

CONTACTS

ACQUISITIONS

Barry Carty

VP, East Coast Acquisitions
561.347.6522
bcarty@federalrealty.com

Jeffrey R. Chambers

Senior Director Development & Acquisitions
310.414.5286
jchambers@federalrealty.com



Santana Row
San Jose, Calif.

REIT FAQs⁽³⁾

WHAT IS A REIT?

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

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

WHAT TYPES OF PROPERTIES DO REITS INVEST IN?

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

HOW ARE REITS MANAGED?

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

HOW ARE REIT STOCKS VALUED?

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

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

WHY SHOULD I INVEST IN REITS?

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

REITs offer investors:

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

HOW DO I INVEST IN A REIT?

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

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



FEDERAL REALTY INVESTMENT TRUST

Fall 2011

Federal Realty Investment Trust specializes in the ownership, management and redevelopment of high-quality retail assets, including shopping centers and urban, mixed-use properties. Federal Realty's portfolio is located primarily in strategically selected metropolitan markets in the Northeast, Mid-Atlantic, and California.

Headquartered in Rockville, Md., Federal Realty owns a high-quality portfolio of properties in the retail REIT sector. The portfolio's strong demographics are unequaled, with an average household income of \$98,000 and population of 132,000 within a three-mile radius of Federal Realty properties.⁽¹⁾

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

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

Over its 49-year history, Federal Realty has produced an outstanding track record, including growth in dividends per share. The Trust has paid quarterly dividends to its shareholders continuously since its founding in 1962, and has increased its dividend rate for 44 consecutive years, the longest consecutive record in the REIT industry.

Overview

- An equity real estate investment trust (REIT) founded in 1962, one of the oldest public REITs
- Fully integrated real estate company focused on the ownership, management and redevelopment of high-quality retail properties, including shopping centers and urban, mixed-use properties
- Headquarters: Rockville, Md.
Regional Offices: San Jose, Calif.; Boston, Mass.; Philadelphia, Pa.; Boca Raton, Fla.
- 85 predominantly retail real estate projects, totaling approximately 18.6 million s.f. (excluding joint venture properties)
- Seven retail projects totaling 1 million s.f. in our real estate joint venture in which the Trust has a 30% interest
- Rated BBB+ by Standard & Poor's, Baa1 by Moody's, and BBB+ by Fitch Ratings

Solid Performance

- Paid quarterly dividends to shareholders continuously since 1962
- Increased dividend rate for 44 consecutive years, the longest consecutive record in the REIT industry



MARKET PROFILE

as of September 30, 2011

WITHIN A THREE-MILE RADIUS OF FEDERAL REALTY PROPERTIES ⁽¹⁾

PRIMARY MARKET	FEDERAL REALTY SQUARE FOOTAGE	POPULATION	AVG. HOUSEHOLD INCOME
Washington, D.C., Metropolitan	5.2 million	129,000	\$ 113,000
California	2.6 million	187,000	\$ 116,000
Philadelphia Metropolitan	2.4 million	99,000	\$ 91,000
New York/New Jersey	2.3 million	252,000	\$ 110,000
New England	1.4 million	148,000	\$ 103,000
Baltimore	1.1 million	95,000	\$ 66,000
South Florida	0.7 million	88,000	\$ 83,000
Other	2.9 million	82,000	\$ 80,000
Total ⁽²⁾	18.6 million	132,000	\$ 98,000

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



Bethesda Row
Bethesda, Md.

TOP 10 TENANTS

as of September 30, 2011

RANK	TENANT NAME	PERCENTAGE OF TOTAL ANNUALIZED BASE RENT	NUMBER OF STORES LEASED
1	Bed Bath & Beyond, Inc.	2.62%	15
2	Ahold USA, Inc.	2.33%	11
3	TJX Companies	2.08%	17
4	Gap, Inc.	1.82%	12
5	CVS Corporation	1.63%	18
6	Safeway, Inc.	1.40%	7
7	Barnes & Noble, Inc.	1.19%	9
8	L.A. Fitness International, LLC	1.09%	5
9	Best Buy Stores, Inc.	0.98%	4
10	DSW, Inc.	0.95%	6



Pentagon Row
Arlington, Va.



Tower Shops
Davie, Fla.



Escondido Promenade
Escondido, Calif.



Eastgate
Chapel Hill, N.C.

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

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

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

We are Federal Realty.

Shareholder Information and Services

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

DIVIDEND REINVESTMENT AND SHARE PURCHASE PLAN

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

AUTOMATIC CASH INVESTMENT AND DIRECT DEPOSIT

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

ENROLLMENT

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

INTERNET

www.federalrealty.com

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

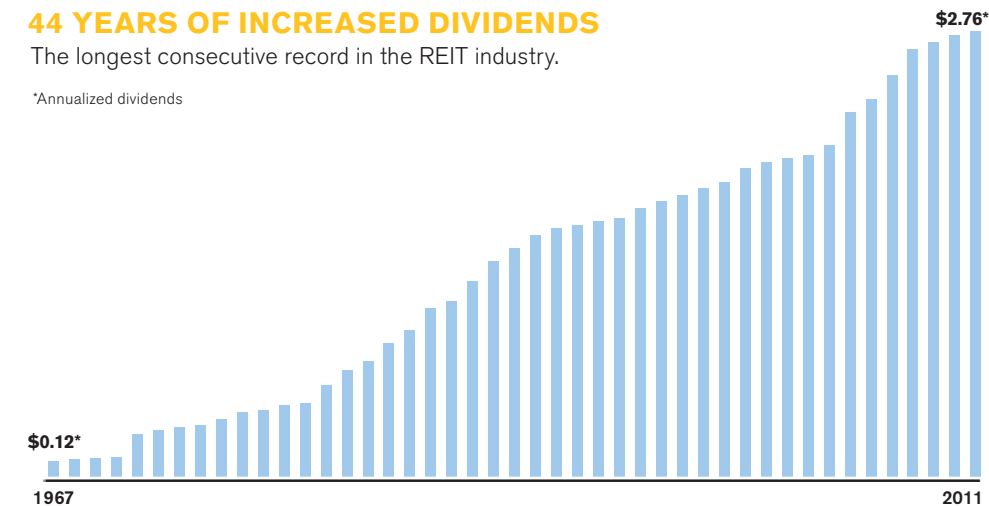
INVESTOR RELATIONS CONTACT

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

44 YEARS OF INCREASED DIVIDENDS

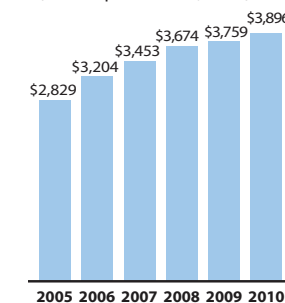
The longest consecutive record in the REIT industry.

*Annualized dividends



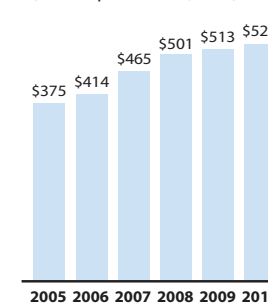
REAL ESTATE ASSETS

(at cost, in millions)
(as of September 30, 2011)



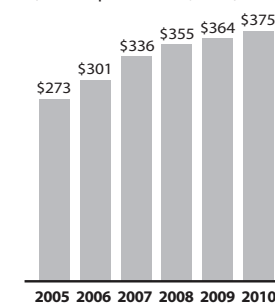
RENTAL INCOME

(in millions)
(as of September 30, 2011)



PROPERTY OPERATING INCOME

(in millions)
(as of September 30, 2011)



THIRD QUARTER 2011 RESULTS

- Funds from operations available for common shareholders (FFO) per diluted share was \$1.01 for the quarter ending September 30, 2011.
- Same-center property operating income increased 3.7% over third quarter 2010. Excluding redevelopment and expansions, same-center operating income increased 2.4% over third quarter 2010.
- Rent increases on lease rollovers of comparable retail space were 8% on a cash basis and 18% on a GAAP basis.
- The Trust's portfolio was 93.3% leased as of September 30, 2011.
- Guidance for 2011 FFO per diluted share was increased to a range of \$4.02 to \$4.04.
- Initial guidance for 2012 FFO per diluted share was provided at a range of \$4.16 to \$4.22.

IN THE NEWS

AUGUST 16, 2011 – Federal Realty Investment Trust announced that as of September 2011 Federal Realty will assume management of the Rockville Town Square parking garage, replacing the City of Rockville and creating a parking experience that is more effective for a shopping and dining destination in a vibrant downtown environment. Plans include enhancements to the overall parking experience with two-hours free parking with validation, state of the art parking equipment that allows customers to pay when they leave instead of upon arrival, better way-finding signage, and an overall updated look and feel.

SEPTEMBER 12, 2011 – Federal Realty Investment Trust finalized a lease to open a local, organic market at Rockville Town Square. The new grocer will operate under the name "Dawson's Market" and is slated to open in spring 2012, at the intersection of Beall Avenue and North Washington Street in Rockville, Maryland.

OCTOBER 11, 2011 – Federal Realty Investment Trust announced commencement of the installation of solar panels on 400,000 square feet of roof space and 112,000 square feet of ground area at four of the Trust's New Jersey properties, pending final zoning approvals. Roof-mounted panels will be installed at Brick Plaza and Troy Hills Shopping Center while both roof and ground-mounted panels will be installed at Mercer Mall and Ellensburg Circle.

OCTOBER 31, 2011 – Federal Realty closed on the sale of the three buildings on Newbury Street owned in its joint venture with an affiliate of Taurus Investment Holdings, LLC created in mid-2010. The sales price of \$44 million will result in a gain to Federal Realty of approximately \$12 million.