 are as follows (in thousands):

Year ending December 31,	
2004	$263,004
2005	246,652
2006	223,276
2007	197,582
2008	168,818
Thereafter	1,225,755
	$2,325,087

Income Statement Components

The components of rental income are as follows (in thousands):

	Year ended December 31,		
	2003	2002	2001
Retail and mixed-use properties			
Minimum rents	$262,525	$233,801	$214,492
Cost reimbursements	56,837	52,252	45,978
Percentage rent	6,184	5,635	5,833
Residential rents	9,151	3,328	2,985
	$334,697	$295,016	$269,288

The income statement adjustment recorded to recognize rent on a straight-line basis was an increase to minimum rents of $1.9 million, $1.7 million and $0.7 million for the year ended December 31, 2003, 2002 and 2001, respectively.

The components of rental expense are as follows (in thousands):

	Year ended December 31,		
	2003	2002	2001
Repairs and maintenance	$24,121	$18,632	$17,017
Management fees and costs	10,746	12,039	11,484

Utilities	12,930	8,939	7,995
Payroll properties	7,915	5,878	4,499
Ground rent	5,052	4,904	3,317
Insurance	6,728	4,198	3,082
Other operating	15,955	18,400	14,225
	$83,447	$72,990	$61,619

NOTE 3. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following disclosure of estimated fair value was determined by us, using available market information and appropriate valuation methods. Considerable judgment is necessary to develop estimates of fair value. The estimates presented herein are not necessarily indicative of the amounts that could be realized upon disposition of the financial instruments.

We estimate the fair value of our financial instruments using the following methods and assumptions: (1) quoted market prices, when available, are used to estimate the fair value of investments in marketable debt and equity securities; (2) quoted market prices were used to estimate the fair value of our marketable convertible subordinated debentures; (3) discounted cash flow analyses are used to estimate the fair value of mortgage notes receivable and payable, using our estimate of current interest rates for similar notes in 2003, the carrying amount on the balance sheet was used to approximate fair value for mortgage notes receivable since these notes are for specific deals, some contain participation provisions based on the property performance and also are convertible into ownership of the properties; (4) carrying amounts on the balance sheet approximate fair value for cash, accounts payable, accrued expenses and short term borrowings. Notes receivable from officers are excluded from fair value estimation since they have been issued in connection with employee stock ownership programs.

	December 31, 2003		December 31, 2002	
(in thousands)	Carrying Value	Fair Value	Carrying Value	Fair Value
Cash & equivalents	$34,968	$34,968	$23,123	$23,123
Investments	$8,919	$8,919	$5,929	$5,929
Mortgage notes receivable	$41,500	$41,500	$35,577	$35,577
Mortgages and construction loans and notes payable	$616,194	$640,957	$487,128	$543,535
Convertible debentures			$75,000	$75,103
Senior notes	$535,000	$592,300	$535,000	$581,293

NOTE 4. NOTES PAYABLE

Our notes payable consist of the following (in thousands):

	2003	2002
Revolving credit facilities	$99,750	$71,000
Term notes with banks	250,000	125,000
Other	11,573	11,711
	$361,323	$207,711

On October 8, 2003, we closed on a new $550 million unsecured credit facility which replaced our $300 million revolving credit facility and $125 million term loan, both of which were due to mature on December 19, 2003. The new credit facility consists of a $150 million five-year term loan, a $100 million three-year term loan, and a $300 million three-year revolving credit facility, with a one-year extension option. The term loans currently bear interest at LIBOR plus 95 basis points, while the revolving facility currently bears interest at LIBOR plus 75 basis points. The spread over LIBOR is subject to adjustment based on our credit rating. Covenants under the new credit facility are substantially the same type as were required under the previous facility. Concurrent with the replacement of our $125 million term loan with the new credit facility, we unwound the related interest rate swaps which were due to expire on December 19, 2003 at of cost of approximately $1.1 million.

The maximum amount drawn under these revolving credit facilities during 2003, 2002 and 2001 was $215.0 million, $225.0 million and $308.5 million, respectively. In 2003, 2002 and 2001, the weighted average interest rate on borrowings was 3.4%, 5.0% and 5.6%, respectively, and the average amount outstanding was $96.9 million, $189.1 million and $269.7 million, respectively.

In January 2004, we issued $75 million of fixed rate notes which mature in February 2011 and bear interest at 4.50%. The proceeds of this note offering were used to pay down our revolving credit facility.

NOTE 5. 5 1/4% CONVERTIBLE SUBORDINATED DEBENTURES

In October 1993, we issued $75.0 million of 5 1/4% convertible subordinated debentures, realizing cash proceeds of approximately $73.0 million. The debentures which were convertible into shares of beneficial interest at $36 per share were not registered under the Securities Act of 1933 and were not publicly distributed within the United States. We redeemed and paid in full our $75.0 million debentures originally due to mature on October 28, 2003, on June 23, 2003.

NOTE 6. SENIOR NOTES AND DEBENTURES

Unsecured senior notes and debentures at December 31, 2003 and 2002 consist of the following (in thousands):

	2003	2002
6.74% Medium-Term Notes due March 10, 2004	$39,500	$39,500
6.625% Notes due December 1, 2005	40,000	40,000
6.99% Medium-Term Notes due March 10, 2006	40,500	40,500
6.82% Medium-Term Notes due August 1, 2027, redeemable at par by holder August 1, 2007	40,000	40,000
6.125% Notes due November 15, 2007	150,000	150,000
7.48% Debentures due August 15, 2026, redeemable at par by holder August 15, 2008	50,000	50,000
8.75% Notes due December 1, 2009	175,000	175,000
	$535,000	$535,000

On November 19, 2002, we completed the sale of $150 million of senior notes in an underwritten public offering under our shelf registration statement declared effective by the SEC on September 30, 1998. Net proceeds, after deducting the discounts and commissions to the underwriters and other expenses of this offering, totaled approximately $148.7 million. The net proceeds, together with $20 million in available insurance proceeds relating to the Santana Row fire, and approximately $7.1 million in borrowings under our credit facility, were used to pay in full and retire the Santana Row construction loan, including all interest owed on the loan.

The loan agreements contain various covenants, including limitations on the amount of debt and minimum debt service coverage ratios. We are in compliance with all covenants. No principal is due on these notes prior to maturity.

In October 2002, we filed a $500 million shelf registration statement, declared effective on November 6, 2002, with the Securities and Exchange Commission which allows the issuance of debt securities, preferred shares and common shares. As of December 31, 2003, $400 million was available under the shelf registration. Subsequent to

December 31, 2003, the capacity was reduced by $75 million as a result of a note offering in January 2004.

NOTE 7. DIVIDENDS

On December 2, 2003 the Trustees declared a quarterly cash dividend of $0.49 per common share, payable January 15, 2004 to common shareholders of record January 2, 2004. The total dividend declared per common share for 2003 was $1.95.

Also on December 2, 2003 the Trustees declared a quarterly cash dividend of $0.53125 per share on its Series B Cumulative Redeemable Preferred Shares, payable on January 30, 2004 to shareholders of record on January 15, 2004, respectively.

For the year ended December 31, 2003, $0.29 of dividends paid per common share represent a capital gain. $0.36 of dividends paid per Series B preferred share represent a capital gain. $0.21 dividends paid per Series A preferred share represent a capital gain. For the year ended December 31, 2002, $0.37 of dividends paid per common share and per Series B preferred share represent a capital gain. $0.38 of dividends paid per Series A preferred share represent a capital gain.

NOTE 8. COMMITMENTS AND CONTINGENCIES

We are involved in various lawsuits and environmental matters arising in the normal course of business. Management believes that such matters will not have a material effect on our financial condition or results of operations.

As detailed at Note 1, Summary of Significant Accounting Policies Investment in Restaurant Joint Ventures at Santana Row, we are currently committed to invest approximately $8.0 million in these joint ventures. As of December 31, 2003 we have invested approximately $7.8 million.

Under the terms of the Congressional Plaza partnership agreement, from and after January 1, 1986, an unaffiliated third party, has the right to require us and the two other minority partners to purchase from half to all of its 37.5% interest in Congressional Plaza at the interest s then-current fair market value. Based on management s current estimate of fair market value, our estimated liability upon exercise of the put option is approximately $28.0 million. In conjunction with the construction of apartments at the property completed in 2003, we have agreed to acquire 7.5% of the third party s interest in Congressional Plaza, thereby lowering its ownership percentage to 30%, in exchange for our funding approximately $7 million of its share of the redevelopment cost. The development funding has taken place in 2003 and the acquisition of the third party s 7.5% interest is anticipated to be completed in 2004. After the completion of this transaction, our estimated liability upon the exercise of the put option will be approximately $21 million.

Under the terms of various other partnerships which own shopping center properties with a cost of approximately $88.5 million, the partners may exchange their 852,222 operating units for cash or the same number of our common shares, at our option. On February 14, 2003 we paid $333,000 to redeem 12,000 operating units. On March 31, 2003 in connection with the acquisition of Mount Vernon Plaza we issued approximately 120,000 operating units. On April 3, 2003 we issued 64,952 of our common shares valued at $1.9 million in exchange for 64,952 operating units. On January 5, 2004 we paid $199,000 to redeem an additional 5,100 operating units.

Under the terms of four other partnerships which own street retail properties in southern California with a cost of approximately $61 million, if certain leasing and revenue levels are obtained for the properties owned by the partnerships, the other partners may require us to purchase their partnership interests at a formula price based upon net operating income. The purchase price may be paid in cash or for two of the partnerships, a limited number of our common shares at the election of the other partners. In these partnerships, if the other partners do not redeem their interest, we may choose to purchase the limited partnership interests upon the same terms.

Street Retail San Antonio LP, a wholly-owned subsidiary of the Trust, entered into a Development Agreement (the Agreement) on March 13, 2000 with the City of San Antonio, Texas (the City) related to the redevelopment of land and buildings that we own along Houston Street in the City. Houston Street and the surrounding area have been designated by the City as a Reinvestment Zone (the Zone). The City has agreed to facilitate redevelopment of the Zone by undertaking and financing certain public improvements based on our agreement to redevelop our properties in the Zone. Under the terms of the Agreement, the City issued debt to fund specific public improvements within the Zone. The initial and primary source of funding to the City for repayment of the debt and debt service is the incremental tax revenue that accretes to the City as the taxable value of the redeveloped properties within the Zone increase. We are required to issue an annual letter of credit, commencing on October 1, 2002 through September 30, 2014, that covers our designated portion of the debt service should the incremental tax revenue generated in the Zone not cover the debt service. We posted a letter of credit with the City on September 25, 2002 for $795,000. Our obligation under this Agreement is estimated to range from $1.6 million to $3.0 million of which approximately $360,000 has been funded in 2003. We were not required to provide any funding in 2002 or for the semi-annual payment due March 15, 2003. We have accrued for additional payments of $1.2 million as of September 30, 2003 as part of the project costs due to the estimated shortfall of incremental tax revenues to the City. We could be required to provide funding beyond the $1.2 million currently accrued under the Agreement prior to its expiration on September 30, 2014. We do not anticipate that such obligation would exceed $600,000 in any year nor exceed $3 million in total. If the Zone creates sufficient tax increment funding to repay the City s debt prior to the expiration of the Agreement, we will be eligible to receive reimbursement of amounts paid for debt service shortfalls together with interest thereon.

As of December 31, 2003 in connection with renovation and development projects, the Trust has contractual obligations of approximately $79 million.

We are obligated under ground lease agreements on several shopping centers requiring minimum annual payments as follows (in thousands):

2004	$4,320
2005	4,329
2006	4,376
2007	4,423
2008	4,409
Thereafter	269,474
	$291,331

NOTE 9. SHAREHOLDERS EQUITY

In May 1999, we reorganized as a Maryland real estate investment trust by amending and restating our declaration of trust and bylaws. The Amended Declaration of Trust changed the number of authorized shares of common and preferred shares from unlimited to 100,000,000 and 15,000,000, respectively. In addition, all common shares of beneficial interest, no par value, which were issued and outstanding were changed to common shares of beneficial interest, $0.01 par value per share and all Series A Cumulative Redeemable Preferred Shares of beneficial interest, no par value, which were issued and outstanding were changed to Series A Cumulative Redeemable Preferred Shares of beneficial interest, $0.01 par value per share.

On October 6, 1997 we issued four million 7.95% Series A Cumulative Redeemable Preferred Shares at $25 per share in a public offering, realizing cash proceeds of approximately $96.6 million after costs of $3.4 million. The Series A Preferred Shares were not redeemable prior to October 6, 2002. On June 13, 2003, we redeemed these Preferred Shares using the proceeds from the May 14, 2003 common stock offering and available funds. Dividends on the Preferred Shares were payable quarterly in arrears on the last day of January, April, July and October.

On November 19, 2001 we issued 5.4 million 8.5% Series B Cumulative Redeemable Preferred Shares at $25 per share in a public offering, realizing cash proceeds of approximately $130.2 million after costs of $4.8 million. The Series B Preferred Shares are not redeemable prior to November 27, 2006. On or after that date, the Preferred Shares may be redeemed, in whole or in part, at our option, at a redemption price of $25 per share plus all accrued and unpaid dividends. Dividends on the Preferred Shares are payable quarterly in arrears on the last day of January, April, July and October.

On June 12, 2002, we issued 2.2 million common shares at $25.9825 per share ($27.35 gross, before a 5.00% underwriters discount and selling concession) netting $56.6 million in cash proceeds after all expenses of the offering.

On May 14, 2003, we issued 3.2 million common shares at $30.457 per share ($31.48 gross, before an aggregate 3.25% underwriters discount and selling concession) netting $98.4 million in cash proceeds, after all expenses of the offering.

We have a Dividend Reinvestment Plan, whereby shareholders may use their dividends and optional cash payments to purchase shares. In 2003, 2002 and 2001, 109,835 shares, 134,247 shares and 159,234 shares, respectively, were issued under the Plan.

In December 1999, the Trustees authorized a share repurchase program for calendar year 2000 of up to an aggregate of 4 million of our common shares. During 2000, a total of 1,325,900 shares were repurchased, at a cost of $25.2 million. We did not repurchase shares in 2003, 2002 or 2001.

In 2003, 2002 and 2001, 138,568 common shares, 98,092 common shares and 96,657 common shares, respectively, were awarded to key employees, including our former Chief Executive Officer, under various incentive compensation programs designed to directly link a significant portion of their current and long term compensation to the prosperity of the Trust and its shareholders. The shares vest over terms from 3 to 5 years. Vesting of common shares awarded to the former Chief Executive Officer was accelerated pursuant to his contractual arrangement.

On January 26, 1998, we granted 75,000 Performance Shares to an employee for which vesting was tied to leasing performance as it relates to Santana Row and other projects. Performance was to be measured at three separate dates extending to 2003. By December 31, 2002, the first two performance measures had been met. In connection with the restructuring (See Note 13) the 2003 performance measure was accelerated and granted as of December 31, 2002. We applied variable accounting to these awards by valuing the shares at each date the performance measures were either met or accelerated and recorded a charge of $712,000 as part of the restructuring charge.

In February 2002 and February 2003, we granted Performance Awards of 30,000 and 120,000, respectively, to certain officers and employees of the Trust. Pursuant to the terms of these awards, 20% of the Performance Shares will vest for any calendar year in which we exceed certain performance targets for the same period. Any performance awards which remain unvested after 2011 and 2012, respectively, will be forfeited. We employ variable accounting for these Performance Awards. Compensation expense resulting from this accounting was not material in 2002 or 2003.

Tax loans with a balance of $300,000 in 2003, $1.8 million in 2002 and $3.1 million in 2001 have been made in connection with restricted share grants to certain of our officers and in connection with the Share Purchase Plans. The loans, which bear interest ranging from 1.95% to 6.54%, are due over periods ranging from 8 to 13 years from the date of the loan. During 2003 tax loans in the amount of $1.5 million were repaid.

On April 13, 1999, the Shareholder Rights Plan adopted in 1989 expired. On March 11, 1999 we entered into an Amended and Restated Rights Agreement with American Stock Transfer and Trust Company, pursuant to which (i) the expiration date of our shareholder rights plan was extended for an additional ten years to April 24, 2009, (ii) the beneficial ownership percentage at which a person becomes an Acquiring Person under the plan was reduced from 20% to 15%, and (iii) certain other amendments were made. On October 29, 2003, we further amended the Amended and Restated Rights Agreement to increase the beneficial ownership percentage at which a person becomes an Acquiring Person under the plan from 15% to 20% and to require that the Trust s Board of Trustees review the plan on a periodic basis.

NOTE 10. STOCK OPTION PLAN

The 1993 Long Term Incentive Plan (Plan) authorizes the grant of options and other stock based awards for up to 5.5 million shares. Options granted under the Plan have ten year terms and vest in one to five years. The Plan expired in May 2003.

In May 2001 our shareholders approved the 2001 Long Term Incentive Plan (2001 Plan) which authorized an additional 1,750,000 shares for future option and other stock based awards.

The option price to acquire shares under the 2001 Plan and previous plans is required to be at least the fair market value at the date of grant. As a result of the exercise of options, we had outstanding from our officers and employees notes for $3.3 million, $2.5 million and $2.5 million at December 31, 2003, 2002 and 2001, respectively. Notes issued after 2001 bear interest at LIBOR plus a market-rate spread with the rate adjusted annually. Notes issued prior to 2002 bear interest at the lesser of (i) our borrowing rate on the date of exercise or (ii) the dividend rate on the date of exercise divided by the purchase price of such shares. The notes issued under the previous plans bear interest at the lesser of (i) our borrowing rate or (ii) the current indicated annual dividend rate on the shares acquired pursuant to the option, divided by the purchase price of such shares. The notes are collateralized by the shares with recourse to the borrower and have five-year terms. Option awards made in 2001 and later do not provide for employees to be able to exercise their options with a loan from the Trust.

SFAS No. 123, Accounting for Stock-Based Compensation requires pro forma information regarding net income and earnings per share as if we accounted for our stock options under the fair value method of that Statement. Where at the date of grant, either the number of shares or exercise price are not known, we record compensation expense in accordance with variable accounting. The fair value for options issued in 2003, 2002 and 2001 has been estimated as $582,000, $536,000 and $350,000, respectively, as of the date of grant, using a

Black Scholes model with the following weighted-average assumptions for 2003, 2002 and 2001, respectively: risk-free interest rates of 3.2%, 4.5% and 4.9%; volatility factors of the expected market price of our shares of 20%, 16% and 20%; and a weighted average expected life of the option of 6.0 years, 6.9 years and 6.9 years. Our assumed weighted average dividend yield used to estimate the fair value of the options issued was 8.85% in 2003.

Because option valuation models require the input of highly subjective assumptions, such as the expected stock price volatility, and because changes in these subjective input assumptions can materially affect the fair value estimate, the existing model may not necessarily provide a reliable single measure of the fair value of its stock options.

A summary of our stock option activity for the years ended December 31, is as follows:

	Shares Under Option	Weighted Average Exercise Price
Outstanding at January 1, 2001	3,718,281	$23.46
Options granted 2001	417,500	19.80
Options exercised 2001	(27,566)	20.81
Options forfeited 2001	(351,834)	22.88
Outstanding at December 31, 2001	3,756,381	23.12
Options granted 2002	435,500	25.26
Options exercised 2002	(951,971)	21.92
Options forfeited 2002	(19,168)	23.95
Outstanding at December 31, 2002	3,220,742	23.76
Options granted 2003	419,500	28.30
Options exercised 2003	(2,124,869)	23.89
Options forfeited 2003	(53,333)	25.00
Outstanding at December 31, 2003	1,462,040	24.86

At December 31, 2003, 2002 and 2001, options for 900,000, 2.5 million shares and 2.7 million shares, respectively, were exercisable. The average remaining contractual life of options outstanding at December 31, 2003, 2002 and 2001 was 6.3 years, 5.4 years and 5.8 years, respectively. The weighted average grant date fair value per option for options granted in 2003, 2002 and 2001 was $1.32, $1.23 and $1.04, respectively. The exercise price of options outstanding at December 31, 2003 ranged from $18.00 per share to $35.91 per share.

NOTE 11. SAVINGS AND RETIREMENT PLANS

We have a savings and retirement plan in accordance with the provisions of Section 401(k) of the Internal Revenue Code. For employees who choose to contribute, their contributions range, at their discretion, from 1% to 20% of compensation up to a maximum of $11,000. Under the plan, we contribute out of our current net income, 50% of each employee s first 5% of contributions. In addition, we may make discretionary contributions within the limits of deductibility set forth by the Code. Our employees are immediately eligible to become plan participants. Employees are not eligible to receive matching contributions until their first anniversary of employment. Our expense for the years ended December 31, 2003, 2002 and 2001 was $255,000, $271,000 and $243,000, respectively.

A nonqualified deferred compensation plan for our officers and certain other employees was established in 1994. The plan allows the participants to defer future income until the earlier of age 65 or termination of employment. As of December 31, 2003, we are liable to participants for approximately $3.2 million under this plan. Although this is an unfunded plan, we have purchased certain investments with which to match this obligation. Our obligation under this plan and the related investments are both included in the accompanying financial statements.

NOTE 12. INTEREST EXPENSE

We incurred interest totaling $88.7 million, $88.6 million and $87.1 million in 2003, 2002 and 2001, respectively, of which $13.5 million, $23.5 million, and $17.8 million respectively, was capitalized. Interest paid was $85.7 million in 2003, $86.2 million in 2002 and $84.1 million in 2001.

NOTE 13. CHANGE IN BUSINESS PLAN

On February 28, 2002, we adopted a new business plan which returned our primary focus to our traditional business of acquiring and redeveloping community and neighborhood shopping centers that are anchored by supermarkets, drug stores, or high volume, value oriented retailers that provide consumer necessities. We will complete Bethesda Row and Santana Row (Pentagon Row was completed in 2002) but do not plan to develop any new large-scale, mixed-use, ground-up development projects. Rather, we will seek to acquire income producing centers in and around our existing markets and will identify and execute redevelopment opportunities in our existing portfolio. Concurrent with the adoption of the business plan, we adopted a management succession plan and restructured our management team.

In connection with this change in our business plan, we recorded a charge of $18.2 million. This charge included a reserve for a restructuring charge of $8.5 million made up of $6.9 million of severance and other compensation costs for several of our senior officers related to the management restructuring, as well as the write-off of $1.6 million of our development costs. All charges against the reserve, totaling $8.5 million, were expended during 2002. An additional component of the restructuring charge is an impairment loss of $9.7 million representing the estimated loss on the abandonment of development projects held for sale, primarily the Tanasbourne development project located in Washington County, Oregon, thereby adjusting the value of these assets to their estimated fair value. The Tanasbourne land was sold in 2003 for approximately $9.7 million resulting in a gain of $1.9 million.

On December 20, 2002, we announced the resignation of Steven J. Guttman as Trustee, Chief Executive Officer and Chairman of the Board of Trustees effective January 1, 2003. Donald C. Wood, our then President and Chief Operating Officer, was named Chief Executive Officer and a member of the Board of Trustees. Mark Ordan, a member of the Board of Trustees since 1996, was named non-executive chairman of the board. As a result of this transition, we recorded a charge of $13.8 million in the fourth quarter of 2002 for payments and benefits to Mr. Guttman pursuant to his contractual arrangements with the Trust and for other transition related costs. Of this amount, $7.9 million had not been paid as of December 31, 2002 and $0.8 million remains to be expended as of December 31, 2003.

NOTE 14. SUBSEQUENT EVENTS (UNAUDITED)

Pursuant to the 2003 Incentive Bonus Plan, vice presidents and certain key employees receive part of their 2003 bonus in our common shares which vest over three years. Consequently, on February 12, 2004, 9,025 shares were awarded under this plan. In addition, on February 12, 2004, 75,522 restricted shares which will vest over three years were awarded to the Trust s officers. All of the restricted share awards were made under the 2001 Plan.

NOTE 15. SEGMENT INFORMATION

We operate our portfolio of properties in three geographic operating regions: Northeast, Mid-Atlantic and West, which constitutes our segments under Statement of Financial Accounting Standard No. 131, Disclosures about Segments of an Enterprise and Related Information .

A summary of our operations by geographic region is presented below (in thousands):

2003	**Northeast**	**Mid Atlantic**	**West**	**Other**	**Total**
Rental income	$121,325	$151,206	$62,166	$0	$334,697
Other property income	5,063	7,525	5,212		17,800
Interest and other income	3,409	309	1,661		5,379
Rental expense	(24,519)	(33,168)	(25,760)		(83,447)
Real estate tax	(16,881)	(13,119)	(4,596)		(34,596)
Property operating income	**88,397**	**112,753**	**38,683**		**239,833**
Interest expense				(75,232)	(75,232)
Administrative expense				(11,820)	(11,820)
Depreciation and amortization	(27,732)	(29,533)	(16,814)	(1,010)	(75,089)
Income before minority interests and discontinued operations	**$60,665**	**$83,220**	**$21,869**	**($88,062)**	**$77,692**
Capital expenditures	$82,944	$81,165	$124,122		$288,231
Real estate assets	$813,617	$903,878	$752,654		$2,470,149

2002	**Northeast**	**Mid Atlantic**	**West**	**Other**	**Total**
Rental income	$120,302	$139,487	$35,227	$0	$295,016
Other property income	5,480	7,509	2,479		15,468
Interest and other income	3,736	937	483		5,156
Rental expense	(22,751)	(31,872)	(18,367)		(72,990)

Real estate tax	(15,746)	(11,757)	(3,184)		(30,687)
Property operating income	**91,021**	**104,304**	**16,638**		**211,963**
Interest expense				(65,058)	(65,058)
Administrative expense				(13,790)	(13,790)
Restructuring expense				(22,269)	(22,269)
Depreciation and amortization	(27,338)	(27,045)	(8,583)	(811)	(63,777)
Income before minority interests and discontinued operations	**$63,683**	**$77,259**	**$8,055**	**($101,928)**	**$47,069**
Capital expenditures	$10,539	$34,265	$220,539		$265,343
Real estate assets	$747,778	$827,090	$731,958		$2,306,826

2001	**Northeast**	**Mid Atlantic**	**West**	**Other**	**Total**
Rental income	$111,083	$123,932	$34,273	$0	$269,288
Other property income	5,430	5,697	2,580		13,707
Interest and other income	4,379	1,434	777		6,590
Rental expense	(22,676)	(28,239)	(10,704)		(61,619)
Real estate tax	(14,959)	(9,941)	(2,746)		(27,646)
Property operating income	**83,257**	**92,883**	**24,180**		**200,320**
Interest expense				(69,313)	(69,313)
Administrative expense				(14,281)	(14,281)
Depreciation and amortization	(26,475)	(23,736)	(6,986)	(1,034)	(58,231)
Income before minority interests and discontinued operations	**$56,782**	**$69,147**	**$17,194**	**($84,628)**	**$58,495**
Capital expenditures	$15,386	$87,706	$169,278		$272,370

Real estate assets	$760,849	$793,566	$549,889	$2,104,304

There are no transactions between geographic areas.

NOTE 16. QUARTERLY DATA (UNAUDITED)

The following summary represents the results of operations for each quarter in 2003 and 2002 (in thousands, except per share data):

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2003				
Revenue (1)	$84,091	$84,745	$85,836	$97,825
Net income (loss) available for common shares	11,520	10,213	21,726	31,998
Earnings (loss) per common share basic	0.26	0.22	0.44	0.66
Earnings (loss) per common share diluted	0.26	0.21	0.43	0.64

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2002				
Revenue (1)	$73,975	$74,939	$76,010	$90,716
Net income available for common shares	(6,187)	30,479	13,648	(2,078)
Earnings per common share basic	(0.15)	0.75	0.32	(0.05)
Earnings per common share diluted	(0.15)	0.74	0.31	(0.05)

(1) As required by SFAS No. 144 revenue has been reduced to reflect the discontinued assets sold. Total revenue from these discontinued assets, by quarter, is summarized as follows (in thousands):

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2003 Revenue from discontinued assets		(9)	(180)	2,565
2002 Revenue from discontinued assets	1,219	624	590	3,137

FEDERAL REALTY INVESTMENT TRUST
SCHEDULE III
SUMMARY OF REAL ESTATE AND ACCUMULATED DEPRECIATION
DECEMBER 31, 2003

COLUMN A	COLUMN B	COLUMN C		COLUMN D	COLUMN E		
		Initial cost to company			Gross amount at which carried at close of period		
Descriptions	Encumbrance	Land	Building and Improvements	Cost Capitalized Subsequent to Acquisition	Land	Building and Improvements	Total
ALLWOOD (New Jersey)	$ 3,501,000	$	$ 3,920,000	$ 376,465	$	$ 4,296,465	$ 4,296,465
ANDORRA (Pennsylvania)		2,432,000	12,346,000	4,538,531	2,432,107	16,884,531	19,316,638
ARIZONA BUILDINGS (2)		1,334,000	9,104,000	629,481	1,334,085	9,733,481	11,067,566
BALA CYNWYD (Pennsylvania)		3,565,000	14,466,000	5,967,942	3,565,000	20,433,942	23,998,942
BARRACKS ROAD (Virginia)	44,222,000	4,363,000	16,459,000	18,749,106	4,362,713	35,208,106	39,570,819
BETHESDA ROW (Maryland)	12,576,000	9,114,000	20,821,000	51,277,294	7,415,873	72,085,294	79,501,167
BLUESTAR (New Jersey)	26,724,000		29,922,000	9,598,204		39,520,204	39,520,204
BRICK PLAZA (New Jersey)	32,936,000		24,715,000	29,154,110	3,788,189	50,081,110	53,869,299
BRISTOL (Connecticut)		3,856,000	15,959,000	2,517,080	3,856,302	18,476,080	22,332,382
BRUNSWICK (New Jersey)	11,125,000		12,456,000	8,878,078		21,334,078	21,334,078
CALIFORNIA RETAIL BUILDINGS							
SANTA MONICA (9)		22,645,000	12,709,000	36,912,290	22,644,437	49,621,290	72,265,727
SAN DIEGO (4)		3,844,000	1,352,000	6,930,285	3,843,617	8,282,285	12,125,902
150 POST STREET (San Francisco)		11,685,000	9,181,000	9,159,102	11,685,000	18,340,102	30,025,102
OTHER (5)		19,496,000	25,752,000	8,151,018	11,830,439	33,903,018	45,733,457
CLIFTON (New Jersey)	3,256,000		3,646,000	1,305,420		4,951,420	4,951,420

CONGRESSIONAL PLAZA (Maryland)		2,793,000	7,424,000	58,026,387	1,019,875	65,450,387	66,470,262
CONNECTICUT RETAIL BUILDINGS (5)		25,061,000	27,739,000	(14,656,484)	10,912,328	13,082,516	23,994,844
COURTHOUSE CENTER (Maryland)		1,750,000	1,869,000	675,890	1,750,000	2,544,890	4,294,890
CROSSROADS (Illinois)		4,635,000	11,611,000	5,566,137	4,634,570	17,177,137	21,811,707
DEDHAM PLAZA (Massachusetts)		12,369,000	12,918,000	4,363,599	12,368,893	17,281,599	29,650,492
EASTGATE (North Carolina)		1,608,000	5,775,000	9,153,550	1,607,610	14,928,550	16,536,160
ELLISBURG CIRCLE (New Jersey)		4,028,000	11,309,000	12,706,821	4,012,782	24,015,821	28,028,603
ESCONDIDO PROMENADE (California)		11,505,000	12,147,000	1,201,619	11,504,980	13,348,619	24,853,599
FALLS PLAZA (Virginia)		1,260,000	735,000	6,199,419	1,260,216	6,934,419	8,194,635
FALLS PLAZA East (Virginia)		538,000	535,000	2,282,313	559,252	2,796,061	3,355,313
FEASTERVILLE (Pennsylvania)		1,431,000	1,600,000	8,618,959	1,430,781	10,218,959	11,649,740
FEDERAL PLAZA (Maryland)	35,543,000	10,216,000	17,895,000	33,813,475	10,216,206	51,708,475	61,924,681
FINLEY SQUARE (Illinois)		9,252,000	9,544,000	9,563,089	9,251,776	19,107,089	28,358,865
FLORIDA RETAIL BUILDINGS (2)		5,206,000	1,631,000	39,862	5,206,073	1,670,862	6,876,935
FLOURTOWN (Pennsylvania)		1,345,000	3,943,000	3,467,840	1,345,075	7,410,840	8,755,915
FRESH MEADOWS (New York)		24,625,000	25,255,000	14,764,654	24,626,889	40,019,654	64,646,543
FRIENDSHIP CTR (District of Columbia)		12,696,000	20,803,000	(190,317)	12,696,367	20,612,683	33,309,050
GAITHERSBURG SQUARE (Maryland)		7,701,000	5,271,000	10,933,112	6,012,077	17,893,035	23,905,112
GARDEN MARKET (Illinois)		2,677,000	4,829,000	3,632,391	2,677,200	8,461,391	11,138,591
GOVERNOR PLAZA (Maryland)		2,068,000	4,905,000	11,667,108	2,068,227	16,572,108	18,640,335
GRATIOT PLAZA (Michigan)		525,000	1,601,000	14,510,795	525,316	16,111,795	16,637,111
GREENLAWN (New York)		2,294,000	3,864,000	4,881,221	2,294,400	8,745,221	11,039,621

HAMILTON (New Jersey)	4,827,000		5,405,000	2,682,120		8,087,120	8,087,120
HAUPPAUGE (New York)	16,670,000	8,791,000	15,262,000	2,266,896	8,791,315	17,528,896	26,320,211
HUNTINGTON (New York)	14,297,000		16,008,000	6,424,765		22,432,765	22,432,765
IDYLWOOD PLAZA (Virginia)		4,308,000	10,026,000	580,431	4,307,775	10,606,431	14,914,206
ILLINOIS RETAIL BUILDINGS (1)		1,291,000	2,325,000	(48,646)	943,500	2,276,354	3,219,854
KINGS COURT (California)			10,714,000	695,069		11,409,069	11,409,069
LANCASTER (Pennsylvania)	4,907,000		2,103,000	7,907,845		10,010,845	10,010,845
LANGHORNE SQUARE (Pennsylvania)		720,000	2,974,000	13,942,533	720,000	16,916,533	17,636,533
LAUREL (Maryland)		7,458,000	22,525,000	15,674,386	7,458,514	38,199,386	45,657,900
LAWRENCE PARK (Pennsylvania)	31,344,000	5,723,000	7,160,000	12,938,579	5,734,209	20,087,579	25,821,788
LEESBURG PLAZA (Virginia)	9,900,000	8,184,000	10,722,000	1,609,710	8,184,400	12,331,710	20,516,110
LOEHMANN S PLAZA (Virginia)		1,237,000	15,096,000	9,060,647	1,248,000	24,145,647	25,393,647

[Additional columns below]

[Continued from above table, first column(s) repeated]

COLUMN A	COLUMN F	COLUMN G	COLUMN H	COLUMN I
Descriptions	**Accumulated Depreciation and Amortization**	**Date of Construction**	**Date Acquired**	**Life on which depreciation in latest income statements is computed**
ALLWOOD (New Jersey)	$ 1,933,125	1958	12/12/88	35 years
ANDORRA (Pennsylvania)	8,898,022	1953	01/12/88	35 years
ARIZONA BUILDINGS (2)	1,570,087	1995-1998	05/07/98	35 years
BALA CYNWYD (Pennsylvania)	6,615,057	1955	09/22/93	35 years

BARRACKS ROAD (Virginia)	21,565,644	1958	12/31/85	35 years
BETHESDA ROW (Maryland)	14,301,523	1945-2000	12/31/93	35 - 50 years
BLUESTAR (New Jersey)	16,443,014	1959	12/12/88	35 years
BRICK PLAZA (New Jersey)	20,717,524	1958	12/28/89	35 years
BRISTOL (Connecticut)	4,825,019	1959	9/22/95	35 years
BRUNSWICK (New Jersey)	8,042,794	1957	12/12/88	35 years
CALIFORNIA RETAIL BUILDINGS				
SANTA MONICA (9)	8,152,631	1888-2000	1996-2000	35 years
SAN DIEGO (4)	1,152,489	1888-1995	1996-1997	35 years
150 POST STREET (San Francisco)	3,203,171	1908	10/23/97	35 years
OTHER (5)	3,694,367	var	1996-1999	35 years
CLIFTON (New Jersey)	2,259,063	1959	12/12/88	35 years
CONGRESSIONAL PLAZA (Maryland)	20,992,104	1965	04/01/65	35 years
CONNECTICUT RETAIL BUILDINGS (5)	2,552,271	1900-1991	1994-1996	35 years
COURTHOUSE CENTER (Maryland)	393,826	1975	12/17/97	35 years
CROSSROADS (Illinois)	5,968,446	1959	07/19/93	35 years
DEDHAM PLAZA (Massachusetts)	5,384,800	1959	12/31/93	35 years
EASTGATE (North Carolina)	6,749,644	1963	12/18/86	35 years
ELLISBURG CIRCLE (New Jersey)	10,974,900	1959	10/16/92	35 years
ESCONDIDO PROMENADE (California)	2,782,374	1987	12/31/96	35 years
FALLS PLAZA (Virginia)	2,556,176	1962	09/30/67	22 3/4 years
FALLS PLAZA East (Virginia)	2,693,618	1960	10/05/72	25 years
FEASTERVILLE (Pennsylvania)	5,418,488	1958	07/23/80	20 years
FEDERAL PLAZA (Maryland)	19,826,810	1970	06/29/89	35 years
FINLEY SQUARE (Illinois)	5,806,120	1974	04/27/95	35 years
FLORIDA RETAIL BUILDINGS (2)	377,495	1920	02/28/96	35 years
FLOURTOWN (Pennsylvania)	4,065,261	1957	04/25/80	35 years
FRESH MEADOWS (New York)	7,973,500	1946-1949	12/05/97	35 years
FRIENDSHIP CTR (District of Columbia)	1,384,762	1998	09/21/01	35 years

GAITHERSBURG SQUARE (Maryland)	7,438,264	1966	04/22/93	35 years
GARDEN MARKET (Illinois)	2,210,595	1958	07/28/94	35 years
GOVERNOR PLAZA (Maryland)	9,841,899	1963	10/01/85	35 years
GRATIOT PLAZA (Michigan)	5,685,297	1964	03/29/73	25 3/4 years
GREENLAWN (New York)	1,210,900	1975	01/05/00	35 years
HAMILTON (New Jersey)	4,194,263	1961	12/12/88	35 years
HAUPPAUGE (New York)	2,747,127	1963	08/06/98	35 years
HUNTINGTON (New York)	10,877,818	1962	12/12/88	35 years
IDYLWOOD PLAZA (Virginia)	3,081,516	1991	04/15/94	35 years
ILLINOIS RETAIL BUILDINGS (1)	676,410	1900-1927	1995-1997	35 years
KINGS COURT (California)	2,320,554	1960	08/24/98	26 years
LANCASTER (Pennsylvania)	4,383,241	1958	04/24/80	22 years
LANGHORNE SQUARE (Pennsylvania)	6,917,094	1966	01/31/85	35 years
LAUREL (Maryland)	20,213,360	1956	08/15/86	35 years
LAWRENCE PARK (Pennsylvania)	15,299,908	1972	07/23/80	22 years
LEESBURG PLAZA (Virginia)	2,083,698	1967	09/15/98	35 years
LOEHMANN S PLAZA (Virginia)	4,007,035	1971	07/21/83	35 years

COLUMN A	COLUMN B	COLUMN C		COLUMN D	COLUMN E		
		Initial cost to company			Gross amount at which carried at close of period		
Descriptions	Encumbrance	Land	Building and Improvements	Cost Capitalized Subsequent to Acquisition	Land	Building and Improvements	Total
MAGRUDERS (Maryland)		4,554,000	4,859,000	1,612,568	4,553,875	6,471,693	11,025,568
MERCER MALL (New Jersey)	60,039,000	4,488,340	70,076,308	2,018,015	4,488,340	72,094,323	76,582,663
MID PIKE PLAZA (Maryland)	10,041,000		10,335,000	6,945,454		17,280,454	17,280,454
MOUNT VERNON PLAZA (Virginia)	13,086,000		19,400,134	389,568	0	19,790,302	19,790,302
NEW YORK RETAIL BUILDINGS (3)		5,891,000	6,051,000	12,026,646	6,196,618	17,772,028	23,968,646
NORTHEAST (Pennsylvania)		1,152,000	10,596,000	10,082,356	1,152,825	20,677,531	21,830,356
NORTH LAKE COMMONS (Illinois)		2,782,000	8,604,000	1,606,300	2,782,495	10,210,300	12,992,795
OLD KEENE MILL (Virginia)		638,000	998,000	3,515,685	638,234	4,513,685	5,151,919
OLD TOWN CENTER (California)		3,420,000	2,765,000	27,322,592	3,420,000	30,087,592	33,507,592
PAN AM SHOPPING CENTER (Virginia)		8,694,000	12,929,000	3,454,960	8,694,500	16,383,460	25,077,960
PENTAGON ROW (Virginia)			2,955,000	84,582,651		87,537,651	87,537,651
PERRING PLAZA (Maryland)		2,800,000	6,461,000	14,728,058	2,800,000	21,189,058	23,989,058
PIKE 7 (Virginia)		9,709,000	22,799,000	924,287	9,708,997	23,723,290	33,432,287
FR PLAZA DEL MERCADO, LLC (Maryland)		1,580,999	18,984,476	16,590	1,580,999	19,001,066	20,582,065
QUEEN ANNE PLAZA (Massachusetts)		3,319,000	8,457,000	3,000,898	3,319,148	11,457,898	14,777,046

QUINCE ORCHARD PLAZA (Maryland)		3,197,000	7,949,000	7,966,391	2,928,242	16,184,149	19,112,391
ROLLINGWOOD APTS. (Maryland)		552,000	2,246,000	3,889,931	572,160	6,115,771	6,687,931
RUTGERS (New Jersey)	12,887,000		14,429,000	1,495,622		15,924,622	15,924,622
SAM S PARK & SHOP (District of Columbia)		4,840,000	6,319,000	626,900	4,840,000	6,945,900	11,785,900
SAUGUS (Massachusetts)		4,383,000	8,291,000	509,805	4,383,000	8,800,805	13,183,805
SHIRLINGTON (Virginia)		9,761,000	14,808,000	8,693,336	9,815,093	23,447,243	33,262,336
SOUTH VALLEY SHOPPING CENTER (Virginia)		9,043,035	5,082,062	168,404	9,043,035	5,250,466	14,293,501
SANTANA ROW (California)		41,969,000	1,161,000	376,732,114	41,968,500	334,763,614	376,732,114
TEXAS RETAIL BUILDINGS (9)	230,000	14,680,000	1,976,000	43,693,746	14,679,954	45,669,792	60,349,746
TOWER (Virginia)		7,170,000	10,518,000	767,369	7,128,653	11,326,716	18,455,369
TROY (New Jersey)		3,126,000	5,193,000	12,193,796	3,125,728	17,386,796	20,512,524
TYSONS STATION (Virginia)	6,752,000	388,000	453,000	2,510,443	474,542	2,876,901	3,351,443
WILDWOOD (Maryland)	27,551,000	9,111,000	1,061,000	6,411,780	9,110,822	7,472,780	16,583,602
WILLOW GROVE (Pennsylvania)		1,499,000	6,643,000	18,119,984	1,498,560	24,762,984	26,261,544
WILLOW LAWN (Virginia)		3,192,000	7,723,000	49,975,061	7,790,283	53,099,778	60,890,061
WYNNEWOOD (Pennsylvania)	31,943,000	8,055,000	13,759,000	13,436,507	8,055,000	27,195,507	35,250,507
DEVELOPMENT PROJECTS:							
SANTANA ROW (California)				73,411,286	0	74,572,286	74,572,286
Adj in consolidation trust acq cost Misc.							11,552
TOTALS	$414,357,000	$435,623,374	$840,212,580	$1,261,930,013	$416,875,971	$2,053,262,293	$2,470,149,816

[Additional columns below]

[Continued from above table, first column(s) repeated]

COLUMN A	COLUMN F	COLUMN G	COLUMN H	COLUMN I
Descriptions	**Accumulated Depreciation and Amortization**	**Date of Construction**	**Date Acquired**	**Life on which depreciation in latest income statements is computed**
MAGRUDERS (Maryland)	1,037,021	1955	12/17/97	35 years
MERCER MALL (New Jersey)	611,396	2,003	12/4/03	35 years-50 years
MID PIKE PLAZA (Maryland)	9,733,402	1963	05/18/82	50 years
MOUNT VERNON PLAZA	420,357	2,003	3/31/03	35 years
NEW YORK RETAIL BUILDINGS (3)	2,534,887	1937 - 1987	12/16/97	35 years
NORTHEAST (Pennsylvania)	11,565,958	1959	08/30/83	35 years
NORTH LAKE COMMONS (Illinois)	2,927,225	1989	04/27/94	35 years
OLD KEENE MILL (Virginia)	3,624,104	1968	06/15/76	33 1/3 years
OLD TOWN CENTER (California)	5,425,367	1997-1998	10/22/97	35 years
PAN AM SHOPPING CENTER (Virginia)	6,392,970	1979	02/05/93	35 years
PENTAGON ROW (Virginia)	6,673,815	1999 - 2002	1998	35 years
PERRING PLAZA (Maryland)	11,624,174	1963	10/01/85	35 years
PIKE 7 (Virginia)	5,012,239	1968	03/31/97	35 years
FR PLAZA DEL MERCADO, LLC (Maryland)	45,095	2,003	10/31/03	35 years
QUEEN ANNE PLAZA (Massachusetts)	4,101,476	1967	12/23/94	35 years
QUINCE ORCHARD PLAZA (Maryland)	6,696,268	1975	04/22/93	35 years
ROLLINGWOOD APTS. (Maryland)	6,052,622	1960	01/15/71	25 years
RUTGERS (New Jersey)	7,030,201	1973	12/12/88	35 years

SAM S PARK & SHOP				
(District of Columbia)	1,864,897	1930	12/01/95	35 years
SAUGUS (Massachusetts)	1,953,413	1976	10/01/96	35 years
SHIRLINGTON (Virginia)	5,061,861	1940	12/21/95	35 years
SOUTH VALLEY				
SHOPPING CENTER				
(Virginia)	109,139	2,003	3/21/03	35 years
SANTANA ROW				
(California)	8,776,675	1999 - 2002	03/05/97	50 years
TEXAS RETAIL				
BUILDINGS (9)	2,631,199	var	1998-1999	35 years
TOWER (Virginia)	1,811,294	1953-1960	08/24/98	35 years
TROY (New Jersey)	12,197,111	1966	07/23/80	22 years
TYSONS STATION				
(Virginia)	2,511,561	1954	01/17/78	17 years
WILDWOOD (Maryland)	6,217,473	1958	05/05/69	33 1/3 years
WILLOW GROVE				
(Pennsylvania)	12,954,406	1953	11/20/84	35 years
WILLOW LAWN				
(Virginia)	27,707,691	1957	12/05/83	35 years
WYNNEWOOD				
(Pennsylvania)	6,375,843	1948	10/29/96	35 years
DEVELOPMENT				
PROJECTS:				
SANTANA ROW				
(California)	23,537	1999 - 2002	03/05/97	50 years
Adj in consolidation trust				
acq cost Misc.				
TOTALS	$514,176,448			

FEDERAL REALTY INVESTMENT TRUST
SCHEDULE III
SUMMARY OF REAL ESTATE AND ACCUMULATED DEPRECIATION CONTINUED
Three Years Ended December 31, 2003

Reconciliation of Total Cost

Balance, December 31, 2000	1,854,913,000
Additions during period	
Acquisitions	52,820,000
Improvements	219,549,000
Deduction during period disposition of property and miscellaneous retirements	(22,978,000)
Balance, December 31, 2001	2,104,304,000
Additions during period	
Acquisitions	
Improvements	265,531,000
Deduction during period disposition of property and miscellaneous retirements	(63,009,000)
Balance, December 31, 2002	$2,306,826,000
Additions during period	
Acquisitions	127,489,000
Improvements	64,848,000
Deduction during period disposition of property and miscellaneous retirements	(29,014,000)
Balance, December 31, 2003	$2,470,149,000

(A) For Federal tax purposes, the aggregate cost basis is approximately $2,194,269,000 as of December 31, 2003.

FEDERAL REALTY INVESTMENT TRUST
SCHEDULE III
SUMMARY OF REAL ESTATE AND ACCUMULATED DEPRECIATION CONTINUED
Three Years Ended December 31, 2003

Reconciliation of Accumulated Depreciation and Amortization

Balance, December 31, 2000	351,258,000
Additions during period	
Depreciation and amortization expense	55,048,000
Deductions during period disposition of property, miscellaneous retirements and acquisition of minority interest	(10,539,000)
Balance, December 31, 2001	395,767,000
Additions during period	
Depreciation and amortization expense	59,296,000
Deductions during period disposition of property, miscellaneous retirements and acquisition of minority interest	(4,366,000)
Balance, December 31, 2002	$450,697,000
Additions during period	
Depreciation and amortization expense	68,125,000
Deductions during period disposition of property, miscellaneous retirements and acquisition of minority interest	(4,645,000)
Balance, December 31, 2003	$514,177,000

FEDERAL REALTY INVESTMENT TRUST
SCHEDULE IV
MORTGAGE LOANS ON REAL ESTATE
Year Ended December 31, 2003

Column A	Column B	Column C	Column D	Column E	Column F	Column G	
Description of Lien	**Interest Rate**	**Maturity Date**	**Periodic Payment Terms**	**Prior Liens**	**Face Amount of Mortgages**	**Carrying Amount of Mortgages (1)**	
Leasehold mortgage on office building in San Francisco, CA	6.00 %	March 2005	Interest only monthly; ballon payment due at maturity		$ 5,618,000	$ 5,876,000	(2)
Mortgage on Hotel in San Jose, CA	12% to 15%	January 2012	(3)		10,600,000	10,600,000	
Mortgage on retail buildings in Philadelphia, PA	Greater of prime plus 2% or 10%	May 2021	Interest only monthly; balloon payment due at maturity		25,000,000	15,774,000	(4)
Mortgage on retail buildings in Philadelphia, PA	10% plus participation	May 2021	Interest only; balloon payment due at maturity		9,250,000	9,250,000	
				—	$50,468,000	$41,500,000	

1) For Federal tax purposes, the aggregate tax basis is approximately $41,500,000 as of December 31, 2003. No payments are delinquent on these mortgages.

2)

A $5.9 million loan receivable, which currently bears interest at 7.88% and is secured by an office building in San Francisco, California, was due February 28, 2003 but was not repaid on the due date. We are currently negotiating with the borrower to extend the loan until March 31, 2005. When the loan modification is complete, the interest rate on the note will decrease to 6% retroactive to July 1, 2003. Interest on the loan is current through December 31, 2003 and based in part on the value of the underlying collateral, we believe that the loan is collectible and as such, no reserve has been established at this time.

3) For the first five years interest is payable from cash flow, if available. If cash flow is not sufficient to pay interest in full, the unpaid amount will accrue and bear interest at the same rate as the principal. After year five, current interest payments are required. After year seven, mortgagee is required to apply 50% of all available cash flow to repayment of principal. In March 2004, an additional $900,000 advance was made on this loan.

4) This mortgage is available for up to $25,000,000.

FEDERAL REALTY INVESTMENT TRUST
SCHEDULE IV
MORTGAGE LOANS ON REAL ESTATE CONTINUED
Three Years Ended December 31, 2003

Reconciliation of Carrying Amount

Balance, December 31, 2000	47,360,000
Additions during period	
Issuance of loans	925,000
Deductions during period	
Collection and satisfaction of loans	(12,678,000)
Balance, December 31, 2001	35,607,000
Additions during period	
Issuance of loans	14,362,000
Deductions during period	
Collection and satisfaction of loans	(14,392,000)
Balance, December 31, 2002	$ 35,577,000
Additions during period	
Issuance of loans	5,923,000
Deductions during period	
Collection and satisfaction of loans	
Balance, December 31, 2003	$ 41,500,000

PART IV

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

(a)(1) *Financial Statements*

Report of Independent Public Accountants	Grant Thornton LLP
Report of Independent Public Accountants	Arthur Andersen LLP
Consolidated Balance Sheets	December 31, 2003 and 2002
Consolidated Statements of Operations	Years Ended December 31, 2003, 2002 and 2001

Consolidated Statements of Common Shareholders Equity Years Ended December 31, 2003, 2002 and 2001

Consolidated Statements of Cash Flows Years Ended December 31, 2003, 2002 and 2001

Notes to Consolidated Financial Statements (including selected quarterly data)

(2) *Financial Statement Schedules*

Schedule III. Schedule of Real Estate and Accumulated Depreciation

Schedule IV. Mortgage Loans on Real Estate

(3) *Exhibits*

Exhibit No.	**Description**
3.1	Declaration of Trust of Federal Realty Investment Trust dated May 5, 1999 (previously filed as Exhibit 3.2 to the Trust s Current Report on Form 8-K filed on May 25, 1999 (File No. 1-07533) and incorporated herein by reference)
3.2	Amended and Restated Bylaws of Federal Realty Investment Trust last amended October 29, 2003 (previously filed as Exhibit 3.2 to the Trust s Annual Report on Form 10-K for the year ended December 31, 2003 filed on March 15, 2004 (the 2004 Form 10-K) and incorporated herein by reference)
4.1	Specimen Common Share certificate (previously filed as Exhibit 4(i) to the Trust s Annual Report on Form 10-K for the year ended December 31, 1999 (File No. 1-07533) (the 1999 Form 10-K) and incorporated herein by reference)
4.2	Articles Supplementary relating to the 8 1/2% Series B Cumulative Redeemable Preferred Shares (previously filed as Exhibit 4.1 to the Trust s Registration Statement on Form 8-A filed on November 26, 2001 (File No. 1-07533) (the 2001 Form 8-A) and incorporated by reference)
4.3	Specimen 8 1/2% Series B Cumulative Redeemable Preferred Share certificate (previously filed as Exhibit 4.2 to the 2001 Form 8-A and incorporated herein by reference)
4.4	Amended and Restated Rights Agreement, dated March 11, 1999, between the Trust and American Stock Transfer & Trust Company (previously filed as Exhibit 1 to the Trust s Registration Statement on Form 8-A/A filed on March 11, 1999 (File No. 1-07533) and incorporated herein by reference)
4.5	First Amendment to Amended and Restated Rights Agreement, dated as of November _, 2003, between the Trust and American Stock Transfer & Trust Company (previously filed as Exhibit 4.5 to the 2004 Form 10-K and incorporated herein by reference)
4.6	

Indenture dated December 13, 1993 related to the Trust s 7.48% Debentures due August 15, 2026; 6 5/8% Notes due 2005; 6.82% Medium Term Notes due August 1, 2027; and 6.99% Medium Term Notes due March 10, 2006 (previously filed as Exhibit 4(a) to the Trust s Registration Statement on Form S-3 (File No. 33-51029), and amended on Form S-3 (File No. 33-63687), filed on December 13, 1993 is incorporated herein by reference)

4.7 Indenture dated September 1, 1998 related to the Trust s 8.75% Notes due December 1, 2009 and the Trust s 6 1/8% Notes due November 15, 2007 and the Trust s 4.50% Notes due 2011 (previously filed as Exhibit 4(a) to the Trust s Registration Statement on Form S-3 (File No. 333-63619) filed on September 17, 1998 is incorporated herein by reference)

4.8 Pursuant to Regulation S-K Item 601(b)(4)(iii), the Trust by this filing agrees, upon request, to furnish to the Securities and Exchange Commission a copy of other instruments defining the rights of holders of long-term debt of the Trust

10.1 Amended and Restated 1983 Stock Option Plan and 1985 Non-Qualified Stock Option Plan of Federal Realty Investment Trust (previously filed as exhibits to the Trust s Registration Statement in Form S-8 (File No. 33-55111), filed on August 17, 1994 and incorporated herein by reference)

Exhibit No.	Description
10.2	1985 Non-Qualified Stock Option Plan (previously filed as a portion of Exhibit 10 to the Trust s Annual Report on Form 10-K for the year ended December 31, 1985 (File No. 1-07533) and incorporated herein by reference)
10.3	1991 Share Purchase Plan (previously filed as a portion of Exhibit 10 to the Trust s Annual Report on Form 10-K for the year ended December 31, 1990 (File No. 1-07533) and incorporated herein by reference)
10.4	Amendment dated October 1, 1992 to Voting Trust Agreement dated as of March 3, 1989 by and between I. Wolford Berman and Dennis L. Berman (previously filed as an exhibit to the Trust s Annual Report on Form 10-K for the year ended December 31, 1992 (File No. 1-07533) and incorporated herein by reference)
10.5	Amended and Restated 1993 Long-Term Incentive Plan, as amended on October 6, 1997 and further amended on May 6, 1998 (previously filed as a portion of Exhibit 10 to the Trust s Annual Report on Form 10-K for the year ended December 31, 1998 (File No. 1-07533) and incorporated herein by reference)
10.6	Fiscal Agency Agreement dated as of October 28, 1993 between the Trust and Citibank, N.A. (previously filed as an exhibit to the Trust s Quarterly Report on Form 10-Q for the quarter ended September 30, 1993 (File No. 1-07533) (the 1993 Form 10-Q) and incorporated herein by reference)
10.7	Form of Severance Agreement between the Trust and Certain of its Officers dated December 31, 1994 (previously filed as a portion of Exhibit 10 to the Trust s Annual Report on Form 10-K for the year ended December 31, 1994 (File No. 1-07533) and incorporated herein by reference)
10.8	* Performance Share Award Agreement dated as of February 9, 2000 between the Trust and Donald C. Wood (previously filed as a portion of Exhibit 10 to the Trust s Annual Report on Form 10-K for the year ended December 31, 1999 (File No. 1-07533) (the 1999 Form 10-K) and incorporated herein by reference)
10.9	* Restricted Share Award Agreement dated as of February 9, 2000 between the Trust and Donald C. Wood (previously filed as a portion of Exhibit 10 to the 1999 Form 10-K and incorporated herein by reference)
10.10	* Severance Agreement between the Trust and Donald C. Wood dated February 22, 1999 (previously filed as a portion of Exhibit 10 to the 1999 Form 10-K and incorporated herein by reference)
10.11	* Executive Agreement between Federal Realty Investment Trust and Donald C. Wood dated February 22, 1999 (previously filed as a portion of Exhibit 10 to the 1999 Form 10-K and incorporated herein by reference)
10.12	* Amendment to Restricted Share Award Agreement dated December 8, 2000 the Trust and Donald C. Wood (previously filed as a portion of Exhibit 10 to the Trust s Annual Report on Form 10-K for the year ended December 31, 2000 (File No. 1-07533) (the 2000 Form 10-K) and incorporated herein by reference)

10.13	* Split Dollar Life Insurance Agreement dated August 12, 1998 between the Trust and Donald C. Wood (previously filed as a portion of Exhibit 10 to the 2000 Form 10-K and incorporated herein by reference)
10.14	* Restricted Share Award Agreement dated as of February 15, 2000 between the Trust and Jeffrey S. Berkes (previously filed as a portion of Exhibit 10 to the Trust s Annual Report on Form 10-K for the year ended December 31, 2001 (File No. 1-07533) (the 2001 Form 10-K) and incorporated herein by reference)
10.15	* Severance Agreement between the Trust and Jeffrey S. Berkes dated March 1, 2000 (previously filed as a portion of Exhibit 10 to the 2001 Form 10-K and incorporated herein by reference)
10.16	* Severance Agreement dated March 1, 2002 between the Trust and Larry E. Finger (previously filed as a portion of Exhibit 10 to the Trust s Annual Report on Form 10-K for the year ended December 31, 2002 (File No. 1-07533) (the 2002 Form 10-K) and incorporated herein by reference)
10.17	* Combined Incentive and Non-Qualified Stock Option Agreement dated February 28, 2002 between the Trust and Larry E. Finger (previously filed as a portion of Exhibit 10 to the 2002 Form 10-K and incorporated herein by reference)
10.18	* Performance Share Award Agreement between the Trust and Donald C. Wood dated February 28, 2002 (previously filed as a portion of Exhibit 10 to the 2002 Form 10-K and incorporated herein by reference)
10.19	* Performance Share Award Agreement between the Trust and Jeffrey S. Berkes dated February 28, 2002 (previously filed as a portion of Exhibit 10 to the 2002 Form 10-K and incorporated herein by reference)
10.20	* Amendment to Stock Option Agreement dated August 15, 2002 between the Trust and Dawn M. Becker (previously filed as a portion of Exhibit 10 to the 2002 Form 10-K and incorporated herein by reference)

Exhibit No.	Description
10.21	* Amendment to Stock Option Agreement dated August 15, 2002 between Federal Realty Investment Trust and Jeffrey S. Berkes (previously filed as Exhibit 10.31 to the 2002 Form 10-K and incorporated herein by reference)
10.22	2001 Long-Term Incentive Plan (previously filed as Exhibit 99.1 to the Trust s S-8 Registration Number 333-60364 filed on May 7, 2001 and incorporated herein by reference)
12.1	Statement Regarding Computation of Ratios of Earnings to Fixed Charges and Earnings to Combined Fixed Charges and Preferred Stock Dividends (filed herewith)
21.1	Subsidiaries of the Trust (previously filed as Exhibit 21.1 to the 2004 Form 10-K and incorporated herein by reference)
23.1	Consent of Grant Thornton LLP (filed herewith)
25.1	Power of Attorney (included on signature page to the 2004 Form 10-K)
31.1	Rule 13a-14(a) Certification of Chief Executive Officer (filed herewith)
31.2	Rule 13a-14(a) Certification of Chief Financial Officer (filed herewith)
32.1	Section 1350 Certification of Chief Executive Officer (filed herewith)
32.2	Section 1350 Certification of Chief Financial Officer (filed herewith)

(b) *Reports on Form 8-K*

Not applicable

(c) *Exhibits*

See Item 15(a)(3) above

* Management contract or compensatory plan to be filed under item 15(c) of Form 10-K.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized this 26th day of March, 2004.

Federal Realty Investment Trust

By: /s/ DONALD C. WOOD

Donald C. Wood
Chief Executive Officer