KIMCO REALTY CORP
Form 10-K
February 26, 2016
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

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

For the fiscal year ended December 31, 2015

OR

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

For the transition period from __________ to __________

Commission file number 1-10899

Kimco Realty Corporation

(Exact name of registrant as specified in its charter)

Maryland	13-2744380
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

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

(Address of principal executive offices) (Zip Code)

(516) 869-9000

(Registrant's telephone number, including area code)

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

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

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

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was

required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

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

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

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

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

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant was approximately $9.0 billion based upon the closing price on the New York Stock Exchange for such equity on June 30, 2015.

(APPLICABLE ONLY TO CORPORATE REGISTRANTS)

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

As of February 11, 2016, the registrant had 413,710,579 shares of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Part III incorporates certain information by reference to the Registrant's definitive proxy statement to be filed with respect to the Annual Meeting of Stockholders expected to be held on April 26, 2016.

Index to Exhibits begins on page 36.

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FORWARD-LOOKING STATEMENTS

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

PART I

Item 1. Business

Background

Kimco Realty Corporation, a Maryland corporation, is one of the nation's largest owners and operators of open-air shopping centers. The terms "Kimco," the "Company," "we," "our" and "us" each refer to Kimco Realty Corporation and our subsidiaries, unless the context indicates otherwise. The Company is a self-administered real estate investment trust ("REIT") and has owned and operated open-air shopping centers for more than 50 years. The Company has not engaged, nor does it expect to retain, any REIT advisors in connection with the operation of its properties. As of December 31, 2015, the Company had interests in 605 shopping center properties (the "Combined Shopping Center Portfolio"), aggregating 96.0 million square feet of gross leasable area ("GLA"), located in 38 states, Puerto Rico and Canada. In addition, the Company had 446 other property interests, primarily through the Company's preferred equity investments and other real estate investments, totaling 7.3 million square feet of GLA. The Company's ownership interests in real estate consist of its consolidated portfolio and portfolios where the Company owns an economic interest, such as properties in the Company's investment real estate management programs, where the Company partners with institutional investors and also retains management. The Company believes its portfolio of open-air shopping center properties is the largest (measured by GLA) currently held by any publicly traded REIT.

The Company's executive offices are located at 3333 New Hyde Park Road, New Hyde Park, New York 11042-0020 and its telephone number is (516) 869-9000. Nearly all operating functions, including leasing, legal, construction, data processing, maintenance, finance and accounting are administered by the Company from its executive offices in New Hyde Park, New York and supported by the Company's regional offices. As of December 31, 2015, a total of 546 persons were employed by the Company.

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

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

The Company’s initial growth resulted primarily from ground-up development and the construction of shopping centers. Subsequently, the Company revised its growth strategy to focus on the acquisition of existing shopping centers and continued its expansion across the nation. The Company implemented its investment real estate management format through the establishment of various institutional joint venture programs, in which the Company has noncontrolling interests. The Company earns management fees, acquisition fees, disposition fees as well as promoted interests based on achieving certain performance metrics. The Company continued its geographic expansion with investments in Canada, Puerto Rico, Mexico, Chile, Brazil and Peru; however during 2013, based upon a perceived change in market conditions, the Company began its efforts to exit its investments in Mexico and South America. During 2015, the Company began its efforts to exit its investments in Canada. By the fourth quarter of 2015, the Company had substantially liquidated its investments in Mexico and had completely exited South America by liquidating its investments in Chile, Brazil and Peru. The Company’s revenues and equity in income (including gains on sales and impairment losses) from its foreign investments in U.S. dollar equivalents and their respective local currencies are as follows (in millions):

	2015	**2014**	**2013**
Revenues (consolidated in USD):			
Mexico	$1.9	$29.4	$49.5
Brazil	$-	$-	$3.2
Peru	$-	$0.1	$0.4
Chile	$6.7	$8.1	$9.2
Revenues (consolidated in local currencies):			
Mexico (Mexican Pesos “MXN”)	28.2	382.3	673.8
Brazil (Brazilian Real)	-	-	6.8
Peru (Peruvian Nuevo Sol)	-	0.4	1.2
Chile (Chilean Pesos “CLP”)	4,264.9	4,485.9	4,464.7
Equity in income (unconsolidated joint ventures, including preferred equity investments in USD):			
Canada (2015 includes gains of $373.8 million on disposition of equity interests)	$409.1	$49.3	$46.6

Mexico (2014 includes the release of cumulative foreign currency translation adjustment “CTA”)	$(1.6)	$(3.7)	$98.1
Chile (2015 includes the release of CTA)	$0.9	$(0.1)	$4.2
Equity in income (unconsolidated joint ventures, including preferred equity investments in local currencies):			
Canada (Canadian dollars) (2015 includes gains of CAD $439.9 million on disposition of equity interests)	540.1	54.6	48.0
Mexico (MXN) (2014 includes the release of CTA)	(24.0)	(550.8)	232.3
Chile (CLP)	-	(55.3)	2,141.2

The Company, through its taxable REIT subsidiaries (“TRS”), as permitted by the Tax Relief Extension Act of 1999, has previously engaged in various retail real estate related opportunities, including (i)ground-up development of open-air shopping centers and the subsequent sale thereof upon completion, (ii) retail real estate management and disposition services, which primarily focused on leasing and disposition strategies for real estate property interests of both healthy and distressed retailers and (iii) the Company’s investment in AB Acquisition, LLC, which consists of grocers Safeway, Albertsons, Vons and other banners (collectively “Albertsons”). The Company may consider other investments through its TRS should suitable opportunities arise.

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

Operating and Investment Strategy

The Company's strategy is to be the premier owner and operator of open-air shopping centers through investments primarily in the U.S.. To achieve this strategy the Company is (i) continuing to transform the quality of its portfolio by disposing of lesser quality assets and acquiring larger higher quality properties in key markets identified by the Company, (ii) simplifying its business by (a) reducing the number of joint venture investments and (b) exiting Mexico, South America and Canada, for which the exit of South America has been completed and Mexico has been substantially completed, (iii) pursuing redevelopment opportunities within its portfolio to increase overall value and (iv) selectively acquiring land parcels for ground-up development projects, consisting of retail and/or mixed use centers, for long-term investment. In addition, the Company may consider other opportunistic investments related to retailer controlled real estate such as, repositioning underperforming retail locations, retail real estate financing and bankruptcy transaction support. The Company has an active capital recycling program which provides for the disposition of certain U.S. properties. If the Company accepts sales prices for any of these assets that are less than their net carrying values, the Company would be required to take impairment charges and such amounts could be material. In order to execute the Company's strategy, the Company intends to continue to strengthen its balance sheet by pursuing deleveraging efforts over time, providing it the necessary flexibility to invest opportunistically and selectively, primarily focusing on U.S. open-air shopping centers.

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

The Company's open-air shopping center properties are designed to attract local area customers and are typically anchored by a national or regional discount department store, supermarket or drugstore tenant offering day-to-day necessities rather than high-priced luxury items. The Company may either purchase or lease income-producing properties in the future and may also participate with other entities in property ownership through partnerships, joint ventures or similar types of co-ownership. Equity investments may be subject to existing mortgage financing and/or

other indebtedness. Financing or other indebtedness may be incurred simultaneously or subsequently in connection with such investments. Any such financing or indebtedness would have priority over the Company's equity interest in such property. The Company may make loans to joint ventures in which it may or may not participate.

The Company seeks to reduce its operating and leasing risks through diversification achieved by the geographic distribution of its properties and a large tenant base. As of December 31, 2015, no single open-air shopping center accounted for more than 1.8% of the Company's annualized base rental revenues, including the proportionate share of base rental revenues from properties in which the Company has less than a 100% economic interest, or more than 1.5% of the Company's total shopping center GLA. At December 31, 2015, the Company's five largest tenants were TJX Companies, The Home Depot, Bed Bath & Beyond, Royal Ahold and Albertsons which represented 3.2%, 2.4%, 2.1%, 1.9% and 1.9%, respectively, of the Company's annualized base rental revenues, including the proportionate share of base rental revenues from properties in which the Company has less than a 100% economic interest.

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

Item 1A. Risk Factors

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

Loss of our tax status as a real estate investment trust or changes in federal tax laws, regulations, administrative interpretations or court decisions relating to real estate investment trusts could have significant adverse consequences to us and the value of our securities.

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

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

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

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

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

As a result of all these factors, our failure to qualify as a REIT or changes in federal tax laws with respect to qualification as a REIT or the tax consequences of such qualification could also impair our ability to expand our business or raise capital and materially adversely affect the value of our securities.

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

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

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

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

- changes in the national, regional and local economic climate;
- local conditions, including an oversupply of, or a reduction in demand for, space in properties like those that we own;
- trends toward smaller store sizes as retailers reduce inventory and new prototypes;
- increasing use by customers of e-commerce and online store sites;
- the attractiveness of our properties to tenants;
- the ability of tenants to pay rent, particularly anchor tenants with leases in multiple locations;
- tenants who may declare bankruptcy and/or close stores;
- competition from other available properties to attract and retain tenants;

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- changes in market rental rates;
- the need to periodically pay for costs to repair, renovate and re-let space;
- changes in operating costs, including costs for maintenance, insurance and real estate taxes;
- the expenses of owning and operating properties, which are not necessarily reduced when circumstances such as market factors and competition cause a reduction in income from the properties;
- changes in laws and governmental regulations, including those governing usage, zoning, the environment and taxes;
- acts of terrorism and war, acts of God and physical and weather-related damage to our properties; and
- the potential risk of functional obsolescence of properties over time.

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

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

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

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

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

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

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

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

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

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

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We may acquire or develop properties or acquire other real estate related companies, and this may create risks.

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

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

Unsuccessful ground-up development activities or a slowdown in ground-up development activities could have a direct impact on our growth, results of operations and cash flows.

Property ground-up development is a component of our operating and investment strategy. We intend to continue pursuing select ground-up development opportunities for long-term investment and construction of retail and/or mixed use properties as opportunities arise. We expect to phase in construction until sufficient preleasing is reached. Our ground-up development and construction activities include the following risks:

We may abandon ground-up development opportunities after expending resources and could lose all or part of our investment in such opportunities, including loss of deposits or failure to recover expenses already incurred
Development, construction or operating costs, including increased interest rates and higher materials, transportation, labor, leasing or other costs, may exceed our original estimates

- Occupancy rates and rents at a newly completed property may not meet our expectations and may not be sufficient to make the property profitable
- Construction or permanent financing may not be available to us on favorable terms or at all
- We may not complete construction and lease-up on schedule due to a variety of factors including construction delays or contractor changes, resulting in increased expenses and construction costs or tenants or operators with the right to terminate pre-construction leases; and
- We may not be able to obtain, or may experience delays in obtaining, necessary zoning, land use, building, occupancy and other required governmental permits and authorizations.

Additionally, new ground-up development activities typically require substantial time and attention from management, and the time frame required for development, construction and lease-up of these properties could require several years to realize any significant cash return. The foregoing risks could cause the development of properties to hinder the Company's growth and have an adverse effect on its results of operations and cash flows.

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

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

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

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

In addition, joint venture arrangements may decrease our ability to manage risk and implicate additional risks, such as:

- potentially inferior financial capacity, diverging business goals and strategies and the need for our venture partner's continued cooperation;

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

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

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

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

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

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

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

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

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

appropriate level of resources to managing our international operations.

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

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

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

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

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

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

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

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

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

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

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

Our revolving credit facility, term loan and the indentures under which our senior unsecured debt is issued contain certain financial and operating covenants, including, among other things, certain coverage ratios and limitations on our ability to incur debt, make dividend payments, sell all or substantially all of our assets and engage in mergers and consolidations and certain acquisitions. These covenants may restrict our ability to pursue certain business initiatives or certain acquisition transactions that might otherwise be advantageous. In addition, failure to meet any of the

financial covenants could cause an event of default under our revolving credit facility, term loan and the indentures and/or accelerate some or all of our indebtedness, which would have a material adverse effect on us.

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

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

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

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

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

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

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

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

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

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

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

The economic performance and value of our other investments which we do not control and are in retail operations, are subject to risks associated with owning and operating retail businesses, including:

- changes in the national, regional and local economic climate;

the adverse financial condition of some large retailing companies;
increasing use by customers of e-commerce and online store sites; and
ongoing consolidation in the retail sector,

A decline in the value of our other investments may require us to recognize an other-than-temporary impairment ("OTTI") against such assets. When the fair value of an investment is determined to be less than its amortized cost at the balance sheet date, we assess whether the decline is temporary or other-than-temporary. If we intend to sell an impaired asset, or it is more likely than not that we will be required to sell the impaired asset before any anticipated recovery, then we must recognize an OTTI through charges to earnings equal to the entire difference between the assets amortized cost and its fair value at the balance sheet date. When an OTTI is recognized through earnings, a new cost basis is established for the asset and the new cost basis may not be adjusted through earnings for subsequent recoveries in fair value.

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

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

Item 1B. Unresolved Staff Comments

None

Item 2. Properties

Real Estate Portfolio. As of December 31, 2015, the Company had interests in 605 shopping center properties aggregating 96.0 million square feet of GLA located in 38 states, Puerto Rico and Canada. In addition, the Company had 446 other property interests, primarily through the Company's preferred equity investments and other real estate investments, totaling 7.3 million square feet of GLA. The Company's portfolio includes noncontrolling interests. Open-air shopping centers comprise the primary focus of the Company's current portfolio. As of December 31, 2015, the Company's Combined Shopping Center Portfolio was 95.0% leased.

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The Company's open-air shopping center properties, which are generally owned and operated through subsidiaries or joint ventures, had an average size of 158,686 square feet as of December 31, 2015. The Company generally retains its shopping centers for long-term investment and consequently pursues a program of regular physical maintenance together with major renovations and refurbishing to preserve and increase the value of its properties. This includes renovating existing facades, installing uniform signage, resurfacing parking lots and enhancing parking lot lighting. During 2015, the Company capitalized $156.0 million in connection with these property improvements and expensed to operations $38.5 million.

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

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

Minimum base rental revenues and operating expense reimbursements accounted for 98% and other revenues, including percentage rents, accounted for 2% of the Company's total revenues from rental property for the year ended December 31, 2015. The Company's management believes that the base rent per leased square foot for many of the Company's existing leases is generally lower than the prevailing market-rate base rents in the geographic regions where the Company operates, reflecting the potential for future growth.

Approximately 31.1% of the Company's leases of consolidated properties also contain provisions requiring the payment of additional rent calculated as a percentage of tenants’ gross sales above predetermined thresholds. Percentage rents accounted for less than 1% of the Company's revenues from rental property for the year ended December 31, 2015. Additionally, a majority of the Company’s leases have provisions requiring contractual rent increases. The Company’s leases may also include escalation clauses, which provide for increases based upon changes in the consumer price index or similar inflation indices.

As of December 31, 2015, the Company's consolidated operating portfolio, comprised of 60.5 million square feet of GLA, was 95.7% leased. The consolidated operating portfolio consists entirely of properties located in the U.S., inclusive of Puerto Rico. For the period January 1, 2015 to December 31, 2015, the Company increased the average base rent per leased square foot, which includes the impact of tenant concessions, in its U.S. consolidated portfolio of open-air shopping centers from $13.50 to $14.36, an increase of $0.86. This increase primarily consists of (i) a $0.24 increase relating to acquisitions, (ii) a $0.40 increase relating to dispositions, and (iii) a $0.22 increase relating to new leases signed net of leases vacated and rent step-ups within the portfolio.

The Company has a total of 6,164 leases in the U.S. consolidated operating portfolio. The following table sets forth the aggregate lease expirations for each of the next ten years, assuming no renewal options are exercised. For purposes of the table, the Total Annual Base Rent Expiring represents annualized rental revenue, excluding the impact of straight-line rent, for each lease that expires during the respective year. Amounts in thousands except for number of lease data:

Year Ending December 31,	Number of Leases Expiring	Square Feet Expiring	Total Annual Base Rent Expiring	% of Gross Annual Rent
(1)	173	460	$8,874	1.1 %
2016	656	3,822	$56,298	6.8 %
2017	1,002	7,756	$116,803	14.1 %
2018	903	6,507	$98,617	11.9 %
2019	849	6,724	$98,130	11.8 %
2020	808	6,331	$93,771	11.3 %
2021	451	4,985	$65,220	7.9 %
2022	267	3,016	$41,558	5.0 %
2023	248	3,218	$44,222	5.3 %
2024	232	3,004	$47,022	5.7 %
2025	229	2,203	$34,715	4.2 %
2026	141	3,283	$39,242	4.7 %

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

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During 2015, the Company executed 1,016 leases totaling over 6.5 million square feet in the Company's consolidated operating portfolio comprised of 388 new leases and 628 renewals and options. The leasing costs associated with these leases are estimated to aggregate $54.2 million or $25.38 per square foot. These costs include $42.8 million of tenant improvements and $11.4 million of leasing commissions. The average rent per square foot on new leases was $17.63 and on renewals and options was $15.76. The Company will seek to obtain rents that are higher than amounts within its expiring leases, however, there are many variables and uncertainties which can significantly affect the leasing market at any time; as such, the Company cannot guarantee that future leases will continue to be signed for rents that are equal to or higher than current amounts.

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

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

Item 3. Legal Proceedings

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

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

Item 4. Mine Safety Disclosures

Not applicable.

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PART II

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

Market Information There were no common stock offerings completed by the Company during the three-year period ended December 31, 2015.

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

	Stock Price			
Period	**High**	**Low**	**Dividends**	
2014:				
First Quarter	$22.70	$19.61	$ 0.225	
Second Quarter	$23.63	$21.41	$ 0.225	
Third Quarter	$23.82	$21.54	$ 0.225	
Fourth Quarter	$26.04	$21.56	$ 0.24	(a)
2015:				
First Quarter	$28.54	$25.20	$ 0.24	
Second Quarter	$27.06	$22.48	$ 0.24	
Third Quarter	$25.70	$22.07	$ 0.24	
Fourth Quarter	$27.33	$23.98	$ 0.255	(b)

(a) Paid on January 15, 2015, to stockholders of record on January 2, 2015.
(b) Paid on January 15, 2016, to stockholders of record on January 4, 2016.

Holders: The number of holders of record of the Company's common stock, par value $0.01 per share, was 2,412 as of January 31, 2016.

Dividends: Since the IPO, the Company has paid regular quarterly cash dividends to its stockholders. While the Company intends to continue paying regular quarterly cash dividends, future dividend declarations will be paid at the discretion of the Board of Directors and will depend on the actual cash flows of the Company, its financial condition,

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

The Company has determined that the $0.96 dividend per common share paid during 2015 represented 100% capital gain to its stockholders. The $0.90 dividend per common share paid during 2014 represented 36% ordinary income, a 36% return of capital and 28% capital gain to its stockholders.

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

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

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

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Issuer Purchases of Equity Securities During the year ended December 31, 2015, the Company repurchased 179,696 shares in connection with common shares surrendered or deemed surrendered to the Company to satisfy statutory minimum tax withholding obligations in connection with the vesting of restricted stock awards under the Company's equity-based compensation plans. The Company expended approximately $4.8 million to repurchase these shares.

Period		Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (in millions)
January 1, 2015	– January 31, 2015	6,251	$ 26.32	-	$ -
February 1, 2015	– February 28, 2015	159,743	$ 26.82	-	-
March 1, 2015	– March 31, 2015	-	$ -	-	-
April 1, 2015	– April 30, 2015	-	$ -	-	-
May 1, 2015	– May 31, 2015	754	$ 24.49	-	-
June 1, 2015	– June 30, 2015	-	$ -	-	-
July 1, 2015	– July 31, 2015	366	$ 22.90	-	-
August 1, 2015	– August 31, 2015	11,858	$ 24.85	-	-
September 1, 2015	– September 30, 2015	-	$ -	-	-
October 1, 2015	– October 31, 2015	724	$ 26.32	-	-
November 1, 2015	– November 30, 2015	-	$ -	-	-
December 1, 2015	– December 31, 2015	-	$ -	-	-
Total		179,696	$ 26.65	-	$ -

Total Stockholder Return Performance The following performance chart compares, over the five years ended December 31, 2015, the cumulative total stockholder return on the Company's common stock with the cumulative total return of the S&P 500 Index and the cumulative total return of the NAREIT Equity REIT Total Return Index (the "NAREIT Equity Index") prepared and published by the National Association of Real Estate Investment Trusts ("NAREIT"). Equity real estate investment trusts are defined as those which derive more than 75% of their income from equity investments in real estate assets. The NAREIT Equity Index includes all tax qualified equity real estate investment trusts listed on the New York Stock Exchange, American Stock Exchange or the NASDAQ National Market System. Stockholder return performance, presented quarterly for the five years ended December 31, 2015, is not necessarily indicative of future results. All stockholder return performance assumes the reinvestment of dividends. The information in this paragraph and the following performance chart are deemed to be furnished, not filed.

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Item 6. Selected Financial Data

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

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

	Year ended December 31,				
	2015	**2014(2)**	**2013(2)**	**2012(2)**	**2011(2)**
	(in thousands, except per share information)				
Operating Data:					
Revenues from rental properties (1)	$1,144,474	$958,888	$825,210	$755,851	$698,211
Interest expense (3)	$218,891	$203,759	$212,240	$223,736	$219,599
Depreciation and amortization (3)	$344,527	$258,074	$224,713	$214,827	$197,956
Gain on sale of development properties	$-	$-	$-	$-	$12,074
Gain on sale of operating properties, net, net of tax (3)	$125,813	$389	$1,432	$4,299	$108
Provision for income taxes, net (4)	$67,325	$22,438	$32,654	$15,603	$24,928
Impairment charges (5)	$45,383	$39,808	$32,247	$10,289	$13,077
Income from continuing operations (6)	$894,190	$375,133	$276,884	$172,760	$100,059
Income per common share, from continuing operations:					
Basic	$2.01	$0.77	$0.53	$0.19	$0.10
Diluted	$2.00	$0.77	$0.53	$0.19	$0.10
Weighted average number of shares of common stock:					
Basic	411,319	409,088	407,631	405,997	406,530
Diluted	412,851	411,038	408,614	406,689	407,669
Cash dividends declared per common share	$0.975	$0.915	$0.855	$0.78	$0.73

	December 31,				
	2015	**2014**	**2013**	**2012**	**2011**
	(in thousands)				
Balance Sheet Data:					
Real estate, before accumulated depreciation	$11,568,809	$10,018,226	$9,123,344	$8,947,287	$8,771,257
Total assets (7)	$11,344,171	$10,261,400	$9,644,247	$9,731,928	$9,604,026
Total debt (7)	$5,376,310	$4,595,970	$4,202,018	$4,176,011	$4,089,649
Total stockholders' equity	$5,046,300	$4,774,785	$4,632,417	$4,765,160	$4,686,386
Cash flow provided by operations	$493,701	$629,343	$570,035	$479,054	$448,613

Cash flow provided by/(used for) investing activities	$21,365	$126,705	$72,235	$(51,000)	$(20,760)
Cash flow used for financing activities	$(512,854)	$(717,494)	$(635,377)	$(399,061)	$(440,125)

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

(2) Amounts have been adjusted to reflect the impact of operating properties sold during the years ended December 31, 2014, 2013, 2012 and 2011, which are reflected in discontinued operations in the Consolidated Statements of Income.

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

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

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

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

(7) Beginning in its fiscal year 2015, the Company elected to early adopt Accounting Standards Update ("ASU") 2015-03 and ASU 2015-15 and appropriately retrospectively applied the guidance to its Notes Payable and Mortgages Payable to all periods presented. Unamortized debt issuance costs are included in Total debt for all periods presented (previously included in Other assets on the Company's Consolidated Balance Sheets).

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

The following discussion should be read in conjunction with the Consolidated Financial Statements and Notes thereto included in this Form 10-K. Historical results and percentage relationships set forth in the Consolidated Statements of Income contained in the Consolidated Financial Statements, including trends, should not be taken as indicative of future operations.

Executive Summary

Kimco Realty Corporation is one of the nation's largest publicly-traded owners and operators of open-air shopping centers. As of December 31, 2015, the Company had interests in 605 shopping center properties, aggregating 96.0 million square feet of GLA located in 38 states, Puerto Rico and Canada. In addition, the Company had 446 other property interests, primarily through the Company's preferred equity investments and other real estate investments, totaling 7.3 million square feet of GLA.

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

The Company's strategy is to be the premier owner and operator of open-air shopping centers through investments primarily in the U.S.. To achieve this strategy the Company is (i) continuing to transform the quality of its portfolio by disposing of lesser quality assets and acquiring larger higher quality properties in key markets identified by the Company, (ii) simplifying its business by (a) reducing the number of joint venture investments and (b) exiting Mexico, South America and Canada, for which the exit of South America has been completed and Mexico has been substantially completed, (iii) pursuing redevelopment opportunities within its portfolio to increase overall value and (iv) selectively acquiring land parcels in our key markets for ground-up development projects, consisting of retail and/or mixed use centers, for long-term investment. In addition, the Company may consider other opportunistic investments related to retailer controlled real estate such as, repositioning underperforming retail locations, retail real estate financing and bankruptcy transaction support. The Company has an active capital recycling program which provides for the disposition of certain U.S. properties. If the Company accepts sales prices for any of these assets that are less than their net carrying values, the Company would be required to take impairment charges and such amounts could be material. In order to execute the Company's strategy, the Company intends to continue to strengthen its balance sheet by pursuing deleveraging efforts over time, providing it the necessary flexibility to invest opportunistically and selectively, primarily focusing on U.S. open-air shopping centers.

The following highlights the Company’s significant transactions, events and results that occurred during the year ended December 31, 2015:

Portfolio Information:

- Net income available to common shareholders increased by $465.5 million to $831.2 million for the year ended December 31, 2015, as compared to $365.7 million for the corresponding period in 2014.
- Funds from operations (“FFO”) increased from $596.2 million or $1.45 per diluted share for the year ended December 31, 2014, to $643.2 million or $1.56 per diluted share for the year ended December 31, 2015 (see additional disclosure on FFO beginning on page 30).
- FFO as adjusted increased from $576.9 million or $1.40 per diluted share for the year ended December 31, 2014, to $603.4 million or $1.46 per diluted share for the year ended December 31, 2015 (see additional disclosure on FFO beginning on page 30).
- U.S. same property net operating income (“U.S. Same Property NOI”) increased 3.1% for the year ended December 31, 2015, as compared to the corresponding period in 2014 (see additional disclosure on U.S. Same Property NOI beginning on page 32).
- U.S. pro-rata occupancy rose from 95.7% at December 31, 2014, to 95.8% at December 31, 2015.
- Executed 1,016 new leases, renewals and options totaling approximately 6.5 million square feet in the Combined Shopping Center Portfolio.

Acquisition Activity (see Footnotes 3 and 7 of the Notes to Consolidated Financial Statements included in this Form 10-K):

- Acquired 48 shopping center properties, nine out-parcels and three land parcels comprising an aggregate 7.5 million square feet of GLA, for an aggregate purchase price of $1.8 billion including the assumption of $807.6 million of non-recourse mortgage debt encumbering 38 of the properties. The Company acquired 43 of these properties for an aggregate sales price of $1.6 billion from joint ventures in which the Company previously held noncontrolling ownership interests and recognized an aggregate gain on change in control of interests of $149.2 million from the fair value adjustment.

  Additionally, during the year ended December 31, 2015, the Company acquired $20.7 million in land related to two existing development projects which will be held as long-term investments. The Company anticipates completing these projects over the next four years.

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Disposition Activity (see Footnotes 4, 5, and 6 of the Notes to Consolidated Financial Statements included in this Form 10-K):

During 2015, the Company disposed of 90 consolidated operating properties and eight out-parcels, including its remaining property in Chile, in separate transactions, for an aggregate sales price of $543.9 million. These transactions resulted in an aggregate net gain of $125.8 million, after income tax expense, foreign currency translation loss of $19.6 million related to the sale of the remaining Chile property and aggregate impairment charges of $10.2 million, before income tax expense of $2.3 million.

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

During January 2015, the Company entered into a new $650.0 million unsecured term loan (“Term Loan”) which has an initial maturity date in January 2017 (with three one-year extension options at the Company’s discretion) and accrues interest at a spread (currently 95 basis points) to LIBOR or at the Company’s option at a base rate as defined per the agreement (1.37% at December 31, 2015). The proceeds from the Term Loan were used to repay the Company’s $400.0 million term loan, which was scheduled to mature in April 2015 (with two additional one-year extension options) and bore interest at LIBOR plus 105 basis points, and for general corporate purposes.

During March 2015, the Company issued $350.0 million of 30-year Senior Unsecured Notes at an interest rate of 4.25% payable semi-annually in arrears which are scheduled to mature in April 2045.

During October 2015, the Company issued $500.0 million of seven-year Senior Unsecured Notes at an interest rate of 3.40% payable semi-annually in arrears which are scheduled to mature in November 2022.

During November 2015, the Company redeemed all of its outstanding 7,000,000 depositary shares of the Company’s 6.90% Class H Cumulative Redeemable Preferred Stock (the “Class H Preferred Stock”) resulting in an aggregate payment of $175.0 million. In connection with this redemption the Company recorded a non-cash charge of $5.8 million resulting from the difference between the redemption amount and the carrying amount of the Class H Preferred Stock on the Company’s Consolidated Balance Sheets.

During 2015, the Company repaid (i) its $100.0 million 4.904% medium term notes, which matured in February 2015, (ii) its $100.0 million 5.250% senior unsecured notes, which matured in September 2015 and (iii) its $150.0 million 5.584% medium term notes, which matured in November 2015.

Also during 2015, the Company paid off $557.0 million of mortgage debt (including fair market value adjustment of $1.4 million) that encumbered 27 operating properties.

Critical Accounting Policies

The Consolidated Financial Statements of the Company include the accounts of the Company, its wholly-owned subsidiaries and all entities in which the Company has a controlling interest, including where the Company has been determined to be a primary beneficiary of a variable interest entity in accordance with the consolidation guidance of the FASB Accounting Standards Codification (“ASC”). The Company applies these provisions to each of its joint venture investments to determine whether the cost, equity or consolidation method of accounting is appropriate. The

preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions in certain circumstances that affect amounts reported in the accompanying Consolidated Financial Statements and related notes. In preparing these financial statements, management has made its best estimates and assumptions that affect the reported amounts of assets and liabilities. These estimates are based on, but not limited to, historical results, industry standards and current economic conditions, giving due consideration to materiality. The most significant assumptions and estimates relate to revenue recognition and the recoverability of trade accounts receivable, depreciable lives, valuation of real estate and intangible assets and liabilities, valuation of joint venture investments and other investments, realizability of deferred tax assets and uncertain tax positions. Application of these assumptions requires the exercise of judgment as to future uncertainties, and, as a result, actual results could materially differ from these estimates.

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

Revenue Recognition and Accounts Receivable

Base rental revenues from rental property are recognized on a straight-line basis over the terms of the related leases. Certain of these leases also provide for percentage rents based upon the level of sales achieved by the lessee. These percentage rents are recorded once the required sales level is achieved. Operating expense reimbursements are recognized as earned. Rental income may also include payments received in connection with lease termination agreements. In addition, leases typically provide for reimbursement to the Company of common area maintenance, real estate taxes and other operating expenses.

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

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Real Estate

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

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

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

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

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

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

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

Investments in Unconsolidated Joint Ventures

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

The Company's joint ventures and other real estate investments primarily consist of co-investments with institutional and other joint venture partners in open-air shopping center properties, consistent with its core business. These joint ventures typically obtain non-recourse third-party financing on their property investments, thus contractually limiting the Company's exposure to losses to the amount of its equity investment, and, due to the lender's exposure to losses, a lender typically will require a minimum level of equity in order to mitigate its risk. The Company's exposure to losses associated with its unconsolidated joint ventures is primarily limited to its carrying value in these investments.

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

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

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Realizability of Deferred Tax Assets and Uncertain Tax Positions

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

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

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

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

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

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

Results of Operations

Comparison 2015 to 2014

	2015	**2014**	**Change**	**% change**
	(amounts in millions)			
Revenues from rental properties (1)	$1,144.5	$958.9	$185.6	19.4 %
Rental property expenses: (2)				
Rent	$12.3	$14.3	$(2.0)	(14.0)%
Real estate taxes	147.2	124.7	22.5	18.0 %
Operating and maintenance	145.0	119.7	25.3	21.1 %
	$304.5	$258.7	$45.8	17.7 %
Depreciation and amortization (3)	$344.5	$258.1	$86.4	33.5 %

(1) Revenues from rental property increased primarily from the combined effect of (i) the acquisition of operating properties during 2015 and 2014, providing incremental revenues for the year ended December 31, 2015, of $179.9 million, as compared to the corresponding period in 2014, (ii) the completion of certain redevelopment projects, tenant buyouts and net growth in the current portfolio, providing incremental revenues for the year ended December 31, 2015, of $23.5 million, as compared to the corresponding period in 2014, partially offset by (iii) a decrease in revenues of $17.8 million from properties sold during 2015 and 2014.

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(2) Rental property expenses include (i) rent expense relating to ground lease payments for which the Company is the lessee, (ii) real estate tax expense for consolidated properties for which the Company has a controlling ownership interest and (iii) operating and maintenance expense, which consists of property related costs including repairs and maintenance costs, roof repair, landscaping, parking lot repair, snow removal, utilities, property insurance costs, security and various other property related expenses. Rental property expenses increased for the year ended December 31, 2015, as compared to the corresponding period in 2014, primarily due to the acquisitions of properties during 2015 and 2014, partially offset by the disposition of properties in 2015, which resulted in (i) a net increase in real estate taxes of $22.5 million, (ii) a net increase in repairs and maintenance costs of $9.7 million, (iii) a net increase in property services of $4.8 million, (iv) a net increase in snow removal costs of $3.6 million, (v) a net increase in professional fees of $2.4 million and (vi) a net increase in insurance expense of $3.1 million, due to an increase in insurance claims.

(3) Depreciation and amortization increased for the year ended December 31, 2015, as compared to the corresponding period in 2014, primarily due to operating property acquisitions during 2015 and 2014 and amounts relating to the Company's redevelopment projects in 2015, partially offset by property dispositions.

Management and other fee income decreased $12.7 million to $22.3 million for the year ended December 31, 2015, as compared to $35.0 million for the corresponding period in 2014. This decrease is primarily attributable to (i) the sale of properties within various joint venture investments and the acquisition of partnership interests in joint ventures by the Company during 2015 and 2014 and (ii) a decrease in enhancement fee income related to InTown Suites of $4.1 million for the year ended December 31, 2015, as compared to the corresponding period in 2014, resulting from the repayment of debt that was previously guaranteed by the Company.

During the year ended December 31, 2015, the Company recognized impairment charges of $45.5 million, before noncontrolling interests and income taxes, of which $0.1 million is included in discontinued operations. These impairment charges consist of (i) $30.3 million related to adjustments to property carrying values, (ii) $9.0 million relating to a cost method investment, (iii) $5.3 million related to certain investments in other real estate investments and (iv) $0.8 million related to marketable debt securities investments. During the year ended December 31, 2014, the Company recognized impairment charges of $217.8 million, of which $178.0 million, before income tax benefits of $1.7 million, is included in discontinued operations. These impairment charges consist of (i) $118.4 million related to adjustments to property carrying values, (ii) the release of a cumulative foreign currency translation loss of $92.9 million relating to the substantial liquidation of the Company's investment in Mexico, (iii) $4.8 million related to a cost method investment and (iv) $1.6 million related to a preferred equity investment. The adjustments to property carrying values were recognized in connection with the Company's efforts to market certain properties and management's assessment as to the likelihood and timing of such potential transactions and the anticipated hold period for such properties. Certain of the calculations to determine fair value utilized unobservable inputs and as such are classified as Level 3 of the fair value hierarchy. Certain of the calculations to determine fair value utilized unobservable inputs and as such are classified as Level 3 of the fair value hierarchy. For additional disclosure, see Footnote 15 of the Notes to Consolidated Financial Statements included in this Form 10-K.

Interest, dividends and other investment income increased $38.1 million to $39.1 million for the year ended December 31, 2015, as compared to $1.0 million for the corresponding period in 2014. This increase is primarily due to the sale of certain marketable securities during 2015, which resulted in an aggregate gain of $39.9 million.

Other income/(expense), net changed $10.7 million to income of $2.2 million for the year ended December 31, 2015, as compared to an expense of $8.5 million for the corresponding period in 2014. This change is primarily due to (i) the release of contingent liabilities related to potential earn-out payments, for which the Company ultimately was not required to pay of $5.8 million, (ii) a decrease in acquisition related costs of $2.3 million and (iii) an increase in gains on land sales of $0.8 million.

Interest expense increased $15.1 million to $218.9 million for the year ended December 31, 2015, as compared to $203.8 million for the corresponding period in 2014. This increase is primarily the result of higher levels of borrowings during 2015, as compared to 2014, primarily relating to the acquisition of operating properties during 2015 and 2014.

Provision for income taxes, net increased $37.8 million to $60.2 million for the year ended December 31, 2015, as compared to $22.4 million for the corresponding period in 2014. This increase is primarily due to (i) an increase in foreign tax expense of $33.6 million primarily resulting from the sale of certain Canadian investments during 2015, as compared to 2014 and (ii) an increase in tax expense of $4.3 million relating to equity in income recognized in connection with the Company’s Albertson’s investment during 2015, as compared to 2014.

Equity in income of joint ventures, net increased $320.8 million to $480.4 million for the year ended December 31, 2015, as compared to $159.6 million for the corresponding period in 2014. This increase is primarily due to (i) an increase in gains of $316.1 million resulting from the sale of properties and sale of interests within various joint venture investments during the year ended December 31, 2015, as compared to the corresponding period in 2014 and (ii) the release of cumulative foreign currency translation loss of $47.3 million relating to the substantial liquidation of the Company’s investment in Mexico during 2014, partially offset by (iii) a decrease in equity in income of $15.6 million resulting from a cash distribution received in excess of the Company’s carrying basis in 2014, (iv) an increase in impairment charges of $14.9 million recognized during the year ended December 31, 2015, as compared to the corresponding period in 2014 and (v) lower equity in income resulting from the sales of properties within various joint venture investments and the acquisition of partnership interests in joint ventures by the Company during 2015 and 2014.

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During 2015, the Company acquired 43 properties from joint ventures in which the Company had noncontrolling interests. The Company recorded a net gain on change in control of interests of $149.2 million related to the fair value adjustment associated with its previously held equity interests in these properties.

During 2014, the Company acquired 34 properties from joint ventures in which the Company had noncontrolling interests. The Company recorded an aggregate net gain on change in control of interests of $107.2 million related to the fair value adjustment associated with its original ownership of these properties.

During 2015, the Company disposed of 89 consolidated operating properties and eight out-parcels, in separate transactions, for an aggregate sales price of $492.5 million. These transactions resulted in an aggregate gain of $143.6 million, after income tax expense, and aggregate impairment charges of $10.2 million, before income tax expense of $2.3 million. Additionally, during 2015, the Company disposed of its remaining operating property in Chile for a sales price of $51.3 million. This transaction resulted in the release of a cumulative foreign currency translation loss of $19.6 million due to the Company’s liquidation of its investment in Chile, partially offset by a gain on sale of $1.8 million, after income tax expense.

During 2014, the Company disposed of 90 consolidated operating properties, in separate transactions, for an aggregate sales price of $833.5 million, including 27 operating properties in Latin America. These transactions, which are included in Discontinued Operations on the Company’s Consolidated Statements of Income, resulted in (i) an aggregate gain of $203.3 million, before income taxes of $12.0 million (ii) the release of a cumulative foreign currency translation loss of $92.9 million relating to the substantial liquidation of the Company’s investment in Mexico and (iii) aggregate impairment charges of $85.1 million before income tax benefits of $1.7 million.

Net income attributable to the Company was $894.1 million for the year ended December 31, 2015. Net income attributable to the Company was $424.0 million for the year ended December 31, 2014. On a diluted per share basis, net income attributable to the Company was $2.00 for the year ended December 31, 2015, as compared to $0.89 for the year ended December 31, 2014. These changes are primarily attributable to (i) incremental earnings due to the acquisition of operating properties during 2015 and 2014 and increased profitability from the Company’s operating properties, (ii) an increase in equity in income of joint ventures, net, primarily from gains on sale of Canadian assets, (iii) an increase in gains on sale of marketable securities and (iv) an increase in gain on change in control of interests, net, partially offset by (v) an increase in depreciation and amortization, (vi) the disposition of operating properties during 2015 and 2014 and (vii) an increase in provision for income taxes, net.

Results of Operations

Comparison 2014 to 2013

	2014	**2013**	**Change**	**% change**
	(amounts in millions)			
Revenues from rental properties (1)	$958.9	$825.2	$133.7	16.2 %
Rental property expenses: (2)				
Rent	$14.3	$13.3	$1.0	7.5 %
Real estate taxes	124.7	108.7	16.0	14.7 %
Operating and maintenance	119.7	99.4	20.3	20.4 %
	$258.7	$221.4	$37.3	16.8 %
Depreciation and amortization (3)	$258.1	$224.7	$33.4	14.9 %

(1) Revenues from rental property increased primarily from the combined effect of (i) the acquisition of operating properties during 2014 and 2013, providing incremental revenues for the year ended December 31, 2014, of $110.1 million, as compared to the corresponding period in 2013 and (ii) an overall increase in the consolidated shopping center portfolio occupancy to 95.7% at December 31, 2014, as compared to 94.0% at December 31, 2013, the completion of certain redevelopment projects, tenant buyouts and net growth in the current portfolio, providing incremental revenues for the year ended December 31, 2014, of $23.6 million, as compared to the corresponding period in 2013.

(2) Rental property expenses include (i) rent expense relating to ground lease payments for which the Company is the lessee, (ii) real estate tax expense for consolidated properties for which the Company has a controlling ownership interest and (iii) operating and maintenance expense, which consists of property related costs including repairs and maintenance costs, roof repair, landscaping, parking lot repair, snow removal, utilities, property insurance costs, security and various other property related expenses. Rental property expenses increased for the year ended December 31, 2014, as compared to the corresponding period in 2013, primarily due to acquisitions of properties during 2014 and 2013, resulting in (i) an increase in real estate taxes of $16.0 million, (ii) an increase in repairs and maintenance costs of $6.8 million, (iii) an increase in snow removal costs of $3.4 million, (iv) an increase in property services of $3.7 million, (v) an increase in utilities expense of $1.8 million and (vi) an increase in insurance expense of $3.9 million, due to an increase in insurance claims.

(3) Depreciation and amortization increased for the year ended December 31, 2014, as compared to the corresponding period in 2013, primarily due to operating property acquisitions during 2014 and 2013.

General and administrative costs include employee-related expenses (salaries, bonuses, equity awards, benefits, severance costs and payroll taxes), professional fees, office rent, travel expense, and other company-specific expenses. General and administrative expenses decreased $5.3 million to $122.2 million for the year ended December 31, 2014, as compared to $127.5 million for the corresponding period in 2013. This decrease is primarily due to a decrease in professional fees of $3.4 million in connection with the Company’s response to a subpoena from the Enforcement Division of the SEC and a parallel investigation by the DOJ in connection with the investigation of Wal-Mart Stores, Inc. with respect to the Foreign Corrupt Practices Act (see Item 3) and a decrease in personnel related costs of $1.8 million for the year ended December 31, 2014, as compared to the corresponding period in 2013.

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During the year ended December 31, 2014, the Company recognized impairment charges of $217.8 million, of which $178.0 million, before income tax benefits of $1.7 million, is included in discontinued operations. These impairment charges consist of (i) $118.4 million related to adjustments to property carrying values, (ii) the release of a cumulative foreign currency translation loss of $92.9 million relating to the substantial liquidation of the Company's investment in Mexico, (iii) $4.8 million related to a cost method investment and (iv) $1.6 million related to a preferred equity investment. The adjustments to property carrying values were recognized in connection with the Company's efforts to market certain properties and management's assessment as to the likelihood and timing of such potential transactions and the anticipated hold period for such properties. During the second quarter ended June 30, 2014, the Company implemented a plan to accelerate its disposition of certain properties. This plan effectively shortened the Company's anticipated hold period for these properties and as a result the Company recognized impairment charges on various operating properties. Certain of the calculations to determine fair value utilized unobservable inputs and as such are classified as Level 3 of the fair value hierarchy. For additional disclosure, see Footnote 15 of the Notes to Consolidated Financial Statements included in this Form 10-K.

During the year ended December 31, 2013, the Company recognized impairment charges of $190.2 million of which $158.0 million, before noncontrolling interests and income tax, is included in discontinued operations. These impairment charges consist of (i) $175.6 million related to adjustments to property carrying values, (ii) $10.4 million related to a cost method investment, (iii) $1.0 million related to certain joint venture investments and (iv) $3.2 million related to a preferred equity investment. Certain of the calculations to determine fair value utilized unobservable inputs and as such are classified as Level 3 of the fair value hierarchy. For additional disclosure, see Footnote 15 of the Notes to Consolidated Financial Statements included in this Form 10-K.

Interest, dividends and other investment income decreased $15.8 million to $1.0 million for the year ended December 31, 2014, as compared to $16.8 million for the corresponding period in 2013. This decrease is primarily due to (i) a decrease in realized gains of $12.1 million resulting from the sale of certain marketable securities during the year ended December 31, 2013, (ii) a decrease in excess cash distributions related to cost method investments of $2.8 million for the year ended December 31, 2013 and (iii) a decrease in dividend income of $1.2 million resulting from the sale of certain marketable securities during the year ended December 31, 2013.

Other income/(expense), net changed $9.7 million to an expense of $8.5 million for the year ended December 31, 2014, as compared to income of $1.2 million for the corresponding period in 2013. This change is primarily due to a decrease in gains from land sales of $8.0 million and an increase in acquisition related costs of $1.4 million related to an increase in acquisitions during 2014 as compared to 2013.

Interest expense decreased $8.4 million to $203.8 million for the year ended December 31, 2014, as compared to $212.2 million for the year ended December 31, 2013. This decrease is primarily related to lower effective interest rates and reduced borrowing levels during 2014, as compared to 2013.

Provision for income taxes, net decreased $10.3 million to $22.4 million for the year ended December 31, 2014, as compared to $32.7 million for the corresponding period in 2013. This change is primarily due to (i) a decrease in foreign tax expense of $9.5 million primarily relating to the sale of certain unconsolidated properties during 2013 within the Company’s Latin American portfolio which were subject to foreign taxes at a consolidated reporting entity level offset by an increase in other foreign uncertain tax positions of $5.5 million, (ii) a decrease in tax provision of $9.1 million relating to a change in control gain recognized during the year ended December 31, 2013, (iii) a decrease in tax provision of $3.4 million related to gains on land sales during 2013, and (iv) a decrease in tax provision of $2.4 million related to gains on sale of certain marketable securities during 2013, partially offset by (v) a partial release of the deferred tax valuation allowance of $8.7 million during the year ended December 31, 2013 related to the Company’s FNC Realty Corp. (“FNC”) portfolio based on the Company’s estimated future earnings of FNC and (vi) a decrease in tax benefit of $4.3 million relating to equity losses recognized in connection with the Company’s Albertson’s investment.

Equity in income of joint ventures, net decreased $49.1 million to $159.6 million for the year ended December 31, 2014, as compared to $208.7 million for the corresponding period in 2013. This decrease is primarily the result of (i) the release of a cumulative foreign currency translation loss of $47.3 million relating to the substantial liquidation of the Company’s investment in Mexico, (ii) a decrease in gains of $21.7 million resulting from the sale of properties within various joint venture investments and interests in joint ventures primarily located in Latin America during 2013, (iii) a decrease in equity in income of $1.4 million due to the sale of the InTown portfolio in 2013 and (iv) a decrease of equity in income of $7.5 million related to the sale of various joint ventures within the Company’s Latin American portfolio during 2014, partially offset by (v) an increase in equity in income of $15.6 million primarily resulting from a cash distribution received in excess of the Company’s carrying basis during 2014, and (vi) a decrease in impairment charges of $8.2 million relating to various joint venture properties primarily located in Mexico taken during the year ended 2013, as compared to 2014.

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During 2014, the Company acquired 34 properties from joint ventures in which the Company had noncontrolling interests. The Company recorded an aggregate net gain on change in control of interests of $107.2 million related to the fair value adjustment associated with its original ownership of these properties.

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

Equity in income from other real estate investments, net increased $6.9 million to $38.0 million for the year ended December 31, 2014, as compared to $31.1 million for the corresponding period in 2013. This increase is primarily due to an increase of $10.7 million in equity in income, resulting from lower net losses in the Albertson's joint venture during the year ended December 31, 2014, as compared to the corresponding period in 2013, partially offset by a decrease of $5.8 million in earnings from the Company's Preferred Equity Program primarily resulting from the sale of the Company's interests in certain preferred equity investments during 2014 and 2013.

During 2014, the Company disposed of 90 consolidated operating properties, in separate transactions, for an aggregate sales price of $833.5 million, including 27 operating properties in Latin America. These transactions, which are included in Discontinued operations on the Company's Consolidated Statements of Income, resulted in (i) an aggregate gain of $203.3 million, before income taxes of $12.0 million (ii) the release of a cumulative foreign currency translation loss of $92.9 million relating to the substantial liquidation of the Company's investment in Mexico and (iii) aggregate impairment charges of $85.1 million before income tax benefits of $1.7 million.

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

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

Net income attributable to the Company increased $187.7 million to $424.0 million for the year ended December 31, 2014, as compared to $236.3 million for the corresponding period in 2013. On a diluted per share basis, net income attributable to the Company was $0.89 for 2014, as compared to net income attributable to the Company of $0.43 for 2013. These changes are primarily attributable to (i) incremental earnings due to the acquisition of operating properties during 2014 and 2013 and increased profitability from the Company’s operating properties, (ii) an increase in gains on sale of operating properties, (iii) an increase in gain on change in control of interests, (iv) a decrease in tax provision relating to decreased gains on sales from joint venture properties during 2014, and (v) an increase in equity in income of other real estate investments, net, partially offset by, (vi), a decrease in equity in income of joint ventures, net, including the release of a cumulative foreign currency translation loss relating to the substantial liquidation of the Company’s Mexican Portfolio (vii) a decrease in interest, dividends and other investment income, (viii) a decrease in other income/(expense), net and (ix) an increase in impairment charges, including the release of a cumulative foreign currency translation loss relating to the substantial liquidation of the Company’s Mexican Portfolio, during the year ended December 31, 2014, as compared to the corresponding period in 2013.

Liquidity and Capital Resources

The Company’s capital resources include accessing the public debt and equity capital markets, mortgage and construction loan financing, borrowings under term loans and immediate access to an unsecured revolving credit facility with bank commitments of $1.75 billion which can be increased to $2.25 billion through an accordion feature.

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

	Year Ended December 31,		
	2015	**2014**	**2013**
Net cash flow provided by operating activities	$493.7	$629.3	$570.0
Net cash flow provided by investing activities	$21.4	$126.7	$72.2
Net cash flow used for financing activities	$(512.9)	$(717.5)	$(635.4)

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Operating Activities

The Company anticipates that cash on hand, borrowings under its revolving credit facility, issuance of equity and public debt, as well as other debt and equity alternatives, will provide the necessary capital required by the Company. Net cash flows provided by operating activities for the year ended December 31, 2015, were $493.7 million, as compared to $629.3 million for the comparable period in 2014. The change of $135.6 million is primarily attributable to (i) a decrease in operational distributions from the Company's joint venture programs due to the sale of certain joint ventures during 2015 and 2014 and (ii) changes in accounts and notes receivable and operating assets and liabilities due to timing of receipts and payments, partially offset by (iii) cash flow from the diverse portfolio of rental properties, (iv) the acquisition of operating properties during 2015 and 2014 and (v) new leasing, expansion and re-tenanting of core portfolio properties.

Investing Activities

Cash flows provided by investing activities for the year ended December 31, 2015, was $21.4 million, as compared to $126.7 million for the comparable period in 2014. This change of $105.3 million resulted primarily from (i) an increase in acquisition of operating real estate of $276.6 million, (ii) an increase in investment in other real estate investments of $190.3 million related to the Company's KRS AB Acquisition, LLC joint venture investment in Safeway, Inc., (iii) a decrease in proceeds from the sale of operating properties of $175.7 million, (iv) a decrease in reimbursements of investments and advances to real estate joint ventures of $128.5 million, (v) an increase in improvements to operating real estate of $34.9 million and (vi) an increase in improvements to real estate under development of $16.4 million, partially offset by (vii) an increase in distributions from liquidation of real estate joint ventures of $373.8 million, (viii) an increase in return on investment from liquidation of real estate joint ventures of $88.7 million, (ix) an increase in proceeds from sale/repayments of marketable securities of $72.4 million, (x) a decrease in investment in mortgage loans receivable of $50.0 million, (xi) a decrease in acquisitions of real estate under development of $49.4 million, (xii) an increase in collection of mortgage loans receivable of $46.8 million, (xiii) an increase in reimbursements of investments and advances to other real estate investments of $24.2 million and (xiv) a decrease in investment in marketable securities of $11.2 million.

Acquisitions of Operating Real Estate

During the years ended December 31, 2015 and 2014, the Company expended $661.4 million and $384.8 million, respectively, towards the acquisition of operating real estate properties. The Company's strategy is to continue to transform its operating portfolio through its capital recycling program by acquiring what the Company believes are high quality U.S. retail properties and disposing of lesser quality assets. The Company anticipates acquiring approximately $450.0 million to $550.0 million of operating properties during 2016. The Company intends to fund these acquisitions with proceeds from property dispositions, cash flow from operating activities, assumption of

mortgage debt, if applicable, and availability under the Company's revolving line of credit.

Improvements to Operating Real Estate

During the years ended December 31, 2015 and 2014, the Company expended $166.7 million and $131.8 million, respectively, towards improvements to operating real estate. These amounts are made up of the following (in thousands):

	Year Ended December 31,	
	2015	**2014**
Redevelopment/renovations	$125,994	$86,639
Tenant improvements/tenant allowances	30,127	40,060
Other	10,549	5,096
Total	$166,670	$131,795

Additionally, during the years ended December 31, 2015 and 2014, the Company capitalized interest of $5.6 million and $2.4 million, respectively, and capitalized payroll of $3.6 million and $3.4 million, respectively, in connection with the Company's improvements of real estate.

During the years ended December 31, 2015 and 2014, the Company capitalized personnel costs of $13.9 million and $15.5 million, respectively, relating to deferred leasing costs.

The Company has an ongoing program to redevelop and re-tenant its properties to maintain or enhance its competitive position in the marketplace. The Company is actively pursuing redevelopment opportunities within its operating portfolio which it believes will increase the overall value by bringing in new tenants and improving the assets' value. The Company has identified three categories of redevelopment, (i) large scale redevelopment, which involves demolishing and building new square footage, (ii) value creation redevelopment, which includes the subdivision of large anchor spaces into multiple tenant layouts, and (iii) creation of out-parcels and pads which are located in the front of the shopping center properties. The Company anticipates its capital commitment toward these redevelopment projects and re-tenanting efforts during 2016 will be approximately $175.0 million to $225.0 million. The funding of these capital requirements will be provided by cash flow from operating activities and availability under the Company's revolving line of credit.

Ground-Up Development

The Company is engaged in select ground-up development projects, which will be held as long-term investments by the Company. As of December 31, 2015, the Company had in progress a total of five ground-up development projects located in the U.S.. The Company anticipates its capital commitment toward these development projects during 2016 will be approximately $75.0 million to $125.0 million. The funding of these capital requirements will be provided by cash flow from operating activities and availability under the Company’s revolving line of credit. The Company anticipates costs to complete these projects to be approximately $260.0 million to $270.0 million. Additionally, during the year ended December 31, 2015, the Company capitalized interest of $2.6 million and capitalized payroll of $0.6 million, in connection with these ground-up development projects.

Investments and Advances to Real Estate Joint Ventures

During the year ended December 31, 2015, the Company expended $91.6 million for investments and advances to real estate joint ventures, primarily related to the repayment of mortgage debt and received $94.1 million from reimbursements of investments and advances to real estate joint ventures. In addition, the Company received proceeds of $462.5 million from the liquidation of real estate joint ventures, including refinancing of debt, sales of properties, and return of investment from liquidation (see Footnote 7 of the Notes to Consolidated Financial Statements included in this Form 10-K).

Financing Activities

Cash flow used for financing activities for the year ended December 31, 2015, was $512.9 million, as compared to $717.5 million for the comparable period in 2014. This change of $204.6 million resulted primarily from (i) an increase in proceeds from unsecured term loan/notes of $1.0 billion and (ii) an increase in contributions from noncontrolling interest, net of $104.2 million, primarily relating to the joint venture investment in Safeway, partially offset by (iii) an increase in repayments under unsecured term loan/notes of $379.2 million, (iv) an increase in principal payments of $233.5 million, (v) an increase in redemption of preferred stock of $175.0 million, (vi) an increase in redemption of noncontrolling interests of $52.6 million, (vii) an increase in dividends paid of $28.0 million, (viii) a decrease in proceeds from mortgage loan financings of $15.7 million and (ix) an increase in repayments/proceeds under the unsecured revolving credit facility, net of $5.6 million.

The Company continually evaluates its debt maturities, and, based on management’s current assessment, believes it has viable financing and refinancing alternatives that will not materially adversely impact its expected financial results. The Company continues to pursue borrowing opportunities with large commercial U.S. and global banks, select life

insurance companies and certain regional and local banks. The Company has noticed a continuing trend that although pricing remains dependent on specific deal terms, generally spreads for non-recourse mortgage financing have been widening due to global economic issues. However, the unsecured debt markets are functioning well and credit spreads are at manageable levels.

Debt maturities for 2016 consist of: $776.5 million of consolidated debt; $1.1 billion of unconsolidated joint venture debt; and $68.8 million of debt on properties included in the Company's Preferred Equity Program, assuming the utilization of extension options where available. The 2016 consolidated debt maturities are anticipated to be repaid with operating cash flows, borrowings from the Company's revolving credit facility (which at December 31, 2015, had $1.75 billion available) and debt refinancing. The 2016 debt maturities on properties in the Company's unconsolidated joint ventures and Preferred Equity Program are anticipated to be repaid through debt refinancing and partner capital contributions, as deemed appropriate.

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

Since the completion of the Company's IPO in 1991, the Company has utilized the public debt and equity markets as its principal source of capital for its expansion needs. Since the IPO, the Company has completed additional offerings of its public unsecured debt and equity, raising in the aggregate over $10.7 billion. Proceeds from public capital market activities have been used for the purposes of, among other things, repaying indebtedness, acquiring interests in open-air shopping centers, funding ground-up development projects, expanding and improving properties in the portfolio and other investments.

During February 2015, the Company filed a shelf registration statement on Form S-3, which is effective for a term of three years, for the future unlimited offerings, from time-to-time, of debt securities, preferred stock, depositary shares, common stock and common stock warrants. The Company, pursuant to this shelf registration statement may, from time-to-time, offer for sale its senior unsecured debt for any general corporate purposes, including (i) funding specific liquidity requirements in its business, including property acquisitions, development and redevelopment costs and (ii) managing the Company's debt maturities. (See Footnote 12 of the Notes to Consolidated Financial Statements included in this Form 10-K.)

Additionally during February 2015, the Company established an at the market continuous offering program (the "ATM program"), pursuant to which the Company may offer and sell shares of its common stock, par value $0.01 per share, with an aggregate gross sales price of up to $500.0 million through a consortium of banks acting as sales agents. Sales of the shares of common stock may be made, as needed, from time to time in "at the market" offerings as defined in Rule 415 of the Securities Act of 1933, including by means of ordinary brokers' transactions on the NYSE or otherwise (i) at market prices prevailing at the time of sale, (ii) at prices related to prevailing market prices or (iii) as otherwise agreed to with the applicable sales agent. As of December 31, 2015, the Company had $500.0 million available under this ATM program.

Preferred Stock –

On October 26, 2015, the Company called for the redemption of all of its outstanding 7,000,000 depositary shares of the Company's 6.90% Class H Cumulative Redeemable Preferred Stock, $1.00 par value per share . The aggregate redemption amount of $175.0 million plus accumulated and unpaid dividends of $1.3 million, was paid on November 25, 2015. Upon redemption, the Company recorded a non-cash charge of $5.8 million resulting from the difference between the redemption amount and the carrying amount of the Class H Preferred Stock on the Company's Condensed Consolidated Balance Sheets in accordance with the FASB's guidance on Distinguishing Liabilities from Equity. This $5.8 million charge was subtracted from net income to arrive at net income available to common shareholders and used in the calculation of earnings per share for the year ended December 31, 2015.

Medium Term Notes ("MTN") and Senior Notes -

The Company's supplemental indenture governing its MTN and senior notes contains the following covenants, all of which the Company is compliant with:

Covenant	**Must Be**	**As of 12/31/15**
Consolidated Indebtedness to Total Assets	<65%	40%
Consolidated Secured Indebtedness to Total Assets	<40%	12%
Consolidated Income Available for Debt Service to Maximum Annual Service Charge	>1.50x	6.7x
Unencumbered Total Asset Value to Consolidated Unsecured Indebtedness	>1.50x	2.7x

For a full description of the various indenture covenants refer to the Indenture dated September 1, 1993; the First Supplemental Indenture dated August 4, 1994; the Second Supplemental Indenture dated April 7, 1995; the Third Supplemental Indenture dated June 2, 2006; the Fourth Supplemental Indenture dated April 26, 2007; the Fifth Supplemental Indenture dated as of September 24, 2009; the Sixth Supplemental Indenture dated as of May 23, 2013;

the Seventh Supplemental Indenture dated as of April 24, 2014; the Indenture dated April 21, 2005; the Second Supplemental Indenture dated August 16, 2006; the Third Supplemental Indenture dated April 13, 2010; and the Fourth Supplemental Indenture dated July 22, 2013, as filed with the SEC. See the Exhibits Index for specific filing information.

During March 2015, the Company issued $350.0 million of 30-year Senior Unsecured Notes at an interest rate of 4.25% payable semi-annually in arrears which are scheduled to mature in April 2045. The Company used the net proceeds from the issuance of $342.7 million, after the underwriting discount and related offering costs, for general corporate purposes including to pre-fund near-term debt maturities and partially reduce borrowings under the Company’s Credit Facility.

During October 2015, the Company issued $500.0 million of seven-year Senior Unsecured Notes at an interest rate of 3.40% payable semi-annually in arrears which are scheduled to mature in November 2022. The Company used the net proceeds from the issuance of $493.0 million, after the underwriting discount and related offering costs, for general corporate purposes including to pre-fund near-term debt maturities and partially reduce borrowings under the Company’s Credit Facility.

During 2015, the Company repaid (i) its $100.0 million 4.904% medium term notes, which matured in February 2015, (ii) its $100.0 million 5.250% senior unsecured notes, which matured in September 2015 and (iii) its $150.0 million 5.584% medium term notes, which matured in November 2015.

Credit Facility -

The Company has a $1.75 billion unsecured revolving credit facility (the “Credit Facility”) with a group of banks, which is scheduled to expire in March 2018 with two additional six month options to extend the maturity date, at the Company’s discretion, to March 2019. The Credit Facility, which can be increased to $2.25 billion through an accordion feature, accrues interest at a rate of LIBOR plus 92.5 basis points (1.35% as of December 31, 2015) on drawn funds. In addition, the Credit Facility includes a $500 million sub-limit which provides the Company the opportunity to borrow in alternative currencies including Canadian Dollars, British Pounds Sterling, Japanese Yen or Euros. Pursuant to the terms of the Credit Facility, the Company, among other things, is subject to covenants requiring the maintenance of (i) maximum leverage ratios on both unsecured and secured debt and (ii) minimum interest and fixed coverage ratios. As of December 31, 2015, the Credit Facility had no outstanding balance and $0.9 million appropriated for letters of credit.

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

Covenant	**Must Be**	**As of 12/31/15**
Total Indebtedness to Gross Asset Value (“GAV”)	<60%	43%
Total Priority Indebtedness to GAV	<35%	12%
Unencumbered Asset Net Operating Income to Total Unsecured Interest Expense	>1.75x	4.47x
Fixed Charge Total Adjusted EBITDA to Total Debt Service	>1.50x	2.50x

For a full description of the Credit Facility’s covenants refer to the Credit Agreement dated as of March 17, 2014, filed as Exhibit 10.1 to the Company’s Current Report on Form 8-K dated March 20, 2014.

Term Loan –

During January 2015, the Company entered into a new $650.0 million unsecured term loan (“Term Loan”) which has an initial maturity in January 2017, with three one-year extension options at the Company’s discretion, and accrues interest at a spread (currently 95 basis points) to LIBOR or at the Company’s option at a base rate as defined per the agreement (1.37% at December 31, 2015). The proceeds from the Term Loan were used to repay the Company’s $400.0 million term loan, which was scheduled to mature in April 2015 with two additional one-year extension options and bore interest at LIBOR plus 105 basis points, and for general corporate purposes. Pursuant to the terms of the credit agreement for the Term Loan, the Company, among other things, is subject to covenants requiring the maintenance of (i) maximum indebtedness ratios and (ii) minimum interest and fixed charge coverage ratios. The term loan covenants are similar to the Credit Facility covenants described above.

Mortgages Payable –

During 2015, the Company (i) assumed $835.2 million of individual non-recourse mortgage debt relating to the acquisition of 38 operating properties, including an increase of $27.6 million associated with fair value debt adjustments and (ii) paid off $557.0 million of mortgage debt (including fair market value adjustment of $1.4 million) that encumbered 27 operating properties.

In addition to the public equity and debt markets as capital sources, the Company may, from time-to-time, obtain mortgage financing on selected properties and construction loans to partially fund the capital needs of its ground-up development projects. As of December 31, 2015, the Company had over 350 unencumbered property interests in its portfolio.

Other –

In connection with its intention to continue to qualify as a REIT for federal income tax purposes, the Company expects to continue paying regular dividends to its stockholders. These dividends will be paid from operating cash flows. The Company's Board of Directors will continue to evaluate the Company's dividend policy on a quarterly basis as the Board of Directors monitors sources of capital and evaluates the impact of the economy and capital markets availability on operating fundamentals. Since cash used to pay dividends reduces amounts available for capital investment, the Company generally intends to maintain a conservative dividend payout ratio, reserving such amounts as it considers necessary for the expansion and renovation of shopping centers in its portfolio, debt reduction, the acquisition of interests in new properties and other investments as suitable opportunities arise and such other factors as the Board of Directors considers appropriate. Cash dividends paid were $455.8 million in 2015, $427.9 million in 2014 and $400.4 million in 2013.

Although the Company receives substantially all of its rental payments on a monthly basis, it generally intends to continue paying dividends quarterly. Amounts accumulated in advance of each quarterly distribution will be invested by the Company in short-term money market or other suitable instruments. On November 3, 2015, the Company's Board of Directors declared an increased quarterly cash dividend of $0.255 per common share, an annualized increase of 6.3%, payable to shareholders of record on January 4, 2016, which was paid on January 15, 2016. Additionally, on February 2, 2016, the Company's Board of Directors declared a quarterly cash dividend of $0.255 per common share payable to shareholders of record on April 5, 2016, which is scheduled to be paid on April 15, 2016.

The Company is subject to taxes on its activities in Canada, Puerto Rico, Mexico, and Chile. In general, under local country law applicable to the structures the Company has in place and applicable treaties, the repatriation of cash to the Company from its subsidiaries and joint ventures in Canada, Puerto Rico and Mexico generally are not subject to withholding tax. The Company is subject to withholding taxes in Chile on sale transactions. As a result, the Company will incur a withholding tax on the repatriation of sale proceeds associated with the sale of the Company's remaining property in Chile. The Company has determined this withholding tax to be $0.5 million. The Company is subject to and also includes in its tax provision non-U.S. income taxes on certain investments located in jurisdictions outside the U.S.. These investments are held by the Company at the REIT level and not in the Company's taxable REIT subsidiary. Accordingly, the Company does not expect a U.S. income tax impact associated with the repatriation of undistributed earnings from the Company's foreign subsidiaries.

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Contractual Obligations and Other Commitments

The Company has debt obligations relating to its revolving credit facility, term loan, MTNs, senior notes and mortgages with maturities ranging from less than one year to 29 years. As of December 31, 2015, the Company's total debt had a weighted average term to maturity of 5.3 years. In addition, the Company has non-cancelable operating leases pertaining to its shopping center portfolio. As of December 31, 2015, the Company has 46 shopping center properties that are subject to long-term ground leases where a third party owns and has leased the underlying land to the Company to construct and/or operate a shopping center. In addition, the Company has seven non-cancelable operating leases pertaining to its retail store lease portfolio. The following table summarizes the Company's debt maturities (excluding extension options, unamortized debt issuance costs of $34.6 million and fair market value of debt adjustments aggregating $42.6 million) and obligations under non-cancelable operating leases as of December 31, 2015 (in millions):

	Payments due by period						
Contractual Obligations:	**2016**	**2017**	**2018**	**2019**	**2020**	**Thereafter**	**Total**
Long-Term Debt-Principal (1)	$790.5	$1,512.4	$545.2	$314.4	$243.5	$ 1,962.3	$5,368.3
Long-Term Debt-Interest (2)	$210.0	$155.4	$109.0	$98.3	$78.4	$ 441.0	$1,092.1
Operating Leases:							
Ground Leases (3)	$10.6	$10.5	$10.6	$10.6	$10.1	$ 193.1	$245.5
Retail Store Leases	$2.1	$1.8	$1.4	$0.6	$0.6	$ 0.5	$7.0

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

(2) For loans which have interest at floating rates, future interest expense was calculated using the rate as of December 31, 2015.

(3) For leases which have inflationary increases, future ground rent expense was calculated using the rent as of December 31, 2015.

The Company has accrued $4.3 million of non-current uncertain tax benefits and related interest under the provisions of the authoritative guidance that addresses accounting for income taxes, which are included in Other liabilities on the Company's Consolidated Balance Sheets at December 31, 2015. These amounts are not included in the table above because a reasonably reliable estimate regarding the timing of settlements with the relevant tax authorities, if any, cannot be made.

The Company has $300.0 million of medium term notes and $472.3 million of secured debt scheduled to mature in 2016. The Company anticipates satisfying these maturities with a combination of operating cash flows, its unsecured revolving credit facility, exercise of extension options, where available, and new debt issuances.

The Company has issued letters of credit in connection with completion and repayment guarantees for loans encumbering certain of the Company's redevelopment projects and guarantee of payment related to the Company's insurance program. As of December 31, 2015, these letters of credit aggregate $25.6 million.

On a select basis, the Company has provided guarantees on interest bearing secured debt held within real estate joint ventures. The Company had the following outstanding guarantees as of December 31, 2015 (amounts in millions):

Name of Joint Venture	**Amount of Guarantee**	**Interest rate**	**Maturity, with extensions**	**Terms**	**Type of debt**
Anthem K-12, LP (4 property loans)	$ 31.2	Various (1)	Various (1)	Jointly and severally with partner	Promissory note

(1) As of December 31, 2015, the interest rates range from 3.62% to 4.97% and maturity dates with extensions range from July 2016 to August 2022.

In connection with the construction of its development/redevelopment projects and related infrastructure, certain public agencies require posting of performance and surety bonds to guarantee that the Company's obligations are satisfied. These bonds expire upon the completion of the improvements and infrastructure. As of December 31, 2015, the Company had $25.4 million in performance and surety bonds outstanding.

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Off-Balance Sheet Arrangements

Unconsolidated Real Estate Joint Ventures

The Company has investments in various unconsolidated real estate joint ventures with varying structures. These joint ventures primarily operate shopping center properties or are established for development projects. Such arrangements are generally with third-party institutional investors, local developers and individuals. The properties owned by the joint ventures are primarily financed with individual non-recourse mortgage loans, however, the Company, on a selective basis, has obtained unsecured financing for certain joint ventures (see guarantee table above). As of December 31, 2015, the Company did not guarantee any joint venture unsecured debt. Non-recourse mortgage debt is generally defined as debt whereby the lenders' sole recourse with respect to borrower defaults is limited to the value of the property collateralized by the mortgage. The lender generally does not have recourse against any other assets owned by the borrower or any of the constituent members of the borrower, except for certain specified exceptions listed in the particular loan documents (see Footnote 7 of the Notes to Consolidated Financial Statements included in this Form 10-K). As of December 31, 2015, these investments include the following joint ventures:

Venture	Kimco Ownership Interest		Number of Properties	Total GLA (in thousands)	Non-Recourse Mortgages Payable (in millions)	Number of Encumbered Properties	Average Interest Rate		Weighted Average Term (months)
KimPru (a)	15.0	%	53	9,576	$ 777.1	33	5.54	%	12.6
KIR (b)	48.6	%	47	10,773	$ 781.9	45	4.73	%	63.1
CPP (c)	55.0	%	7	2,425	$ 109.9	2	5.25	%	3.5
RioCan Venture (d)	50.0	%	13	2,396	$ 87.5	8	5.02	%	11.0

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

(b) Represents the Company's joint ventures with certain institutional investors. As of December 31, 2015, KIR also had an unsecured credit facility with an outstanding balance of $30.0 million, which is scheduled to mature in June 2018, with a one-year extension option at the joint venture's discretion, and bore interest at a rate equal to LIBOR plus 1.75% (2.18% at December 31, 2015).

(c) Represents the Company's joint ventures with The Canada Pension Plan Investment Board (CPPIB).

(d) Represents the Company's joint ventures with RioCan Real Estate Investment Trust.

The Company has various other unconsolidated real estate joint ventures with varying structures. As of December 31, 2015, these other unconsolidated joint ventures had individual non-recourse mortgage loans aggregating $1.0 billion. The aggregate debt as of December 31, 2015, of all of the Company's unconsolidated real estate joint ventures is $2.8

billion, of which the Company's proportionate share of this debt is $1.1 billion. As of December 31, 2015, these loans had scheduled maturities ranging from one month to 14 years and bear interest at rates ranging from 2.01% to 7.88%. Approximately $1.1 billion of the aggregate outstanding loan balance matures in 2016, of which the Company's proportionate share is $275.7 million. These maturing loans are anticipated to be repaid with operating cash flows, debt refinancing and partner capital contributions, as deemed appropriate (see Footnote 7 of the Notes to Consolidated Financial Statements included in this Form 10-K).

Other Real Estate Investments

The Company previously provided capital to owners and developers of real estate properties through its Preferred Equity Program. The Company accounts for its preferred equity investments under the equity method of accounting. As of December 31, 2015, the Company's net investment under the Preferred Equity Program was $199.9 million relating to 421 properties, including 385 net leased properties. As of December 31, 2015, these preferred equity investment properties had individual non-recourse mortgage loans aggregating $523.0 million. These loans have scheduled maturities ranging from five months to 18 years and bear interest at rates ranging from 4.08% to 10.47%. Due to the Company's preferred position in these investments, the Company's share of each investment is subject to fluctuation and is dependent upon property cash flows. The Company's maximum exposure to losses associated with its preferred equity investments is limited to its invested capital.

Funds From Operations

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

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

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

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

The Company's reconciliation of net income available to common shareholders to FFO and FFO as adjusted for the three months and years ended December 31, 2015 and 2014 is as follows (in thousands, except per share data):

	Three Months Ended December 31,		**Year Ended December 31,**	
	2015	**2014**	**2015**	**2014**
Net income available to common shareholders	$360,020	$38,207	$831,215	$365,707
Gain on disposition of operating property, net, net of tax and noncontrolling interests	(38,451) (3)	(71,152)	(124,165) (3)	(189,572)
Gain on disposition of joint venture operating properties and change in control of interests	(282,021) (3)	(56,262)	(504,356) (3)	(193,791)
Depreciation and amortization - real estate related	82,732	70,878	333,840	263,885
Depreciation and amortization - real estate joint ventures, net of noncontrolling interests	14,360	21,113	66,937	92,343
Impairments of operating properties, net of tax and noncontrolling interests	6,539	153,937 (2)	39,774	257,660 (2)
FFO	**143,179**	**156,721**	**643,245**	**596,232**
Transactional (income)/expense:				
Profit participation from other real estate investments	(48)	(13,627)	(11,522)	(16,426)
Transactional losses from other real estate investments	-	-	-	3,497
(Gains)/loss from land sales, net of tax	(798)	436	(6,772)	(2,550)
Acquisition costs, net of tax	2,546	2,172	4,410	7,033
Severance costs – Canada and Mexico	1,974	-	1,974	2,869
Distributions in excess of Company's investment basis	(282)	(2,168)	(3,456)	(17,691)
Gain on sale of marketable securities	(1,365)	-	(39,853)	-
Impairments on other investments, net of tax and noncontrolling interest	5,407	1,621	13,898	6,494
Preferred stock redemption costs	5,816	-	5,816	-

Other income, net	(3,358)		(513)		(4,303)		(2,567)	
Total transactional expense/(income), net	9,892		(12,079)		(39,808)		(19,341)	
FFO as adjusted	**$153,071**		**$144,642**		**$603,437**		**$576,891**	
Weighted average shares outstanding for FFO calculations:								
Basic	411,667		409,740		411,319		409,088	
Units	860		1,531		791		1,536	
Dilutive effect of equity awards	1,481		3,171		1,414		3,139	
Diluted	414,008	(1)	414,442	(1)	413,524	(1)	413,763	(1)
FFO per common share – basic	**$0.35**		**$0.38**		**$1.56**		**$1.46**	
FFO per common share – diluted	**$0.35**	(1)	**$0.38**	(1)	**$1.56**	(1)	**$1.45**	(1)
FFO as adjusted per common share – basic	**$0.37**		**$0.35**		**$1.47**		**$1.41**	
FFO as adjusted per common share – diluted	**$0.37**	(1)	**$0.35**	(1)	**$1.46**	(1)	**$1.40**	(1)

(1) Reflects the potential impact if certain units were converted to common stock at the beginning of the period, which would have a dilutive effect on FFO. FFO would be increased by $217 and $795 for the three months ended December 31, 2015 and 2014, respectively, and $781 and $3,033 for the years ended December 31, 2015 and 2014, respectively. The effect of other certain convertible units would have an anti-dilutive effect upon the calculation of Income from continuing operations per share. Accordingly, the impact of such conversion has not been included in the determination of diluted earnings per share calculations.

(2) Includes cumulative foreign currency translation loss of $134.3 million due to the substantial liquidation of the Company's Mexican Portfolio.

(3) Includes cumulative foreign currency translation net loss of $18.8 million due to the liquidation of the Company's Chilean Portfolio as follows: (i) $19.6 million of loss in Gain on disposition of operating property, net, net of tax and noncontrolling interests, partially offset by (ii) $0.8 million of gain in Gain on disposition of joint venture operating properties and change in control of interests.

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Combined Same Property Net Operating Income ("Combined same property NOI")

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

Combined same property NOI is calculated using revenues from rental properties (excluding straight-line rents, lease termination fees, above/below market rents and includes charges for bad debt) less operating and maintenance expense, real estate taxes and rent expense and the effect of foreign currency exchange rate movements plus the Company's proportionate share of Combined same property NOI from unconsolidated real estate joint ventures, calculated on the same basis. The effect of foreign currency exchange rate movements is determined by using the current period exchange rate to translate from local currency into U.S. dollars for both periods.

Additionally, the Company presents U.S. Same Property NOI, which excludes the impact of foreign currency exchange rates and the Company's Canadian operations from Combined same property NOI. The Company provides U.S. Same Property NOI because it believes such measure is frequently used by securities analysts and investors as a valuable measure of period-to-period U.S. operating performance.

The Company's method of calculating Combined same property NOI and U.S. Same Property NOI may differ from methods used by other REITs and, accordingly, may not be comparable to such other REITs.

The following is a reconciliation of the Company's Income from continuing operations to Combined same property NOI and U.S. Same Property NOI (in thousands):

	Three Months Ended December 31,		**Year Ended December 31,**	
	2015	**2014**	**2015**	**2014**

Income from continuing operations	$339,117	$74,466	$774,405	$384,506
Adjustments:				
Management and other fee income	(4,369)	(8,764)	(22,295)	(35,009)
General and administrative expenses	33,413	27,675	122,735	122,201
Impairment charges	17,475	11,420	45,383	39,808
Depreciation and amortization	86,095	72,767	344,527	258,074
Other expense, net	52,525	53,153	174,656	208,208
Provision for income taxes, net	48,297	7,735	60,230	22,438
Gain on change in control of interests, net	(3,091)	(23,462)	(149,234)	(107,235)
Equity in income of other real estate investments, net	(4,854)	(21,638)	(36,090)	(38,042)
Non same property net operating income	(28,483)	(20,777)	(142,606)	(97,277)
Non-operational (income)/expense from joint ventures, net	(297,489)	61,987	(245,379)	148,918
Impact from foreign currency	-	(1,644)	-	(6,120)
Combined same property NOI	238,636	232,918	926,332	900,470
Canadian same property NOI	(8,913)	(9,416)	(38,397)	(39,188)
U.S. Same Property NOI	$229,723	$223,502	$887,935	$861,282

U.S. Same Property NOI and Combined same property NOI increased by $6.2 million or 2.8% and $5.7 million or 2.5%, respectively, for the three months ended December 31, 2015, as compared to the corresponding period in 2014. These increases are primarily the result of an increase of $4.9 million related to lease-up and rent commencements in the portfolio and an increase of $0.8 million in other property income.

U.S. Same Property NOI and Combined same property NOI increased by $26.7 million or 3.1% and $25.9 million or 2.9%, respectively, for the year ended December 31, 2015, as compared to the corresponding period in 2014. These increases are primarily the result of an increase of $24.6 million related to lease-up and rent commencements in the portfolio and an increase of $1.3 million in other property income.

Effects of Inflation

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

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New Accounting Pronouncements

See Footnote 1 of the Notes to Consolidated Financial Statements included in this Form 10-K.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

The Company's primary market risk exposures are interest rate risk and foreign currency exchange rate risk. The following table presents the Company's aggregate fixed rate and variable rate domestic and foreign debt obligations outstanding, including fair market value adjustments and unamortized deferred financing costs, as of December 31, 2015, with corresponding weighted-average interest rates sorted by maturity date. The table does not include extension options where available. The information is presented in U.S. dollar equivalents, which is the Company's reporting currency. The instruments' actual cash flows are denominated in U.S. dollars and Canadian dollars (CAD) as indicated by geographic description (amounts are USD equivalent in millions).

	2016	**2017**	**2018**	**2019**	**2020**	**Thereafter**	**Total**	**Fair Value**
U.S. Dollar Denominated Secured Debt								
Fixed Rate	$476.6	$574.9	$100.0	$3.1	$107.6	$ 317.9	$1,580.1	$1,594.8
Average Interest Rate	6.26 %	5.80 %	4.76 %	5.29 %	5.43 %	4.98 %	5.69 %	
Variable Rate	$-	$-	$34.9	$-	$-	$ -	$34.9	$35.0
Average Interest Rate	-	-	2.55 %	-	-	-	2.55 %	
Unsecured Debt								
Fixed Rate	$299.9	$290.5	$294.9	$298.9	$-	$ 1,677.5	$2,861.7	$2,896.2
Average Interest Rate	5.78 %	5.70 %	4.30 %	6.88 %	-	3.46 %	4.37 %	
Variable Rate	$-	$648.8	$-	$-	$-	$ -	$648.8	$655.6
Average Interest Rate	-	1.37 %	-	-	-	-	1.37 %	
CAD Denominated Unsecured Debt								
Fixed Rate	$-	$-	$107.6	$-	$143.2	$ -	$250.8	$268.4
Average Interest Rate	-	-	5.99 %	-	3.86 %	-	4.77 %	

Based on the Company's variable-rate debt balances, interest expense would have increased by $6.8 million in 2015 if short-term interest rates were 1.0% higher.

The following table presents the Company's foreign investments and respective cumulative translation adjustment ("CTA") as of December 31, 2015. Investment amounts are shown in their respective local currencies and the U.S. dollar equivalents and CTA balances are shown in U.S. dollars:

Foreign Investment (in millions)

Country	**Local Currency**	**U.S. Dollars**	**CTA Gain**
Mexican real estate investments (MXN)	272.2	$ 18.7	$ -
Canadian real estate investments (CAD)	291.9	$ 210.0	$ 6.6

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

Currency fluctuations between local currency and the U.S. dollar during the period in which the Company held its investment result in a CTA, which is recorded as a component of Accumulated other comprehensive income ("AOCI") on the Company's Consolidated Balance Sheets. The CTA amounts are subject to future changes resulting from ongoing fluctuations in the respective foreign currency exchange rates. Changes in exchange rates are impacted by many factors that cannot be forecasted with reliable accuracy. Any change could have a favorable or unfavorable impact on the Company's CTA balance. The Company's aggregate CTA net gain balance at December 31, 2015, is $6.6 million.

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Under U.S. GAAP, the Company is required to release CTA balances into earnings when the Company has substantially liquidated its investment in a foreign entity. During 2015, the Company sold its remaining property in Chile. As a result of liquidating its investments in Chile, the Company recognized a loss from foreign currency translation in the aggregate amount of $18.8 million during the year ended December 31, 2015.

Item 8. Financial Statements and Supplementary Data

The response to this Item 8 is included in our audited Notes to Consolidated Financial Statements, which are contained in Part IV Item 15 of this Form 10-K.

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

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this report. Based on such evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, the Company's disclosure controls and procedures are effective.

Changes in Internal Control Over Financial Reporting

There have not been any changes in the Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fourth fiscal quarter ended December 31, 2015,

that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f) and 15d-15(f). Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in the *Internal Control - Integrated Framework* (*2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our evaluation under the framework in *Internal Control - Integrated Framework (2013)*, our management concluded that our internal control over financial reporting was effective as of December 31, 2015.

The effectiveness of our internal control over financial reporting as of December 31, 2015, has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which is included herein.

Item 9B. Other Information

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this item is incorporated by reference to "Proposal 1—Election of Directors," "Corporate Governance," "Committees of the Board of Directors," "Executive Officers" and "Other Matters" in our definitive proxy statement to be filed with respect to the Annual Meeting of Stockholders expected to be held on April 26, 2016 ("Proxy Statement").

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

regarding an amendment to or waiver from a provision of our Code of Ethics by posting such information on our web site.

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Item 11. Executive Compensation

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

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

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

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

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

Item 14. Principal Accounting Fees and Services

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

PART IV

Item 15. Exhibits, Financial Statement Schedules

Form10-K
Report

Financial Statements –

(a) 1. The following consolidated financial information is included as a separate section of this annual report on Form 10-K.

	Page
Report of Independent Registered Public Accounting Firm	40
Consolidated Financial Statements	
Consolidated Balance Sheets as of December 31, 2015 and 2014	41
Consolidated Statements of Income for the years ended December 31, 2015, 2014 and 2013	42
Consolidated Statements of Comprehensive Income for the years ended December 31, 2015, 2014 and 2013	43
Consolidated Statements of Changes in Equity for the years ended December 31, 2015, 2014 and 2013	44
Consolidated Statements of Cash Flows for the years ended December 31, 2015, 2014 and 2013	45
Notes to Consolidated Financial Statements	46

2 . Financial Statement Schedules -

Schedule II - Valuation and Qualifying Accounts	92
Schedule III - Real Estate and Accumulated Depreciation	93
Schedule IV - Mortgage Loans on Real Estate	95

All other schedules are omitted since the required information is not present or is not present in amounts sufficient to require submission of the schedule.

3. Exhibits -

The exhibits listed on the accompanying Index to Exhibits are filed as part of this report.	36

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INDEX TO EXHIBITS

		Incorporated by Reference					
Exhibit Number	Exhibit Description	Form	File No.	Date of Filing	Exhibit Number	Filed/ Furnished Herewith	Page Number
3.1(a)	Articles of Restatement of Kimco Realty Corporation, dated January 14, 2011	10-K	1-10899	02/28/11	3.1(a)		
3.1(b)	Amendment to Articles of Restatement of Kimco Realty Corporation dated May 8, 2014	10-K	1-10899	02/27/15	3.1(b)		
3.1(c)	Articles Supplementary of Kimco Realty Corporation dated November 8, 2010	10-K	1-10899	02/28/11	3.1(b)		
3.1(d)	Articles Supplementary of Kimco Realty Corporation, dated March 12, 2012	8-A12B	1-10899	03/13/12	3.2		
3.1(e)	Articles Supplementary of Kimco Realty Corporation, dated July 17, 2012	8-A12B	1-10899	07/18/12	3.2		
3.1(f)	Articles Supplementary of Kimco Realty Corporation, dated November 30, 2012	8-A12B	1-10899	12/03/12	3.2		

3.2	Amended and Restated By-laws of Kimco Realty Corporation, dated February 25, 2009	10-K	1-10899	02/27/09	3.2
4.1	Agreement of Kimco Realty Corporation pursuant to Item 601(b)(4)(iii)(A) of Regulation S-K	S-11	33-42588	09/11/91	4.1
4.2	Form of Certificate of Designations for the Preferred Stock	S-3	33-67552	09/10/93	4(d)
4.3	Indenture dated September 1, 1993, between Kimco Realty Corporation and Bank of New York (as successor to IBJ Schroder Bank and Trust Company)	S-3	33-67552	09/10/93	4(a)
4.4	First Supplemental Indenture, dated August 4, 1994, between Kimco Realty Corporation and Bank of New York (as successor to IBJ Schroder Bank and Trust Company)	10-K	1-10899	03/28/96	4.6
4.5	Second Supplemental Indenture, dated April 7, 1995, between Kimco Realty Corporation and Bank of New York (as	8-K	1-10899	04/07/95	4(a)

	successor to IBJ Schroder Bank and Trust Company)			
4.6	Indenture dated April 21, 2005, between Kimco North Trust III, Kimco Realty Corporation, as guarantor and BNY Trust Company of Canada, as trustee	8-K1-10899	04/25/05	4.1
4.7	Third Supplemental Indenture, dated June 2, 2006, between Kimco Realty Corporation, and The Bank of New York, as trustee	8-K1-10899	06/05/06	4.1
4.8	First Supplemental Indenture, dated October 31, 2006, among Kimco Realty Corporation, Pan Pacific Retail Properties, Inc. and Bank of New York Trust Company, N.A., as trustee	8-K1-10899	11/03/06	4.2
4.9	Fifth Supplemental Indenture, dated October 31, 2006, among Kimco Realty Corporation, Pan Pacific Retail Properties, Inc. and Bank of New York Trust Company, N.A., as trustee	8-K1-10899	11/03/06	4.1

4.10	First Supplemental Indenture, dated June 2, 2006, among Kimco North Trust III, Kimco Realty Corporation, as guarantor and BNY Trust Company of Canada, as trustee	10-K	1-10899	02/28/07	4.12
4.11	Second Supplemental Indenture, dated August 16, 2006, among Kimco North Trust III, Kimco Realty Corporation, as guarantor and BNY Trust Company of Canada, as trustee	10-K	1-10899	02/28/07	4.13
4.12	Fourth Supplemental Indenture, dated April 26, 2007, between Kimco Realty Corporation and The Bank of New York, as trustee	8-K	1-10899	04/26/07	1.3
4.13	Fifth Supplemental Indenture, dated September 24, 2009, between Kimco Realty Corporation and The Bank of New York Mellon, as trustee	8-K	1-10899	09/24/09	4.1
4.14	Third Supplemental Indenture, dated April 13, 2010,	10-Q	1-10899	05/07/10	99.2

among Kimco North Trust III, Kimco Realty Corporation, as guarantor and BNY Trust Company of Canada, as trustee

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Exhibit Number	Exhibit Description	Incorporated by Reference Form	File No.	Date of Filing	Exhibit Number	Filed/ Furnished Herewith	Page Number
4.15	Sixth Supplemental Indenture, dated May 23, 2013, between Kimco Realty Corporation and The Bank of New York Mellon, as trustee	8-K	1-10899	05/23/13	4.1		
4.16	Fourth Supplemental Indenture, dated July 22, 2013, among Kimco North Trust III, Kimco Realty Corporation, as guarantor and BNY Trust Company of Canada, as trustee	10-Q	1-10899	08/02/13	99.2		
4.17	Seventh Supplemental Indenture, dated April 24, 2014, between Kimco Realty Corporation and The Bank of New York Mellon, as trustee	8-K	1-10899	04/24/14	4.1		
10.1	Amended and Restated Stock Option Plan	10-K	1-10899	03/28/95	10.3		
10.2	Second Amended and Restated 1998 Equity Participation Plan of Kimco Realty Corporation (restated February 25, 2009)	10-K	1-10899	02/27/09	10.9		
10.3	Form of Indemnification Agreement	10-K	1-10899	02/27/09	99.1		
10.4	Agency Agreement, dated July 17, 2013, by and among Kimco North Trust III, Kimco Realty Corporation and Scotia Capital Inc., RBC Dominion Securities Inc., CIBC World Markets Inc. and National Bank Financial Inc.	10-Q	1-10899	08/02/13	99.1		
10.5	Kimco Realty Corporation Executive Severance Plan, dated March 15, 2010	8-K	1-10899	03/19/10	10.5		
10.6	Kimco Realty Corporation 2010 Equity Participation Plan	8-K	1-10899	03/19/10	10.7		
10.7	Form of Performance Share Award Grant Notice and Performance Share Award Agreement	8-K	1-10899	03/19/10	10.8		
10.8	First Amendment to the Kimco Realty Corporation Executive Severance Plan, dated March 20, 2012	10-Q	1-10899	05/10/12	10.3		
10.9	First Amendment to the Kimco Realty Corporation 2010 Equity Participation Plan	S-8	333-184776	11/06/12	99.1		
10.10	$1.75 Billion Amended and Restated Credit Agreement, dated March 17, 2014, among Kimco Realty Corporation, the subsidiaries of Kimco party thereto, the lenders party thereto, and JPMorgan Chase Bank, N.A., as administrative agent	8-K	1-10899	03/20/14	10.1		
10.11	Credit Agreement, dated January 30, 2015, among Kimco Realty Corporation and each of the parties named therein	8-K	1-10899	02/05/15	10.1		
10.12	Consulting Agreement, dated June 11, 2015, between Kimco Realty Corporation and David B.	8-K	1-10899	06/12/15	10.1		

	Henry						
12.1	Computation of Ratio of Earnings to Fixed Charges	—	—	—	—	*	96
12.2	Computation of Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends	—	—	—	—	*	97
21.1	Significant Subsidiaries of the Company	—	—	—	—	*	98
23.1	Consent of PricewaterhouseCoopers LLP	—	—	—	—	*	99
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SIGNATURES

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

KIMCO REALTY
CORPORATION

By:/s/ Conor C. Flynn
Conor C. Flynn
Chief Executive
Officer

Dated: February 26, 2016

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

Signature	Title	Date
/s/ Milton Cooper Milton Cooper	Executive Chairman of the Board of Directors	February 26, 2016
/s/ Conor C. Flynn Conor C. Flynn	President - Chief Executive Officer and Director	February 26, 2016
/s/ Richard G. Dooley Richard G. Dooley	Director	February 26, 2016
/s/ Joe Grills Joe Grills	Director	February 26, 2016
/s/ Frank Lourenso Frank Lourenso	Director	February 26, 2016
/s/ Richard Saltzman Richard Saltzman	Director	February 26, 2016

/s/ Philip Coviello Philip Coviello	Director	February 26, 2016
/s/ Colombe Nicholas Colombe Nicholas	Director	February 26, 2016
/s/ Glenn G. Cohen Glenn G. Cohen	Executive Vice President - Chief Financial Officer and Treasurer	February 26, 2016
/s/ Paul Westbrook Paul Westbrook	Vice President - Chief Accounting Officer	February 26, 2016

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ANNUAL REPORT ON FORM 10-K

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Report of Independent Registered Public Accounting Firm

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

In our opinion, the consolidated financial statements listed in the index appearing under Item 15(a)(1) present fairly, in all material respects, the financial position of Kimco Realty Corporation and its subsidiaries (the "Company") at December 31, 2015 and 2014, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2015 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedules listed in the index appearing under Item 15(a)(2) present fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2015, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements and financial statement schedules, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on these financial statements, on the financial statement schedules, and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

As discussed in Note 1 to the consolidated financial statements, the Company adopted accounting standards update (“ASU”) No. 2014-08, “Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity”, which changed the criteria for reporting discontinued operations in 2015.

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly

reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

/s/ PricewaterhouseCoopers LLP

New York, New York

February 26, 2016

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KIMCO REALTY CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(in thousands, except share information)

	December 31, 2015	**December 31, 2014**
Assets:		
Real Estate		
Rental property		
Land	$2,728,257	$2,365,800
Building and improvements	8,661,362	7,520,095
	11,389,619	9,885,895
Less: accumulated depreciation and amortization	(2,115,320)	(1,955,406)
	9,274,299	7,930,489
Real estate under development	179,190	132,331
Real estate, net	9,453,489	8,062,820
Investments and advances in real estate joint ventures	742,559	1,037,218
Other real estate investments	215,836	266,157
Mortgages and other financing receivables	23,824	74,013
Cash and cash equivalents	189,534	187,322
Marketable securities	7,565	90,235
Accounts and notes receivable, net	175,252	172,386
Deferred charges and prepaid expenses	152,349	158,302
Other assets	383,763	212,947
Total assets	$11,344,171	$10,261,400
Liabilities:		
Notes payable	$3,761,328	$3,171,742
Mortgages payable	1,614,982	1,424,228
Accounts payable and accrued expenses	150,059	129,509
Dividends payable	115,182	111,143
Other liabilities	433,960	431,533
Total liabilities	6,075,511	5,268,155
Redeemable noncontrolling interests	86,709	91,480
Commitments and Contingencies		
Stockholders' equity:		
Preferred stock, $1.00 par value, authorized 6,029,100 and 5,959,100 shares, respectively, 32,000 and 102,000 shares issued and outstanding (in series), respectively	32	102
Aggregate liquidation preference $800,000 and $975,000, respectively		
	4,134	4,118

Common stock, $.01 par value, authorized 750,000,000 shares issued and outstanding 413,430,756 and 411,819,818 shares, respectively		
Paid-in capital	5,608,881	5,732,021
Cumulative distributions in excess of net income	(572,335)	(1,006,578)
Accumulated other comprehensive income	5,588	45,122
Total stockholders' equity	5,046,300	4,774,785
Noncontrolling interests	135,651	126,980
Total equity	5,181,951	4,901,765
Total liabilities and equity	$11,344,171	$10,261,400

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

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KIMCO REALTY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(in thousands, except share information)

	Year Ended December 31,		
	2015	**2014**	**2013**
Revenues			
Revenues from rental properties	$1,144,474	$958,888	$825,210
Management and other fee income	22,295	35,009	36,317
Total revenues	1,166,769	993,897	861,527
Operating expenses			
Rent	12,347	14,250	13,347
Real estate taxes	147,150	124,670	108,746
Operating and maintenance	144,980	119,697	99,405
General and administrative expenses	122,735	122,201	127,470
Provision for doubtful accounts	6,075	4,882	6,133
Impairment charges	45,383	39,808	32,247
Depreciation and amortization	344,527	258,074	224,713
Total operating expenses	823,197	683,582	612,061
Operating income	343,572	310,315	249,466
Other income/(expense)			
Mortgage financing income	2,940	3,129	4,304
Interest, dividends and other investment income	39,061	966	16,847
Other income/(expense), net	2,234	(8,544)	1,195
Interest expense	(218,891)	(203,759)	(212,240)
Income from continuing operations before income taxes, equity in income of joint ventures, gain on change in control of interests and equity in income from other real estate investments	168,916	102,107	59,572
Provision for income taxes, net	(60,230)	(22,438)	(32,654)
Equity in income of joint ventures, net	480,395	159,560	208,689
Gain on change in control of interests, net	149,234	107,235	21,711
Equity in income of other real estate investments, net	36,090	38,042	31,136
Income from continuing operations	774,405	384,506	288,454
Discontinued operations			
(Loss)/income from discontinued operating properties, net of tax	(15)	36,780	50,610

Impairment/loss on operating properties, net of tax	(60)	(176,315)	(143,057)
Gain on disposition of operating properties, net of tax	-	190,520	43,914
(Loss)/income from discontinued operations	(75)	50,985	(48,533)
Gain on sale of operating properties, net, net of tax	125,813	389	1,432
Net income	900,143	435,880	241,353
Net income attributable to noncontrolling interests	(6,028)	(11,879)	(5,072)
Net income attributable to the Company	894,115	424,001	236,281
Preferred stock redemption costs	(5,816)	-	-
Preferred dividends	(57,084)	(58,294)	(58,294)
Net income available to the Company's common shareholders	$831,215	$365,707	$177,987
Per common share:			
Income from continuing operations:			
-Basic	$2.01	$0.77	$0.53
-Diluted	$2.00	$0.77	$0.53
Net income attributable to the Company:			
-Basic	$2.01	$0.89	$0.43
-Diluted	$2.00	$0.89	$0.43
Weighted average shares:			
-Basic	411,319	409,088	407,631
-Diluted	412,851	411,038	408,614
Amounts available to the Company's common shareholders:			
Income from continuing operations	$831,290	$316,839	$218,590
(Loss)/income from discontinued operations	(75)	48,868	(40,603)
Net income	$831,215	$365,707	$177,987

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

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KIMCO REALTY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in thousands)

	Year Ended December 31,		
	2015	**2014**	**2013**
Net income	$900,143	$435,880	$241,353
Other comprehensive income:			
Change in unrealized gain on marketable securities	(45,799)	20,202	6,773
Change in unrealized loss on interest rate swaps	(22)	(1,404)	-
Change in foreign currency translation adjustment	6,287	96,895	(4,208)
Other comprehensive (loss)/income	(39,534)	115,693	2,565
Comprehensive income	860,609	551,573	243,918
Comprehensive income attributable to noncontrolling interests	(6,028)	(17,468)	(6,436)
Comprehensive income attributable to the Company	$854,581	$534,105	$237,482

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

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KIMCO REALTY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the Years Ended December 31, 2015, 2014 and 2013

(in thousands)

	Cumulative Distributions in Excess of Net Income	Accumulated Other Comprehensive Income	Preferred Stock		Common Stock		Paid-in Capital	Total Stockholders' Equity	Noncontrolling Interests	Total Equity
			Issued	Amount	Issued	Amount				
Balance, January 1, 2013	$(824,008)	(66,182)	102	$102	407,782	$4,078	$5,651,170	$4,765,160	$167,320	$4,932,480
Contributions from noncontrolling interests	-	-	-	-	-	-	-	-	1,026	1,026
Comprehensive income:										
Net income	236,281	-	-	-	-	-	-	236,281	5,072	241,353
Other comprehensive income, net of tax:										
Change in unrealized gain on marketable securities	-	6,773	-	-	-	-	-	6,773	-	6,773
Change in foreign currency translation adjustment	-	(5,573)	-	-	-	-	-	(5,573)	1,365	(4,208
Redeemable noncontrolling interests income	-	-	-	-	-	-	-	-	(6,892)	(6,892
Dividends ($0.855 per common share;										

$1.725 per Class H Depositary Share, $1.5000 per Class I Depositary Share, $1.3750 per Class J Depositary Share, and $1.40625 per Class K Depositary Share, respectively)	(408,331)	-	-	-	-	-	-	(408,331)	-	(408,331
Distributions to noncontrolling interests	-	-	-	-	-	-	-	-	(10,686)	(10,686
Issuance of common stock	-	-	-	-	560	5	9,208	9,213	-	9,213
Surrender of restricted stock	-	-	-	-	(247)	(2)	(3,889)	(3,891)	-	(3,891
Exercise of common stock options	-	-	-	-	1,636	16	30,193	30,209	-	30,209
Acquisition of noncontrolling interests	-	-	-	-	-	-	(8,894)	(8,894)	(20,096)	(28,990
Amortization of equity awards	-	-	-	-	-	-	11,470	11,470	-	11,470
Balance, December 31, 2013	(996,058)	(64,982)	102	102	409,731	4,097	5,689,258	4,632,417	137,109	4,769,526
Contributions from noncontrolling interests	-	-	-	-	-	-	-	-	6,259	6,259
Comprehensive income:										
Net income	424,001	-	-	-	-	-	-	424,001	11,879	435,880
Other comprehensive income, net of tax:										
Change in unrealized gain	-	20,202	-	-	-	-	-	20,202	-	20,202

on marketable securities										
Change in unrealized loss on interest rate swaps	-	(1,404)	-	-	-	-	-	(1,404)	-	(1,404
Change in foreign currency translation adjustment	-	91,306	-	-	-	-	-	91,306	5,589	96,895
Redeemable noncontrolling interests income	-	-	-	-	-	-	-	-	(6,335)	(6,335
Dividends ($0.915 per common share; $1.725 per Class H Depositary Share, $1.5000 per Class I Depositary Share, $1.3750 per Class J Depositary Share, and $1.40625 per Class K Depositary Share, respectively)	(434,521)	-	-	-	-	-	-	(434,521)	-	(434,521
Distributions to noncontrolling interests	-	-	-	-	-	-	-	-	(26,755)	(26,755
Issuance of common stock	-	-	-	-	805	8	14,039	14,047	-	14,047
Surrender of restricted stock	-	-	-	-	(190)	(2)	(4,049)	(4,051)	-	(4,051
Exercise of common stock options	-	-	-	-	1,474	15	23,859	23,874	-	23,874
Acquisition of noncontrolling interests	-	-	-	-	-	-	(294)	(294)	(766)	(1,060
Amortization of equity	-	-	-	-	-	-	9,208	9,208	-	9,208

awards										
Balance, December 31, 2014	(1,006,578)	45,122	102	102	411,820	4,118	5,732,021	4,774,785	126,980	4,901,765
Contributions from noncontrolling interests	-	-	-	-	-	-	-	-	66,163	66,163
Comprehensive income:										
Net income	894,115	-	-	-	-	-	-	894,115	6,028	900,143
Other comprehensive income, net of tax:										
Change in unrealized gain on marketable securities	-	(45,799)	-	-	-	-	-	(45,799)	-	(45,799
Change in unrealized loss on interest rate swaps	-	(22)	-	-	-	-	-	(22)	-	(22
Change in foreign currency translation adjustment	-	6,287	-	-	-	-	-	6,287	-	6,287
Redeemable noncontrolling interests income	-	-	-	-	-	-	-	-	(7,061)	(7,061
Dividends ($0.975 per common share; $1.485 per Class H Depositary Share, $1.5000 per Class I Depositary Share, $1.3750 per Class J Depositary Share, and $1.40625 per										

Class K Depositary Share, respectively)	(459,872)	-	-	-	-	-	-	(459,872)	-	(459,872
Distributions to noncontrolling interests	-	-	-	-	-	-	-	-	(8,539)	(8,539
Issuance of common stock	-	-	-	-	824	8	485	493	-	493
Surrender of restricted stock	-	-	-	-	(232)	(2)	(5,680)	(5,682)	-	(5,682
Exercise of common stock options	-	-	-	-	1,019	10	18,698	18,708	-	18,708
Sale of interests in investments, net of tax of $16.0 million	-	-	-	-	-	-	23,993	23,993	-	23,993
Acquisition of noncontrolling interests	-	-	-	-	-	-	262	262	(47,920)	(47,658
Amortization of equity awards	-	-	-	-	-	-	14,032	14,032	-	14,032
Redemption of preferred stock	-	-	(70)	(70)	-	-	(174,930)	(175,000)	-	(175,000
Balance, December 31, 2015	$(572,335)	5,588	32	$32	413,431	$4,134	$5,608,881	$5,046,300	$135,651	$5,181,951

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

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KIMCO REALTY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

	Year Ended December 31,		
	2015	**2014**	**2013**
Cash flow from operating activities:			
Net income	$900,143	$435,880	$241,353
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	344,527	273,093	257,855
Impairment charges	45,464	217,858	190,218
Equity award expense	18,465	17,879	18,897
Gain on sale of operating properties	(132,907)	(203,889)	(51,529)
Gain on sale of marketable securities	(39,852)	-	(12,135)
Gain on change in control of interests, net	(149,234)	(107,235)	(21,711)
Equity in income of joint ventures, net	(480,395)	(159,560)	(208,689)
Equity in income from other real estate investments, net	(36,090)	(38,042)	(31,136)
Distributions from joint ventures and other real estate investments	126,263	255,532	258,050
Change in accounts and notes receivable	(2,867)	(8,060)	7,213
Change in accounts payable and accrued expenses	164	(1,095)	10,166
Change in other operating assets and liabilities	(99,980)	(53,018)	(88,517)
Net cash flow provided by operating activities	493,701	629,343	570,035
Cash flow from investing activities:			
Acquisition of operating real estate and other related net assets	(661,423)	(384,828)	(354,287)
Improvements to operating real estate	(166,670)	(131,795)	(107,277)
Acquisition of real estate under development	(16,355)	(65,724)	-
Improvements to real estate under development	(16,861)	(418)	(591)
Investment in marketable securities	(257)	(11,445)	(33,588)
Proceeds from sale/repayments of marketable securities	76,170	3,780	26,406
Investments and advances to real estate joint ventures	(91,609)	(93,845)	(296,550)
Reimbursements of investments and advances to real estate joint ventures	94,053	222,590	440,161
Distributions from liquidation of real estate joint ventures	373,833	-	-
Return of investment from liquidation of real estate joint ventures	88,672	-	-
Investment in other real estate investments	(641)	(4,338)	(23,566)
Reimbursements of investments and advances to other real estate investments	40,556	16,312	30,151
Investment in mortgage loans receivable	-	(50,000)	(11,469)
Collection of mortgage loans receivable	55,145	8,302	29,192
Investment in other investments	(190,278)	-	(21,366)
Reimbursements of other investments	-	-	9,175
Proceeds from sale of operating properties	437,030	612,748	385,844

Proceeds from sale of development properties	-	5,366	-
Net cash flow provided by investing activities	21,365	126,705	72,235
Cash flow from financing activities:			
Principal payments on debt, excluding normal amortization and including debt defeasance of rental property debt	(555,627)	(327,963)	(256,346)
Principal payments on rental property debt	(28,632)	(22,841)	(23,804)
Proceeds from mortgage loan financings	-	15,700	35,974
Repayments under the unsecured revolving credit facility, net	(100,000)	(94,354)	(57,775)
Proceeds from issuance of unsecured term loan/notes	1,500,030	500,000	621,562
Repayments under unsecured term loan/notes	(750,000)	(370,842)	(546,717)
Financing origination costs	(16,901)	(11,911)	(8,041)
Contribution of noncontrolling interests	106,154	1,917	-
Conversion/redemption of noncontrolling interests	(55,753)	(3,201)	(30,086)
Dividends paid	(455,833)	(427,873)	(400,354)
Proceeds from issuance of stock	18,708	23,874	30,210
Redemption of preferred stock	(175,000)	-	-
Net cash flow used for financing activities	(512,854)	(717,494)	(635,377)
Change in cash and cash equivalents	2,212	38,554	6,893
Cash and cash equivalents, beginning of year	187,322	148,768	141,875
Cash and cash equivalents, end of year	$189,534	$187,322	$148,768
Interest paid during the year (net of capitalized interest of $5,618, $2,383, $1,263, respectively)	$232,950	$207,632	$216,258
Income taxes paid during the year	$100,366	$23,292	$33,838

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

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KIMCO REALTY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

1. Summary of Significant Accounting Policies:

Business

Kimco Realty Corporation and subsidiaries (the "Company" or "Kimco"), affiliates and related real estate joint ventures are engaged principally in the ownership, management, development and operation of open-air shopping centers, which are anchored generally by discount department stores, supermarkets or drugstores. Additionally, the Company provides complementary services that capitalize on the Company’s established retail real estate expertise. The Company evaluates performance on a property specific or transactional basis and does not distinguish its principal business or group its operations on a geographical basis for purposes of measuring performance. Accordingly, the Company believes it has a single reportable segment for disclosure purposes in accordance with accounting principles generally accepted in the United States of America ("GAAP").

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

Principles of Consolidation and Estimates

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

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

Subsequent Events

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

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KIMCO REALTY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, continued

Real Estate

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

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

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

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

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

The Company periodically assesses the useful lives of its depreciable real estate assets, including those expected to be redeveloped in future periods, and accounts for any revisions prospectively. Expenditures for maintenance, repairs and demolition costs are charged to operations as incurred. Significant renovations and replacements, which improve or extend the life of the asset, are capitalized. The useful lives of amortizable intangible assets are evaluated each reporting period with any changes in estimated useful lives being accounted for over the revised remaining useful life.

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

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

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KIMCO REALTY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, continued

Real Estate Under Development

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

Investments in Unconsolidated Joint Ventures

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

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

To recognize the character of distributions from equity investees within its consolidated statements of cash flows, all distributions received are presumed to be returns on investment and classified as cash inflows from operating activities unless the Company's cumulative distributions received less distributions received in prior periods that were determined to be returns of investment exceed its cumulative equity in earnings recognized by the investor (as adjusted for amortization of basis differences). When such an excess occurs, the current-period distribution up to this excess is considered a return of investment and classified as cash inflows from investing.

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

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

Other Real Estate Investments

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

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

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

Company believes to be within a reasonable range of current market rates.

KIMCO REALTY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, continued

Mortgages and Other Financing Receivables

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

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

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

The Company considers a loan to be impaired when, based upon current information and events, it is probable that the Company will be unable to collect all amounts due under the existing contractual terms. A reserve allowance is established for an impaired loan when the estimated fair value of the underlying collateral (for collateralized loans) or the present value of expected future cash flows is lower than the carrying value of the loan. An internal valuation is

performed generally using the income approach to estimate the fair value of the collateral at the time a loan is determined to be impaired. The model is updated if circumstances indicate a significant change in value has occurred. The Company does not provide for an additional allowance for loan losses based on the grouping of loans as the Company believes the characteristics of the loans are not sufficiently similar to allow an evaluation of these loans as a group for a possible loan loss allowance. As such, all of the Company's loans are evaluated individually for impairment purposes.

Cash and Cash Equivalents

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

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KIMCO REALTY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, continued

Marketable Securities

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

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

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

Deferred Leasing Costs

Costs incurred in obtaining tenant leases, included in deferred charges and prepaid expenses in the accompanying Consolidated Balance Sheets, are amortized on a straight-line basis, over the terms of the related leases, as applicable. Such capitalized costs include salaries, lease incentives and related costs of personnel directly involved in successful

leasing efforts.

Software Development Costs

Expenditures for major software purchases and software developed for internal use are capitalized and amortized on a straight-line basis generally over a 3 to 5 year period. The Company's policy provides for the capitalization of external direct costs of materials and services associated with developing or obtaining internal use computer software. In addition, the Company also capitalizes certain payroll and payroll-related costs for employees who are directly associated with internal use computer software projects. The amount of capitalizable payroll costs with respect to these employees is limited to the time directly spent on such projects. Costs associated with preliminary project stage activities, training, maintenance and all other post-implementation stage activities are expensed as incurred. As of December 31, 2015 and 2014, the Company had unamortized software development costs of $16.1 million and $24.0 million, respectively, which is included in Other assets on the Company's Consolidated Balance Sheets. The Company expensed $10.7 million, $9.2 million and $7.6 million in amortization of software development costs during the years ended December 31, 2015, 2014 and 2013, respectively.

Deferred Financing Costs

Costs incurred in obtaining long-term financing, included in Notes Payable and Mortgages Payable in the accompanying Consolidated Balance Sheets, are amortized on a straight-line basis, which approximates the effective interest method, over the terms of the related debt agreements, as applicable.

Revenue and Gain Recognition and Accounts Receivable

Base rental revenues from rental property are recognized on a straight-line basis over the terms of the related leases. Certain of these leases also provide for percentage rents based upon the level of sales achieved by the lessee. These percentage rents are recognized once the required sales level is achieved. Rental income may also include payments received in connection with lease termination agreements. In addition, leases typically provide for reimbursement to the Company of common area maintenance costs, real estate taxes and other operating expenses. Operating expense reimbursements are recognized as earned.

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KIMCO REALTY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, continued

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

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

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

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

Accounts and notes receivable in the accompanying Consolidated Balance Sheets are net of estimated unrecoverable amounts of $13.9 million and $10.4 million of billed accounts receivable at December 31, 2015 and 2014, respectively. Additionally, Accounts and notes receivable in the accompanying Consolidated Balance Sheets are net of estimated unrecoverable amounts of $17.9 million and $22.9 million of straight-line rent receivable at December 31, 2015 and 2014, respectively.

Income Taxes

The Company has made an election to qualify, and believes it is operating so as to qualify, as a REIT for federal income tax purposes. Accordingly, the Company generally will not be subject to federal income tax, provided that distributions to its stockholders equal at least the amount of its REIT taxable income as defined under Section 856 through 860 of the Code.

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

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

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

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

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, continued

Foreign Currency Translation and Transactions

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

Derivative/Financial Instruments

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

The Company measures its derivative instruments at fair value and records them in the Consolidated Balance Sheet as an asset or liability, depending on the Company's rights or obligations under the applicable derivative contract. The accounting for changes in the fair value of the derivatives depends on the intended use of the derivative, whether the Company has elected to designate a derivative in a hedging relationship and apply hedge accounting and whether the hedging relationship has satisfied the criteria necessary to apply hedge accounting. Derivatives designated and qualifying as a hedge of the exposure to changes in the fair value of an asset, liability, or firm commitment attributable to a particular risk, such as interest rate risk, are considered fair value hedges. Derivatives designated and qualifying as a hedge of the exposure to variability in expected future cash flows, or other types of forecasted transactions, are considered cash flow hedges. Derivatives may also be designated as hedges of the foreign currency exposure of a net investment in a foreign operation. Hedge accounting generally provides for the matching of the timing of gain or loss recognition on the hedging instrument with the recognition of the changes in the fair value of the hedged asset or

liability that are attributable to the hedged risk in a fair value hedge or the earnings effect of the hedged forecasted transactions in a cash flow hedge. The Company may enter into derivative contracts that are intended to economically hedge certain of its risk, even though hedge accounting does not apply or the Company elects not to apply hedge accounting under the Derivatives and Hedging guidance issued by the FASB.

The effective portion of the changes in fair value of derivatives designated and that qualify as cash flow hedges is recorded in AOCI and is subsequently reclassified into earnings in the period that the hedged forecasted transaction affects earnings. Any ineffective portion of the change in fair value of the derivatives is recognized directly in earnings. During 2015, 2014 and 2013, the Company had no hedge ineffectiveness.

Noncontrolling Interests

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

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

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KIMCO REALTY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, continued

The Company evaluates the terms of the partnership units issued in accordance with the FASB's Distinguishing Liabilities from Equity guidance. Units which embody an unconditional obligation requiring the Company to redeem the units for cash after a specified or determinable date (or dates) or upon the occurrence of an event that is not solely within the control of the issuer are determined to be mandatorily redeemable under this guidance and are included as Redeemable noncontrolling interest and classified within the mezzanine section between Total liabilities and Stockholders' equity on the Company's Consolidated Balance Sheets. Convertible units for which the Company has the option to settle redemption amounts in cash or Common Stock are included in the caption Noncontrolling interest within the equity section on the Company's Consolidated Balance Sheets.

Earnings Per Share

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

	For the year ended December 31,		
	2015	**2014**	**2013**
Computation of Basic Earnings Per Share:			
Income from continuing operations	$774,405	$384,506	$288,454
Gain on sale of operating properties, net, net of tax	125,813	389	1,432
Net income attributable to noncontrolling interests	(6,028)	(11,879)	(5,072)
Discontinued operations attributable to noncontrolling interests	-	2,117	(7,930)
Preferred stock redemption costs	(5,816)	-	-
Preferred stock dividends	(57,084)	(58,294)	(58,294)
Income from continuing operations available to the common shareholders	831,290	316,839	218,590
Earnings attributable to participating securities	(4,134)	(1,749)	(1,360)
Income from continuing operations attributable to common shareholders	827,156	315,090	217,230
(Loss)/income from discontinued operations attributable to the Company	(75)	48,868	(40,603)
Net income attributable to the Company's common shareholders for basic earnings per share	$827,081	$363,958	$176,627
Weighted average common shares outstanding – basic	411,319	409,088	407,631

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

Income from continuing operations	$2.01	$0.77	$0.53
Income/(loss) from discontinued operations	-	0.12	(0.10)
Net income	$2.01	$0.89	$0.43
Computation of Diluted Earnings Per Share:			
Income from continuing operations attributable to common shareholders	$827,156	$315,090	$217,230
(Loss)/income from discontinued operations attributable to the Company	(75)	48,868	(40,603)
Distributions on convertible units	192	529	-
Net income attributable to the Company's common shareholders for diluted earnings per share	$827,273	$364,487	$176,627
Weighted average common shares outstanding – basic	411,319	409,088	407,631
Effect of dilutive securities(a):			
Equity awards	1,414	1,227	983
Assumed conversion of convertible units	118	723	-
Shares for diluted earnings per common share	412,851	411,038	408,614
Diluted Earnings Per Share Attributable to the Company's Common Shareholders:			
Income from continuing operations	$2.00	$0.77	$0.53
Income/(loss) from discontinued operations	-	0.12	(0.10)
Net income	$2.00	$0.89	$0.43

(a) The effect of the assumed conversion of certain convertible units had an anti-dilutive effect upon the calculation of Income from continuing operations per share. Accordingly, the impact of such conversions has not been included in the determination of diluted earnings per share calculations. Additionally, there were 5,300,680, 7,137,120 and 10,950,388, stock options that were not dilutive as of December 31, 2015, 2014 and 2013, respectively.

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KIMCO REALTY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, continued

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

Stock Compensation

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

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

New Accounting Pronouncements

In February 2016, the FASB issued Accounting Standards Update ("ASU") 2016-02, Leases (Topic 842) ("ASU 2016-02"), which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e., lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today. The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales-type leases, direct financing leases and operating leases. The ASU is expected to impact the Company's consolidated financial statements as the Company has certain operating and land lease arrangements for which it is the lessee. ASU 2016-02 supersedes the previous leases standard, Leases (Topic 840). The standard is effective on January 1, 2019, with early adoption permitted. The Company is currently in the process of evaluating the impact the adoption of ASU 2016-02 will have on the Company's financial position or results of operations.

In September 2015, the FASB issued ASU 2015-16, Simplifying the Accounting for Measurement-Period Adjustments ("ASU 2015-16"), which eliminates the requirement to restate prior period financial statements for measurement period adjustments. The new guidance requires that the cumulative impact of a measurement period adjustment (including the impact on prior periods) be recognized in the reporting period in which the adjustment is identified. ASU 2015-16 is effective for interim and annual periods beginning after December 15, 2015. Early adoption is permitted. The Company elected to early adopt ASU 2015-16 beginning in its third quarter ended September 30, 2015 (see Footnote 2). The adoption of ASU 2015-16 did not have a material impact on the Company's financial position or results of operations.

In April 2015, the FASB issued ASU 2015-03, Interest - Imputation of Interest (Topic 835): Simplifying the Presentation of Debt Issuance Costs ("ASU 2015-03"). The amendments in ASU 2015-03 require that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The recognition and measurement guidance for debt issuance costs are not affected by the amendments in this update. The amendments in ASU 2015-03 are effective for fiscal years beginning after December 15, 2015. Early adoption is permitted. In August 2015, the FASB issued ASU 2015-15: Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements ("ASU 2015-15") providing guidance regarding the presentation and subsequent measurement of debt issuance costs related to line-of-credit arrangements. Given the absence of authoritative guidance on this matter, the SEC staff has stated that it would not object to an entity deferring and presenting debt issuance costs as an asset and subsequently amortizing the deferred debt issuance costs ratably over the term of the line-of-credit arrangement, regardless of whether there are any outstanding borrowings on that line-of-credit arrangement. Beginning in its fiscal year 2015, the Company elected to early adopt ASU 2015-03 and ASU 2015-15 and retrospectively applied the guidance to its Notes Payable and Mortgages Payable for all periods presented. Unamortized debt issuance costs of $31.4 million and $3.2 million are included in Notes Payable and Mortgages Payable, respectively, as of December 31, 2015, and $20.5 million and $3.9 million of unamortized debt issuance costs are included in Notes Payable and Mortgages Payable, respectively, as of December 31, 2014 (previously included in Other assets on the Company's Consolidated Balance Sheets). The adoption of ASU 2015-03 and ASU 2015-15 did not have a material impact on the Company's financial position or results of operations (see Footnotes 12 and 13).

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, continued

In February 2015, the FASB issued ASU 2015-02, Consolidation (Topic 810): Amendments to the Consolidation Analysis (“ASU 2015-02”). ASU 2015-02 focuses to minimize situations under previously existing guidance in which a reporting entity was required to consolidate another legal entity in which that reporting entity did not have: (1) the ability through contractual rights to act primarily on its own behalf; (2) ownership of the majority of the legal entity's voting rights; or (3) the exposure to a majority of the legal entity's economic benefits. ASU 2015-02 affects reporting entities that are required to evaluate whether they should consolidate certain legal entities. All legal entities are subject to reevaluation under the revised consolidation model. ASU 2015-02 will be effective for periods beginning after December 15, 2015. Early adoption is permitted, including adoption in an interim period. The Company does not expect the adoption of ASU 2015-02 to have a material effect on the Company’s financial position or results of operations.

In August 2014, the FASB issued ASU 2014-15, Presentation of Financial Statements - Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity’s Ability to Continue as a Going Concern (“ASU 2014-15”), which requires management to evaluate, at each annual and interim reporting period, whether there are conditions or events that raise substantial doubt about the entity’s ability to continue as a going concern within one year after the date the financial statements are issued and provide related disclosures. ASU 2014-15 is effective for annual periods ending after December 15, 2016 and interim periods thereafter, early adoption is permitted. The Company does not expect the adoption of ASU 2014-15 to have a material effect on the Company’s consolidated financial statements.

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606) ("ASU 2014-09"). ASU 2014-09 is a comprehensive new revenue recognition model requiring a company to recognize revenue to depict the transfer of goods or services to a customer at an amount reflecting the consideration it expects to receive in exchange for those goods or services. In adopting ASU 2014-09, companies may use either a full retrospective or a modified retrospective approach. ASU 2014-09 was anticipated to be effective for the first interim period within annual reporting periods beginning after December 15, 2016, and early adoption was not permitted. In August 2015, the FASB issued ASU 2015-14, Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date (“ASU 2015-14”), which delayed the effective date of ASU 2014-09 by one year making it effective for the first interim period within annual reporting periods beginning after December 15, 2017. Early adoption is permitted as of the original effective date. The Company is currently in the process of evaluating the impact the adoption of ASU 2014-09 will have on the Company’s financial position or results of operations.

In April 2014, the FASB issued ASU 2014-08, Presentation of Financial Statements (Topic 205) and Property, Plant, and Equipment (Topic 360): Reporting Discontinued Operations and Disclosures of Disposals of Components of an

Entity (“ASU 2014-08”). The amendments in ASU 2014-08 change the criteria for determining which disposals can be presented as discontinued operations and modifies related disclosure requirements. The amendments in ASU 2014-08 are effective for fiscal years beginning after December 15, 2014. The Company adopted ASU 2014-08 beginning January 1, 2015 and appropriately applied the guidance prospectively to disposals of its operating properties. Prior to January 1, 2015, properties identified as held-for-sale and/or disposed of were presented in discontinued operations for all periods presented. The adoption and implementation of this ASU resulted in the operations of certain current period dispositions in the ordinary course of business to be classified within continuing operations on the Company’s Consolidated Statements of Income. The adoption did not have an impact on the Company’s financial position or cash flows. The disclosures required by this ASU have been incorporated in the notes included herein.

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KIMCO REALTY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, continued

2. Real Estate:

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

	December 31,	
	2015	**2014**
Land	$2,660,722	$2,291,338
Undeveloped land	67,535	74,462
Buildings and improvements:		
Buildings	5,643,629	4,909,152
Building improvements	1,559,652	1,349,028
Tenant improvements	727,036	658,868
Fixtures and leasehold improvements	47,055	61,122
Above market leases	155,451	121,774
In-place leases	509,435	399,293
Tenant relationships	19,104	20,858
	11,389,619	9,885,895
Accumulated depreciation and amortization (1)	(2,115,320)	(1,955,406)
Total	$9,274,299	$7,930,489

(1) At December 31, 2015 and 2014, the Company had accumulated amortization relating to in-place leases, tenant relationships and above-market leases aggregating $357,581 and $290,748, respectively.

In addition, at December 31, 2015 and 2014, the Company had intangible liabilities relating to below-market leases from property acquisitions of $291.7 million and $255.4 million, respectively, net of accumulated amortization of $193.7 million and $169.8 million, respectively. These amounts are included in the caption Other liabilities on the Company's Consolidated Balance Sheets.

The Company's amortization associated with above and below market leases for the years ended December 31, 2015, 2014 and 2013, resulted in net increases to revenue of $18.5 million, $13.5 million and $11.5 million, respectively. The Company's amortization expense associated with leases in place and tenant relationships, which is included in depreciation and amortization, for the years ended December 31, 2015, 2014 and 2013 was $68.3 million, $41.2 million and $31.1 million, respectively.

The estimated net amortization income/(expense) associated with the Company's above and below market leases, tenant relationships and leases in place for the next five years are as follows (in millions):

	2016	**2017**	**2018**	**2019**	**2020**
Above and below market leases amortization, net	$10.3	$9.9	$9.9	$10.5	$10.8
Tenant relationships and leases in place amortization	$(53.1)	$(39.0)	$(28.5)	$(22.1)	$(16.3)

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KIMCO REALTY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, continued

3. Property Acquisitions, Developments and Other Investments:

Acquisition of Operating Properties

During the year ended December 31, 2015, the Company acquired the following properties, in separate transactions (in thousands):

Property Name	**Location**	**Month Acquired**	**Purchase Price**				
			Cash*	**Debt Assumed**	**Other *****	**Total**	**GLA****
Elmont Plaza	Elmont, NY (1)	Jan-15	$2,400	$-	$3,358	$5,758	13
Garden State Pavilion Parcel	Cherry Hill, NJ	Jan-15	16,300	-	-	16,300	111
Kimstone Portfolio (39 properties)	Various (1)	Feb-15	513,513	637,976	236,011	1,387,500	5,631
Copperfield Village	Houston, TX	Feb-15	18,700	20,800	-	39,500	165
Snowden Square Parcel	Columbia, MD	Mar-15	4,868	-	-	4,868	25
Dulles Town Crossing Parcel	Sterling, VA	Mar-15	4,830	-	-	4,830	9
Flagler Park S.C.	Miami, FL	Mar-15	1,875	-	-	1,875	5
West Farms Parcel	New Britain, CT	Apr-15	6,200	-	-	6,200	24
Milleridge Inn	Jericho, NY	Apr-15	7,500	-	-	7,500	-
Woodgrove Festival (2 Parcels)	Woodridge, IL	Jun-15	5,611	-	-	5,611	12
Montgomery Plaza	Fort Worth , TX (1)	Jul-15	34,522	29,311	9,044	72,877	291
125 Coulter Avenue Parcel	Ardmore, PA	Sep-15	1,925	-	-	1,925	6
Conroe Marketplace	Conroe, TX (1)	Oct-15	18,546	42,350	3,104	64,000	289
Laurel Plaza	Laurel , MD	Oct-15	1,200	-	-	1,200	4
District Heights	District Heights, MD (1)	Nov-15	13,140	13,255	950	27,345	91
Village on the Park	Aurora , CO	Nov-15	824	-	-	824	10
Christown Mall	Phoenix , AZ	Nov-15	51,351	63,899	-	115,250	833
Washington St. Plaza Parcels	Brighton, MA	Dec-15	8,750	-	-	8,750	-

$712,055	**$807,591**	**$252,467**	**$1,772,113**	**7,519**

* The Company utilized $89.5 million associated with Internal Revenue Code §1031 sales proceeds.

** Gross leasable area ("GLA")

*** Includes the Company's previously held equity interest investment.

(1) The Company acquired from its partners the remaining ownership interest in these properties that were held in joint ventures in which the Company had a noncontrolling interest. The Company evaluated these transactions pursuant to the FASB's Consolidation guidance and as a result, recognized a gain on change in control of interest, net resulting from the fair value adjustment associated with the Company's previously held equity interest, which is included in the purchase price above in Other. The Company's previous ownership interest and gain on change in control of interests, net recognized as a result of these transactions are as follows:

Property Name	**Previous Ownership Interest**	**Gain on change in control of interests, net**
Elmont Plaza	50.0 %	$ (0.2)
Kimstone Portfolio (39 properties)	33.3 %	140.0
Montgomery Plaza	20.0 %	6.3
Conroe Marketplace	15.0 %	2.4
District Heights	15.0 %	0.7
		$ 149.2

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KIMCO REALTY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, continued

During the year ended December 31, 2014, the Company acquired the following properties, in separate transactions (in thousands):

Property Name	**Location**	**Month Acquired**	**Purchase Price**				**GLA****
			Cash*	**Debt Assumed**	**Other*****	**Total**	
North Valley Leasehold	Peoria, AZ	Jan-14	$3,000	$-	$-	$3,000	-
LaSalle Properties (3 properties)	Various (1)	Jan-14	62,239	23,269	7,642	93,150	316
Harrisburg Land Parcel	Harrisburg, PA	Jan-14	2,550	-	-	2,550	-
Crossroads Plaza	Cary, NC	Feb-14	18,691	72,309	-	91,000	489
Quail Corners	Charlotte, NC (2)	Mar-14	9,398	17,409	4,943	31,750	110
KIF 1 Portfolio (12 properties)	Various (1)	Apr-14	128,699	157,010	122,291	408,000	1,589
Fountain at Arbor Lakes (2 Parcels)	Maple Grove, MN	Apr-14	900	-	-	900	-
Boston Portfolio (24 properties)	Various	Apr-14	149,486	120,514	-	270,000	1,426
Vinnin Square	Swampscott, MA	May-14	2,550	-	-	2,550	6
SEB Portfolio (10 properties)	Various (1)	Jul-14	69,261	193,600	12,911	275,772	1,415
Highlands Ranch Parcel	Highlands Ranch, CO	Sep-14	3,800	-	-	3,800	10
BIG Portfolios (7 properties)	Various (1)	Oct-14	-	118,439	76,511	194,950	1,148
Springfield S.C.	Springfield, MO	Nov-14	8,800	-	-	8,800	210
North Quincy Plaza	Quincy, MA (1)	Dec-14	20,470	-	2,530	23,000	81
Belmart Plaza	West Palm Beach, FL (1)	Dec-14	3,208	-	2,807	6,015	77
Braelinn Village	Peachtree City, GA	Dec-14	27,000	-	-	27,000	227
			$510,052	**$702,550**	**$229,635**	**$1,442,237**	**7,104**

* Includes 1031 sales proceeds of $126.8 million

** Gross leasable area ("GLA")

*** Includes the Company's previously held equity interest investment.

(1) The Company acquired from its partners the remaining ownership interest in these properties that were held in joint ventures in which the Company had a noncontrolling interest. The Company evaluated these transactions pursuant to the FASB's Consolidation guidance and as a result, recognized a gain on change in control of interest, net resulting from the fair value adjustment associated with the Company's previously held equity interest, which is included in the purchase price above in Other. The Company's previous ownership interest and gain on change in control of interests, net recognized as a result of these transactions are as follows:

Property Name	Previous Ownership Interest	Gain on change in control of interests, net
LaSalle Properties (3 properties)	11.0 %	$ 3.7
KIF 1 Portfolio (12 properties)	39.1 %	65.6
SEB Portfolio (10 properties)	15.0 %	14.4
BIG Portfolios (7 properties)	50.1 %	19.5
North Quincy Plaza	11.0 %	2.2
Belmart Plaza	21.5 %	1.8
		$ 107.2

(2) The Company acquired a 65.4% controlling ownership interest in this property and the seller retained a 34.6% noncontrolling interest in the property. The partner has the ability to put its partnership interest to the Company. As such, the Company has recorded the partners' share of the property's fair value of $4.9 million as Redeemable noncontrolling interests on the Company's Consolidated Balance Sheets. During 2015, the Company acquired the partners' noncontrolling interest and now fully owns the property.

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KIMCO REALTY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, continued

The purchase price for these acquisitions has been preliminarily allocated to real estate and related intangible assets acquired and liabilities assumed, as applicable, in accordance with our accounting policies for business combinations. The purchase price allocations and related accounting will be finalized upon completion of the Company's valuation studies. Accordingly, the fair value allocated to these assets and liabilities are subject to revision. The Company records allocation adjustments when purchase price allocations are finalized. The aggregate purchase price of the properties acquired during the year ended December 31, 2015, has been allocated as follows (in thousands):

	Preliminary Allocation	**Allocation Adjustments (1)**	**Revised Allocation as of December 31, 2015**	**Weighted-Average Amortization Period (in Years)**
Land	$ 482,422	$ (37,796)	$ 444,626	-
Buildings	973,747	89,377	1,063,124	50.0
Above market leases	35,948	(1,766)	34,182	7.2
Below market leases	(79,868)	4,871	(74,997)	17.7
In-place leases	180,069	(54,076)	125,993	4.7
Building improvements	177,944	(8,828)	169,116	45.0
Tenant improvements	26,596	8,218	34,814	6.1
Mortgage fair value adjustment	(27,615)	-	(27,615)	3.0
Other assets	3,058	-	3,058	-
Other liabilities	(188)	-	(188)	-
Net assets acquired	**$ 1,772,113**	**$ -**	**$ 1,772,113**	

(1) In accordance with the Company's adoption of ASU 2015-16, which eliminates the requirement to restate prior period financial statements for measurement period adjustments relating to purchase price allocations, the Company adjusted the preliminary allocation amounts recorded for properties acquired during 2015. The impact of these allocation adjustments on the Company's tangible and intangible assets and liabilities are reflected in the table above.

The aggregate purchase price of the properties acquired during the year ended December 31, 2014, has been allocated as follows (in thousands):

Land	$414,879
Buildings	679,753
Above market leases	30,307
Below market leases	(81,362)
In-place leases	113,513
Building improvements	290,882
Tenant improvements	26,536
Mortgage fair value adjustment	(39,368)
Other assets	7,097
Other liabilities	-
Net assets acquired	**$1,442,237**

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KIMCO REALTY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, continued

In addition, during the year ended December 31, 2015, the Company entered into an agreement to acquire the remaining 50.0% interest in a property previously held in a joint venture in which the Company had a noncontrolling interest for a gross purchase price of $23.0 million. Upon signing this contract, which closed in January 2016, the Company effectively gained control of the entity and is entitled to all economics and risk of loss and as such, the Company consolidated this property pursuant to the FASB's Consolidation guidance. Additionally, as the Company was required to purchase the partners interest at a fixed and determinable price in January 2016, the Company has recognized $11.5 million within Other liabilities in the Company's Consolidated Balance Sheets at December 31, 2015. Based upon the Company's intent to redevelop a portion of the property, the Company allocated $8.4 million of the gross purchase price to Real estate under development on the Company's Consolidated Balance Sheets and the remaining $14.6 million was allocated to Operating real estate on the Company's Consolidated Balance Sheets.

During the year ended December 31, 2015, the Company acquired three land parcels, in separate transactions, for an aggregate purchase price of $30.0 million.

Ground-Up Development

The Company is engaged in ground-up development projects, which will be held as long-term investments by the Company. As of December 31, 2015, the Company had in progress a total of five ground-up development projects located in the U.S. These land parcels will be developed into open-air shopping centers aggregating 1.9 million square feet of GLA with a total estimated aggregate project cost of $446.5 million.

During 2015, the Company acquired, in separate transactions, two additional land parcels adjacent to existing development projects for an aggregate purchase price of $20.7 million. During 2014, the Company acquired, in separate transactions, three land parcels located in various cities throughout the U.S., for an aggregate purchase price of $53.5 million.

During the fourth quarter 2014, the Company purchased land parcels in Dania, Florida for an aggregate purchase price of $62.8 million. The Company then contributed the land to an unconsolidated joint venture to be used for a ground-up development project and as such is not included in the five ground-up development projects referred to

above.

4. Dispositions of Real Estate:

Operating Real Estate

During 2015, the Company disposed of 89 consolidated operating properties and eight out-parcels, in separate transactions, for an aggregate sales price of $492.5 million. These transactions resulted in an aggregate gain of $143.6 million, after income tax expense, and aggregate impairment charges of $10.2 million, before income tax expense of $2.3 million.

Additionally, during 2015, the Company disposed of its remaining operating property in Chile for a sales price of $51.3 million. This transaction resulted in the release of a cumulative foreign currency translation loss of $19.6 million due to the Company's liquidation of its investment in Chile offset by a gain on sale of $1.8 million, after income tax expense.

During 2014, the Company disposed of 90 consolidated operating properties, in separate transactions, for an aggregate sales price of $833.5 million, including 27 operating properties in Latin America. These transactions, which are included in Discontinued operations on the Company's Consolidated Statements of Income, resulted in an aggregate gain of $203.3 million, before income taxes and noncontrolling interests and aggregate impairment charges of $178.0 million, before income taxes and noncontrolling interests, including $92.9 million related to the release of a cumulative foreign currency translation loss due to the Company's substantial liquidation of its investment in Mexico. The Company provided financing aggregating $52.7 million on three of these transactions which bore interest at rates ranging from LIBOR plus 250 basis points to 7% per annum, which matured and were repaid in full during 2015. The Company evaluated these transactions pursuant to the FASB's real estate guidance to determine sale and gain recognition.

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

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KIMCO REALTY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, continued

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

Land Sales

During 2015, 2014 and 2013, the Company sold 13, three and nine land parcels, respectively, for an aggregate sales price of $31.5 million, $5.1 million and $18.2 million, respectively. These transactions resulted in an aggregate gain of $4.3 million, $3.5 million and $11.5 million, before income taxes expense and noncontrolling interest for the years ended December 31, 2015, 2014 and 2013, respectively. The gains from these transactions are recorded as other income, which is included in Other income/(expense), net, in the Company’s Consolidated Statements of Income.

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

Prior to the Company’s adoption of ASU 2014-08 on January 1, 2015, as further discussed in Footnote 1, operations of properties held-for-sale and assets sold during the period were classified as discontinued operations. The results of these discontinued operations are included as a separate component of income on the Consolidated Statements of Income under the caption “Discontinued operations”. This reporting has resulted in certain reclassifications of 2014 and 2013 financial statement amounts. Since adoption of ASU 2014-08 individual property dispositions no longer qualify as a discontinued operation under the new guidance unless the asset disposal represents a significant strategic shift.

The components of Income from discontinued operations for each of the three years in the period ended December 31, 2015, are shown below. These include the results of income through the date of each respective sale for properties sold during 2014 and 2013, and the operations for the applicable periods for those assets classified as held-for-sale as of December 31, 2014 and 2013 (in thousands):

	2015	2014	2013
Discontinued operations:			
Revenues from rental property	$124	$71,906	$129,315
Rental property expenses	(49)	(16,657)	(39,425)
Depreciation and amortization	-	(15,019)	(33,142)
Provision for doubtful accounts	(57)	(719)	(2,971)
Interest expense	-	(1,823)	(1,371)
Income from other real estate investments	-	680	720
Other expense, net	(12)	(756)	(880)
Income from discontinued operating properties, before income taxes	6	37,612	52,246
Impairment of property carrying value, before income taxes (1)	(82)	(178,048)	(157,972)
Gain on disposition of operating properties, before income taxes	-	203,271	48,731
Benefit/(provision) for income taxes	1	(11,850)	8,462
(Loss)/income from discontinued operating properties	(75)	50,985	(48,533)
Net (income)/loss attributable to noncontrolling interests	-	(2,117)	7,930
(Loss)/income from discontinued operations attributable to the Company	$(75)	$48,868	$(40,603)

(1) The year ended December 31, 2014, includes $92.9 million related to the release of a cumulative foreign currency translation loss due to the Company's substantial liquidation of its investment in Mexico.

During 2014, the Company classified as held-for-sale 35 operating properties. The aggregate book value of these properties was $239.9 million, net of accumulated depreciation of $76.5 million. The Company recognized impairment charges on 11 of these properties aggregating $56.2 million. The book value of the remaining other 24 properties did not exceed their estimated fair value, less costs to sell, and as such no impairment charges were recognized. The Company's determination of the fair value for each property, aggregating $316.5 million, was based upon executed contracts of sale with third parties (see Footnote 15). The Company completed the sale of the 35 held-for-sale operating properties during 2014 (these dispositions are included in Footnote 4 above). At December 31, 2014, the Company had no operating properties classified as held-for-sale.

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KIMCO REALTY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, continued

During 2013, the Company classified as held-for-sale 19 operating properties. The aggregate book value of these properties was $178.4 million, net of accumulated depreciation of $19.2 million. The Company recognized impairment charges of $25.2 million, after income taxes, on eight of these properties. The book value of the other properties did not exceed their estimated fair value, less costs to sell, and as such no impairment charges were recognized. The Company's determination of the fair value for each property, aggregating $158.6 million, was based upon executed contracts of sale with third parties (see Footnote 15). In addition, the Company completed the sale of 15 held-for-sale operating properties during the year ended December 31, 2013, one of which was classified as held-for-sale during 2012 (these dispositions are included in Footnote 4 above). At December 31, 2013, the Company had five remaining operating properties classified as held-for-sale at a carrying amount of $70.3 million, net of accumulated depreciation of $8.1 million, which were included in Other assets on the Company's Consolidated Balance Sheets. The Company completed the sale of the five remaining properties during 2014.

6. Impairments:

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

During 2013, the Company began selling properties within its Latin American portfolio as part of its overall strategy to exit these markets and during 2014 the Company substantially liquidated its investment in Mexico, which resulted in the release of a cumulative foreign currency translation loss. Additionally, during 2014, the Company implemented a plan to accelerate the disposition of certain U.S. properties. These disposition plans effectively shortened the Company's anticipated hold period for these properties and as a result the Company recognized impairment charges on various consolidated operating properties (See Footnote 15 for fair value disclosure).

The Company's efforts to market certain assets and management's assessment as to the likelihood and timing of such potential transactions and/or the property hold period caused the Company to recognize impairment charges for the years ended December 31, 2015, 2014 and 2013 as follows (in millions):

	2015	2014	2013
Impairment of property carrying values* (1) (2) (3)	$30.3	$33.3	$18.6
Investments in other real estate investments* (4)	5.3	1.7	2.9
Marketable securities and other investments* (5)	9.8	4.8	10.7
Total Impairment charges included in operating expenses	45.4	39.8	32.2
Cumulative foreign currency translation loss included in discontinued operations (6)	-	92.9	5.1
Impairment of property carrying values included in discontinued operations**	0.1	85.1	152.9
Total gross impairment charges	45.5	217.8	190.2
Noncontrolling interests	(5.6)	(0.4)	(10.6)
Income tax benefit included in discontinued operations	-	(1.7)	(14.8)
Income tax benefit	(9.0)	(6.1)	(7.6)
Total net impairment charges	$30.9	$209.6	$157.2

* See Footnote 15 for additional disclosure on fair value

**See Footnotes 4 & 5 above for additional disclosure

(1) During 2015, the Company recognized aggregate impairment charges of $30.3 million, before an income tax benefit of $5.4 million and noncontrolling interests of $5.6 million, primarily related to sale of certain operating properties and adjustments to property carrying values in connection with the Company's efforts to market certain properties and management's assessment as to the likelihood and timing of such potential transactions and the anticipated hold period for such properties.

(2) During 2014, the Company recognized aggregate impairment charges of $33.3 million, before an income tax benefit of $6.1 million and noncontrolling interests of $0.3 million, primarily related to adjustments to property carrying values in connection with the Company's efforts to market certain properties and management's assessment as to the likelihood and timing of such potential transactions and the anticipated hold period for such properties.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, continued

(3) During 2013, the Company recorded $18.6 million, before an income tax benefit of $7.6 million and noncontrolling interests of $1.0 million, in impairment charges primarily related to two land parcels and four operating properties based upon purchase prices or purchase price offers.

(4) Impairment charges primarily based upon review of residual values, sales prices and debt maturity status and the likelihood of foreclosure of certain underlying properties within the Company's preferred equity investments, during 2015, 2014 and 2013. The Company believes it will not recover its investment in certain preferred equity investments and as such recorded full impairments on these investments.

(5) During 2015, 2014 and 2013, the Company reviewed the underlying cause of the decline in value of certain cost method investments, as well as the severity and the duration of the decline and determined that the decline was other-than-temporary. Impairment charges were recognized based upon the calculation of the investments' estimated fair value.

(6) Due to the substantial liquidation of its investment in Mexico, the Company recognized a loss from foreign currency translation related to consolidated properties in the amount of $92.9 million, before noncontrolling interest of $5.8 million. (See Footnote 22 for additional disclosure).

In addition to the impairment charges above, the Company recognized pretax impairment charges during 2015, 2014 and 2013 of $22.2 million, $54.5 million (including $47.3 million in cumulative foreign currency translation loss relating to the Company's substantial liquidation of its investment in Mexico), and $29.5 million, respectively, relating to certain properties held by various unconsolidated joint ventures in which the Company holds noncontrolling interests. These impairment charges are included in Equity in income of joint ventures, net in the Company's Consolidated Statements of Income (see Footnote 7).

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

7. Investment and Advances in Real Estate Joint Ventures:

The Company and its subsidiaries have investments and advances in various real estate joint ventures. These joint ventures are engaged primarily in the operation of shopping centers which are either owned or held under long-term operating leases. The Company and the joint venture partners have joint approval rights for major decisions, including those regarding property operations. As such, the Company holds noncontrolling interests in these joint ventures and accounts for them under the equity method of accounting. The table below presents joint venture investments for

which the Company held an ownership interest at December 31, 2015 and 2014 (in millions, except number of properties):

Venture	As of December 31, 2015 Average Ownership Interest	Number of Properties	GLA	Gross Real Estate	The Company's Investment	As of December 31, 2014 Average Ownership Interest	Number of Properties	GLA	Gross Real Estate	The Company's Investment
Prudential Investment Program ("KimPru" and "KimPru II") (1) (2)	15.0%	53	9.6	$2,531.6	$ 175.5	15.0%	60	10.6	$2,728.9	$ 178.6
Kimco Income Opportunity Portfolio ("KIR") (2)	48.6%	47	10.8	1,422.8	131.0	48.6%	54	11.5	1,488.2	152.1
Kimstone (2) (3)	33.3%	-	-	-	-	33.3%	39	5.6	1,098.7	98.1
BIG Shopping Centers (2)	50.1%	1	0.4	53.5	-	50.1%	6	1.0	151.6	-
Canada Pension Plan Investment Board("CPP") (2) (4)	55.0%	7	2.4	524.1	195.6	55.0%	7	2.4	504.0	188.9
Other Institutional Programs (2)	Various	8	1.1	248.0	5.2	Various	53	1.8	413.8	11.0
RioCan	50.0%	13	2.4	259.3	53.3	50.0%	45	9.3	1,205.8	159.8
Latin America (5)	Various	9	-	53.2	15.0	Various	13	0.1	91.2	24.4
Other Joint Venture Programs	Various	53	8.7	1,165.6	167.0	Various	60	9.5	1,401.2	224.3
Total		**191**	**35.4**	**$6,258.1**	**$ 742.6**		**337**	**51.8**	**$9,083.4**	**$ 1,037.2**

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

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

(3) During the year ended December 31, 2015, the Company purchased the remaining 66.7% interest in the 39-property Kimstone portfolio from Blackstone for a gross purchase price of $1.4 billion, including the assumption of $638.0 million in mortgage debt.

(4) During the years ended December 31, 2015 and 2014, CPP acquired land parcels for future development in Dania, FL, for $3.6 million and $62.8 million, respectively.

(5) Includes eight land parcels and one self-storage facility.

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The table below presents the Company's share of net income/(loss) for these investments which is included in the Company's Consolidated Statements of Income under Equity in income of joint ventures, net for the years ended December 31, 2015, 2014 and 2013 (in millions):

	Year Ended December 31,		
	2015	**2014**	**2013**
KimPru and KimPru II (1) (4)	$7.1	$8.1	$9.1
KIR (5)	41.0	26.5	25.3
Kimstone	0.7	2.0	3.6
BIG Shopping Centers (9)	2.4	22.5	3.0
CPP	9.6	7.1	5.8
Other Institutional Programs	1.6	4.3	7.6
RioCan	399.4	30.6	27.6
Latin America (6) (8)	(0.7)	(3.8)	103.1
Other Joint Venture Programs (2) (3) (7)	19.3	62.3	23.6
Total	**$480.4**	**$159.6**	**$208.7**

(1) During the year ended December 31, 2015, KimPru recognized aggregate impairment charges related to three properties which KimPru anticipates selling or being foreclosed on within the next year, therefore effectively shortening its anticipated hold period for these assets which resulted in the expected future cash flows being less than the carrying value. The Company's share of these impairment charges was $2.8 million.

(2) During September 2013, the Intown portfolio was sold and the Company maintained its guarantee on a portion of debt that was assumed by the buyer at closing. The transaction resulted in a deferred gain to the Company of $21.7 million due to the Company's continued involvement through its guarantee of the debt. On February 24, 2015, the outstanding debt balance was fully repaid by the buyer and as such, the Company was relieved of its related commitments and guarantee. As a result, the Company recognized the deferred gain of $21.7 million during the year ended December 31, 2015.

(3) During the year ended December 31, 2015, four joint ventures in which the Company holds noncontrolling interests recognized impairment charges relating to the pending sale of three properties and the pending foreclosure of one property. The Company's share of these impairment charges was $10.9 million, before income tax benefit.

(4) During the year ended December 31, 2014, KimPru recognized impairment charges of $21.4 million related to the decline in value of two operating properties. The Company had previously taken other-than-temporary impairment charges on its investment in KimPru and had allocated these impairment charges to the underlying assets of the KimPru joint ventures including a portion to these operating properties. As such, the Company's share of these

impairment charges was $2.4 million.

(5) During the year ended December 31, 2014, KIR recognized aggregate impairment charges of $5.0 million, of which the Company's share was $2.8 million, related to two properties which KIR subsequently sold.

(6) During the fourth quarter 2015, the Company liquidated its investment in Chile, which resulted in the release of a cumulative foreign currency translation gain of $0.8 million. Also, during the fourth quarter 2014, the Company substantially liquidated its investment in Mexico, which resulted in the release of a cumulative foreign currency translation loss of $47.3 million.

(7) During the year ended December 31, 2014, the Company received a distribution of $15.4 million from a joint venture that was in excess of its carrying value and as such, the Company recognized this amount as equity in income.

(8) During the year ended December 31, 2013, the Company was in advanced negotiations to sell 10 operating properties located throughout Mexico, which were held in unconsolidated joint ventures in which the Company held noncontrolling interests. Based upon the allocation of the selling price, the Company recorded its share of impairment charges of $9.4 million on six of these properties.

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

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, continued

The following tables provide a summary of properties and land parcels disposed of through the Company's real estate joint ventures or transferred interest to joint venture partners during the years ended December 31, 2015, 2014 and 2013. These transactions resulted in an aggregate net gain to the Company of $380.6 million, $96.0 million and $108.7 million, before income taxes, for the years ended December 31, 2015, 2014 and 2013, respectively, and which are included in Equity in income of joint ventures, net on the Company's Consolidated Statements of Income:

	Year Ended December 31, 2015		
	Number of properties	**Number of land parcels**	**Aggregate sales price (in millions)**
KimPru and KimPru II	7	1	$ 143.5
KIR	5	-	$ 84.6
BIG Shopping Centers	4	-	$ 75.0
Other Institutional Programs (1)	44	-	$ 171.5
RioCan (3)	32	1	$ 1,390.4
Latin America	4	9	$ 16.2
Other Joint Venture Programs (2)	6	-	$ 123.7

(1) The Company acquired the remaining interest in two of these properties. See Footnote 3 for the operating properties acquired by the Company.

(2) The Company acquired the remaining interest in two of these properties and entered into an agreement to acquire the remaining interest in one of these properties. See Footnote 3 for the operating properties acquired by the Company.

(3) The Company sold its interest in 32 operating properties and one land parcel which resulted in an aggregate gain to the Company of $373.8 million (CAD $493.9 million). The aggregate sales price does not reflect the consideration received, but rather represents the full implied fair value of the assets sold determined by the proportionate share of the interest acquired.

Year Ended December 31, 2014

Aggregate

	Number of properties	Number of land parcels	sales price (in millions)
KIR	3	-	$ 19.7
BIG Shopping Centers (1)	15	-	$ 166.6
Other Institutional Programs (2)	28	-	$ 846.6
Latin America	14	-	$ 324.5
Other Joint Venture Programs (3)	19	-	$ 252.0

(1) The Company acquired the remaining interest in seven of these properties. See Footnote 3 for the operating properties acquired by the Company.
(2) The Company acquired the remaining interest in 26 of these properties. See Footnote 3 for the operating properties acquired by the Company.
(3) The Company acquired the remaining interest in one of these properties. See Footnote 3 for the operating properties acquired by the Company.

	Year Ended December 31, 2013		
	Number of properties	Number of land parcels	Aggregate sales price (in millions)
KimPru and KimPru II (1)	1	-	$ 15.8
KIR	1	-	$ 30.0
Other Institutional Programs (2)	2	-	$ 46.9
Latin America	104	-	$ 945.4
Other Joint Venture Programs (3)	9	-	$ 1,095.9

(1) The Company acquired the remaining interest in this property.
(2) The Company acquired the remaining interest in these two properties.
(3) The Company acquired the remaining interest in two of these properties.

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KIMCO REALTY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, continued

The table below presents debt balances within the Company's joint venture investments for which the Company held noncontrolling ownership interests at December 31, 2015 and 2014 (dollars in millions):

	As of December 31, 2015				As of December 31, 2014			
Venture	Mortgages and Notes Payable	Average Interest Rate		Average Remaining Term (months)**	Mortgages and Notes Payable	Average Interest Rate		Average Remaining Term (months)**
KimPru and KimPru II	$777.1	5.54	%	12.6	$920.0	5.53	%	23.0
KIR	811.6	4.64	%	62.3	860.7	5.04	%	61.9
Kimstone	-	-		-	701.3	4.45	%	28.7
BIG Shopping Centers	54.5	5.45	%	10.1	144.6	5.52	%	22.0
CPP	109.9	5.25	%	3.5	112.0	5.05	%	10.1
Other Institutional Programs	163.9	4.74	%	24.0	272.9	5.21	%	23.5
RioCan	87.5	5.02	%	11.0	640.5	4.29	%	39.9
Other Joint Venture Programs	794.6	5.26	%	47.6	921.9	5.31	%	58.6
Total	$2,799.1				$4,573.9			

** Average remaining term includes extensions

Summarized financial information for the Company's investment and advances in real estate joint ventures is as follows (in millions):

	December 31,	
	2015	2014
Assets:		
Real estate, net	$4,855.5	$7,422.0
Other assets	252.2	312.6
	$5,107.7	$7,734.6

Liabilities and Partners'/Members' Capital:		
Notes and mortgages payable	$2,770.1	$4,553.1
Construction loans	29.0	21.0
Other liabilities	16.2	120.5
Noncontrolling interests	92.5	21.4
Partners'/Members' capital	2,199.9	3,018.6
	$5,107.7	$7,734.6

	Year Ended December 31,		
	2015	**2014**	**2013**
Revenues from rental property	$842.5	$1,059.9	$1,280.2
Operating expenses	(265.9)	(333.5)	(410.3)
Interest expense	(202.8)	(247.3)	(316.4)
Depreciation and amortization	(191.9)	(260.0)	(298.8)
Impairment charges	(63.4)	(23.1)	(32.3)
Other income/(expense), net	4.4	(14.4)	(16.2)
	(719.6)	(878.3)	(1,074.0)
Income from continuing operations	122.9	181.6	206.2
Discontinued Operations:			
Income from discontinued operations	-	2.8	14.1
Impairment on dispositions of properties	-	(3.8)	(14.8)
Gain on dispositions of properties	-	471.1	229.5
	-	470.1	228.8
Gain on sale of operating properties	1,166.7	-	-
Net income	**$1,289.6**	**$651.7**	**$435.0**

Other liabilities included in the Company's accompanying Consolidated Balance Sheets include accounts with certain real estate joint ventures totaling $12.6 million and $40.3 million at December 31, 2015 and 2014, respectively. The Company and its subsidiaries have varying equity interests in these real estate joint ventures, which may differ from their proportionate share of net income or loss recognized in accordance with GAAP.

The Company's maximum exposure to losses associated with its unconsolidated joint ventures is primarily limited to its carrying value in these investments. Generally, such investments contain operating properties and the Company has determined these entities do not contain the characteristics of a VIE. As of December 31, 2015 and 2014, the Company's carrying value in these investments is $742.6 million and $1.04 billion, respectively.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, continued

8. Other Real Estate Investments:

Preferred Equity Capital –

The Company previously provided capital to owners and developers of real estate properties through its Preferred Equity program. As of December 31, 2015, the Company’s net investment under the Preferred Equity program was $199.9 million relating to 421 properties, including 385 net leased properties. For the year ended December 31, 2015, the Company earned $27.0 million from its preferred equity investments, including $9.3 million in profit participation earned from nine capital transactions. For the year ended December 31, 2014, the Company’s net investment under the Preferred Equity program was $229.1 million relating to 443 properties, including 385 net leased properties. For the year ended December 31, 2014, the Company earned $37.2 million from its preferred equity investments, including $18.6 million in profit participation earned from six capital transactions.

During 2007, the Company invested $81.7 million of preferred equity capital in an entity which was comprised of 403 net leased properties (“Net Leased Portfolio”) which consisted of 30 master leased pools with each pool leased to individual corporate operators. Each master leased pool is accounted for as a direct financing lease. These properties consist of a diverse array of free-standing restaurants, fast food restaurants, convenience and auto parts stores. As of December 31, 2015, the remaining 385 properties (referenced above) were encumbered by third party loans aggregating $299.1 million with interest rates ranging from 5.08% to 10.47% with a weighted-average interest rate of 9.2% and maturities ranging from five months to six years. The Company recognized $15.3 million, $14.5 million and $13.2 million in equity in income from this investment during the years ended December 31, 2015, 2014 and 2013, respectively.

The Company’s maximum exposure to losses associated with its preferred equity investments is primarily limited to its invested capital. As of December 31, 2015 and 2014, the Company’s invested capital in its preferred equity investments approximated $199.9 million and $229.1 million, respectively.

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

	December 31,	
	2015	2014
Assets:		
Real estate, net	$258.0	$456.9
Other assets	628.3	666.6
	$886.3	$1,123.5
Liabilities and Partners'/Members' Capital:		
Notes and mortgages payable	$563.7	$767.6
Other liabilities	12.9	21.6
Partners'/Members' capital	309.7	334.3
	$886.3	$1,123.5

	Year Ended December 31,		
	2015	2014	2013
Revenues from rental property	$122.1	$146.0	$159.5
Operating expenses	(35.6)	(47.0)	(34.8)
Interest expense	(35.7)	(47.1)	(55.2)
Depreciation and amortization	(11.4)	(19.2)	(24.0)
Other expense, net	(9.2)	(7.2)	(7.1)
Income from continuing operations	30.2	25.5	38.4
Discontinued Operations:			
Gain on disposition of properties	-	31.5	20.8
	-	31.5	20.8
Gain on sale of operating properties	6.0	-	-
Net income	**$36.2**	**$57.0**	**$59.2**

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Kimsouth

Kimsouth Realty Inc. ("Kimsouth") is a wholly-owned subsidiary of the Company. KRS AB Acquisition, LLC (the "ABS Venture") is a wholly-owned subsidiary of Kimsouth that has a noncontrolling interest in AB Acquisition, LLC ("AB Acquisition"), a joint venture which owns Albertsons Inc. ("Albertsons") and NAI Group Holdings Inc. ("NAI"). The Company holds a controlling interest in the ABS Venture and consolidates this entity.

During January 2015, two new noncontrolling members were admitted into the ABS Venture, including Colony Capital, Inc. and affiliates ("Colony"), after which the Company contributed $85.3 million and the two noncontrolling members contributed an aggregate $105.0 million, of which Colony contributed $100.0 million, to the ABS Venture, which was subsequently contributed to AB Acquisition to facilitate the acquisition of all of the outstanding shares of Safeway Inc. ("Safeway"). As a result of this transaction, the ABS Venture now holds a combined 14.35% interest in AB Acquisition, of which the Company holds a combined 9.8% ownership interest and Colony holds a 4.3% ownership interest. Richard B. Saltzman, a member of the Board of Directors of the Company, is the chief executive officer, president and a director of Colony Capital, Inc. The combined company of Albertsons, NAI and Safeway operates over 2,200 grocery stores across 33 states. The Company continues to consolidate the ABS Venture as there was no change in control following the admission of the members described above. As such, the Company recorded (i) the gross investment in Safeway of $190.3 million in Other assets on the Company's Consolidated Balance Sheets and accounts for this investment under the cost method of accounting (ii) a noncontrolling interest of $65.0 million and (iii) an increase in Paid-in capital of $24.0 million, net of a deferred tax effect of $16.0 million, representing the amount contributed by the newly admitted members in excess of their proportionate share of the historic book value of the net assets of ABS Venture.

Leveraged Lease

The Company held a 90% equity participation interest in a leverage lease of 11 properties which were encumbered by third-party non-recourse debt of $11.2 million. During the year ended December 31, 2015, the Company sold its leveraged lease interest for a gross sales price of $22.0 million and recognized a gain of $2.1 million in connection with the transaction, which is included in Equity in income of other real estate investments, net on the Company's Consolidated Statements of Income.

At December 31, 2014, the Company's net investment in the leveraged lease consisted of the following (in millions):

	2014
Remaining net rentals	$8.3
Estimated unguaranteed residual value	30.3
Non-recourse mortgage debt	(10.1)
Unearned and deferred income	(12.9)
Net investment in leveraged lease	$15.6

9. Variable Interest Entities:

Consolidated Ground-Up Development Projects

Included within the Company's ground-up development projects at December 31, 2015, is an entity that is a VIE, for which the Company is the primary beneficiary. This entity was established to develop real estate property to hold as a long-term investment. The Company's involvement with this entity is through its majority ownership and management of the property. This entity was deemed a VIE primarily based on the fact that the equity investment at risk is not sufficient to permit the entity to finance its activities without additional financial support. The initial equity contributed to this entity was not sufficient to fully finance the real estate construction as development costs are funded by the partners throughout the construction period. The Company determined that it was the primary beneficiary of this VIE as a result of its controlling financial interest.

At December 31, 2015, total assets of this ground-up development VIE were $78.4 million and total liabilities were $0.1 million. The classification of these assets is primarily within Real estate under development in the Company's Consolidated Balance Sheets and the classifications of liabilities are primarily within Accounts payable and accrued expenses on the Company's Consolidated Balance Sheets.

KIMCO REALTY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, continued

Substantially all of the projected development costs to be funded for this ground-up development VIE, aggregating $17.4 million, will be funded with capital contributions from the Company and by the outside partners, when contractually obligated. The Company has not provided financial support to this VIE that it was not previously contractually required to provide.

Unconsolidated Redevelopment Investment

Included in the Company's joint venture investments at December 31, 2015, is one unconsolidated joint venture, which is a VIE for which the Company is not the primary beneficiary. This joint venture was primarily established to redevelop real estate property for long-term investment and was deemed a VIE primarily based on the fact that the equity investment at risk was not sufficient to permit the entity to finance its activities without additional financial support. The initial equity contributed to this entity was not sufficient to fully finance the real estate construction as redevelopment costs are funded by the partners throughout the construction period. The Company determined that it was not the primary beneficiary of this VIE based on the fact that the Company has shared control of this entity along with the entity's partners and therefore does not have a controlling financial interest.

As of December 31, 2015, the Company's investment in this VIE was a negative $7.4 million, due to the fact that the Company had a remaining capital commitment obligation, which is included in Other liabilities in the Company's Consolidated Balance Sheets. The Company's maximum exposure to loss as a result of its involvement with this VIE is estimated to be $7.4 million, which is the remaining capital commitment obligation. The Company has not provided financial support to this VIE that it was not previously contractually required to provide. All future costs of redevelopment will be funded with capital contributions from the Company and the outside partner in accordance with their respective ownership percentages.

10. Mortgages and Other Financing Receivables:

The Company has various mortgages and other financing receivables which consist of loans acquired and loans originated by the Company. For a complete listing of the Company's mortgages and other financing receivables at December 31, 2015, see Financial Statement Schedule IV included in this annual report on Form 10-K.

The following table reconciles mortgage loans and other financing receivables from January 1, 2013 to December 31, 2015 (in thousands):

	2015	2014	2013
Balance at January 1	$74,013	$30,243	$70,704
Additions:			
New mortgage loans	5,730	52,728	8,527
Additions under existing mortgage loans	-	-	7,810
Write-off of loan discounts	-	286	-
Amortization of loan discounts	112	126	653
Deductions:			
Loan repayments	(53,646)	(7,330)	(28,068)
Loan foreclosures	-	-	(25,572)
Charge off/foreign currency translation	(884)	(1,066)	(1,260)
Collections of principal	(1,499)	(972)	(2,529)
Amortization of loan costs	(2)	(2)	(22)
Balance at December 31	$23,824	$74,013	$30,243

The Company reviews payment status to identify performing versus non-performing loans. As of December 31, 2015, the Company had a total of 12 loans, all of which were identified as performing loans.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, continued

11. Marketable Securities:

The amortized cost and estimated fair values of securities available-for-sale and held-to-maturity at December 31, 2015 and 2014, are as follows (in thousands):

	December 31, 2015		
	Amortized Cost	Gross Unrealized Gains/Losses	Estimated Fair Value
Available-for-sale:			
Equity securities	$5,511	$ 398	$ 5,909
Held-to-maturity:			
Debt securities	1,656	(1)	1,655
Total marketable securities	$7,167	$ 397	$ 7,564

	December 31, 2014		
	Amortized Cost	Gross Unrealized Gains/Losses	Estimated Fair Value
Available-for-sale:			
Equity securities	$41,462	$ 46,197	$ 87,659
Held-to-maturity:			
Debt securities	2,576	(200)	2,376
Total marketable securities	$44,038	$ 45,997	$ 90,035

During 2015, 2014 and 2013, the Company received $76.2 million, $3.8 million and $26.4 million in proceeds from the sale or redemption of certain marketable securities, respectively. In connection with these transactions, during 2015, 2014 and 2013, the Company recognized $39.9 million of realizable gains, $0.1 million of realizable losses and $12.1 million of realizable gains, respectively.

As of December 31, 2015, the contractual maturities of debt securities classified as held-to-maturity are within the next five years. Actual maturities may differ from contractual maturities as issuers may have the right to prepay debt obligations with or without prepayment penalties.

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KIMCO REALTY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, continued

12. Notes Payable:

As of December 31, 2015 and 2014 the Company's Notes Payable consisted of the following (dollars in millions):

	Balance at 12/31/15	Interest Rate Range (Low)	Interest Rate Range (High)	Maturity Date Range (Low)	Maturity Date Range (High)
Senior Unsecured Notes	$2,290.9	3.13%	6.88%	May-2017	Apr-2045
Medium Term Notes	600.0	4.30%	5.78%	Mar-2016	Feb-2018
U.S. Term Loan (a)	650.0	(a)	(a)	Jan-2017	Jan-2017
Canadian Notes Payable	251.8	3.86%	5.99%	Apr-2018	Aug-2020
Credit Facility (b)	-	(b)	(b)	Apr-2018	Apr-2018
Deferred financing costs, net (c)	(31.4)	-	-	-	-
	$3,761.3				

	Balance at 12/31/14	Interest Rate Range (Low)	Interest Rate Range (High)	Maturity Date Range (Low)	Maturity Date Range (High)
Senior Unsecured Notes	$1,540.9	3.13%	6.88%	Sep-2015	Jun-2023
Medium Term Notes	850.0	4.30%	5.78%	Feb-2015	Feb-2018
U.S. Term Loan (d)	400.0	(d)	(d)	Apr-2015	Apr-2015
Canadian Notes Payable	301.3	3.86%	5.99%	Apr-2018	Aug-2020
Credit Facility (b)	100.0	(b)	(b)	Apr-2018	Apr-2018
Deferred financing costs, net (c)	(20.5)	-	-	-	-
	$3,171.7				

(a) Interest rate is equal to LIBOR + 0.95% (1.37% at December 31, 2015).

(b) Interest rate is equal to LIBOR + 0.925% (1.35% and 1.09% at December 31, 2015 and 2014, respectively).

(c) In April 2015, the FASB issued ASU 2015-03, which requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. Beginning in its fiscal year 2015, the Company elected to early adopt ASU 2015-03 and retrospectively applied the guidance to its Notes Payable to all periods presented.

(d) Interest rate is equal to LIBOR + 1.05% (1.21% at December 31, 2014).

The weighted-average interest rate for all unsecured notes payable is 3.88% as of December 31, 2015. The scheduled maturities of all unsecured notes payable excluding unamortized debt issuance costs of $31.4 million, as of December 31, 2015, were as follows (in millions): 2016, $300.0; 2017, $940.9; 2018, $407.9; 2019, $300.0; 2020, $143.9 and thereafter, $1,700.0.

KIMCO REALTY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, continued

Senior Unsecured Notes / Medium Term Notes –

The Company’s supplemental indentures governing its Medium Term Notes (“MTN”) and Senior Unsecured Notes contain covenants whereby the Company is subject to maintaining (a) certain maximum leverage ratios on both unsecured senior corporate and secured debt, minimum debt service coverage ratios and minimum equity levels, (b) certain debt service ratios and (c) certain asset to debt ratios. In addition, the Company is restricted from paying dividends in amounts that exceed by more than $26.0 million the funds from operations, as defined, generated through the end of the calendar quarter most recently completed prior to the declaration of such dividend; however, this dividend limitation does not apply to any distributions necessary to maintain the Company's qualification as a REIT providing the Company is in compliance with its total leverage limitations. The Company was in compliance with all of the covenants as of December 31, 2015.

The Company had a MTN program pursuant to which it offered for sale its senior unsecured debt for any general corporate purposes, including (i) funding specific liquidity requirements in its business, including property acquisitions, development and redevelopment costs and (ii) managing the Company's debt maturities.

Interest on the Company’s fixed-rate senior unsecured notes and medium term notes is payable semi-annually in arrears. Proceeds from these issuances were primarily used for the acquisition of shopping centers, the expansion and improvement of properties in the Company’s portfolio and the repayment of certain debt obligations of the Company.

During October 2015, the Company issued $500.0 million of seven-year Senior Unsecured Notes at an interest rate of 3.40% payable semi-annually in arrears which are scheduled to mature in November 2022. The Company used the net proceeds of approximately $493.0 million, after the underwriting discount and related offering costs, from the offering for general corporate purposes including to pre-fund near-term debt maturities and partially reduce borrowings under the Company’s revolving credit facility.

During March 2015, the Company issued $350.0 million of 30-year Senior Unsecured Notes at an interest rate of 4.25% payable semi-annually in arrears which are scheduled to mature in April 2045. The Company used the net proceeds from the issuance of $342.7 million, after the underwriting discount and related offering costs, for general

corporate purposes including to pre-fund near-term debt maturities and partially reduce borrowings under the Company's revolving credit facility.

During April 2014, the Company issued $500.0 million of 7-year Senior Unsecured Notes at an interest rate of 3.20% payable semi-annually in arrears which are scheduled to mature in May 2021. The Company used the net proceeds from this issuance of $495.4 million, after deducting the underwriting discount and offering expenses, for general corporate purposes including reducing borrowings under the Company's revolving credit facility and repayment of maturing debt. In connection with this issuance, the Company entered into a seventh supplemental indenture which, among other things, revised, for all securities created on or after the date of the seventh supplemental indenture, the definition of Unencumbered Total Asset Value, used to determine compliance with certain covenants within the indenture.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, continued

During the years ended December 31, 2015 and 2014, the Company repaid the following notes (dollars in millions):

Type	**Date Issued**	**Amount Repaid**	**Interest Rate**	**Maturity Date**	**Date Paid**
MTN	Nov-05	$ 150.0	5.584%	Nov-15	Nov-15
Senior Note	Oct-06	$ 100.0	5.25%	Sep-15	Sep-15
MTN	Feb-05	$ 100.0	4.904%	Feb-15	Feb-15
MTN	Jun-05	$ 194.6	4.82%	Jun-14	Jun-14
Senior Note	Oct-06	$ 100.0	5.95%	Jun-14	Jun-14

Credit Facility –

The Company has a $1.75 billion unsecured revolving credit facility (the "Credit Facility") with a group of banks, which is scheduled to expire in March 2018 with two additional six month options to extend the maturity date, at the Company's discretion, to March 2019. The Credit Facility, which can be increased to $2.25 billion through an accordion feature, accrues interest at a rate of LIBOR plus 92.5 basis points (1.35% as of December 31, 2015) on drawn funds. In addition, the Credit Facility includes a $500 million sub-limit which provides the Company the opportunity to borrow in alternative currencies including Canadian Dollars, British Pounds Sterling, Japanese Yen or Euros. Pursuant to the terms of the Credit Facility, the Company, among other things, is subject to covenants requiring the maintenance of (i) maximum leverage ratios on both unsecured and secured debt and (ii) minimum interest and fixed coverage ratios. The Company was in compliance with all of the covenants as of December 31, 2015. As of December 31, 2015, the Credit Facility had no balance outstanding and $0.9 million appropriated for letters of credit.

U.S. Term Loan -

During January 2015, the Company entered into a new $650.0 million unsecured term loan ("Term Loan") which has an initial maturity date in January 2017 (with three one-year extension options at the Company's discretion) and accrues interest at a spread (currently 95 basis points) to LIBOR or at the Company's option at a base rate as defined per the agreement (1.37% at December 31, 2015). The proceeds from the Term Loan were used to repay the Company's

$400.0 million term loan, which was scheduled to mature in April 2015 (with two additional one-year extension options) and bore interest at LIBOR plus 105 basis points, and for general corporate purposes. Pursuant to the terms of the credit agreement for the Term Loan, the Company, among other things, is subject to covenants requiring the maintenance of (i) maximum indebtedness ratios and (ii) minimum interest and fixed charge coverage ratios. The Company was in compliance with all of the covenants as of December 31, 2015.

13. Mortgages Payable:

During 2015, the Company (i) assumed $835.2 million of individual non-recourse mortgage debt relating to the acquisition of 38 operating properties, including an increase of $27.6 million associated with fair value debt adjustments and (ii) paid off $557.0 million of mortgage debt (including fair market value adjustment of $1.4 million) that encumbered 27 operating properties.

During 2014, the Company (i) assumed $742.0 million of individual non-recourse mortgage debt relating to the acquisition of 53 operating properties, including an increase of $39.4 million associated with fair value debt adjustments (ii) paid off $328.0 million of mortgage debt that encumbered 21 operating properties and (iii) obtained $15.7 million of individual non-recourse debt relating to one operating property.

Mortgages payable, collateralized by certain shopping center properties and related tenants' leases, are generally due in monthly installments of principal and/or interest, which mature at various dates through 2031. Interest rates range from LIBOR plus 170 basis points (2.12% as of December 31, 2015) to 9.75% (weighted-average interest rate of 5.62% as of December 31, 2015). The scheduled principal payments (excluding any extension options available to the Company) of all mortgages payable, excluding unamortized fair value debt adjustments of $42.6 million and unamortized debt issuance costs of $3.2 million, as of December 31, 2015, were as follows (in millions): 2016, $490.5; 2017, $571.5; 2018, $137.3; 2019, $14.4; 2020, $99.6 and thereafter, $262.3.

KIMCO REALTY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, continued