

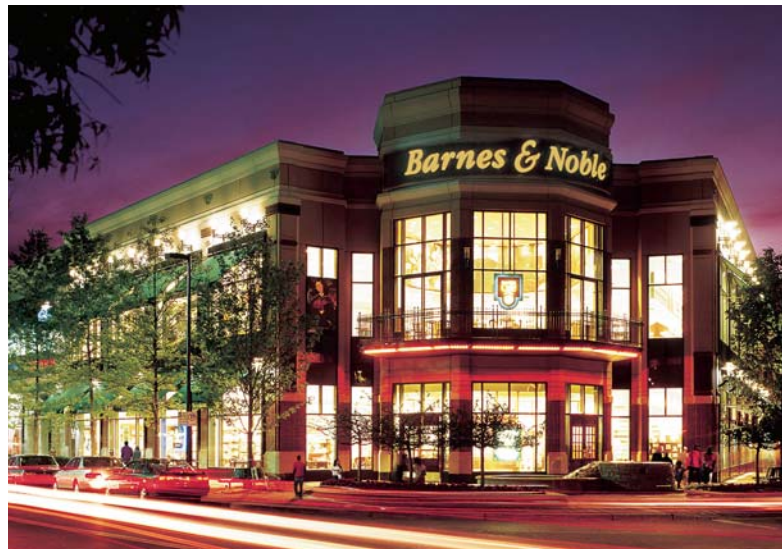


REITS

SHOPPING DEALS

“When a shopping center needs to be completely redone, we’re happy to do that because that’s our strength,” says Donald Wood, president and CEO of **Federal Realty Investment Trust (FRT)**, referring to the REIT’s acquisition strategy. “We use our own money, we’re taking the risks of redevelopment, and, as a result, the returns will be very strong.” The REIT says it also looks to acquire “stabilized” supermarket-anchored shopping centers that do not need to be overhauled. However, such deals leave “less room for upside” and would threaten Federal Realty’s same-store net operating income, which, at 3.7 percent, is the highest in its peer group, Wood adds. That, Federal Realty says, is why it formed a joint venture with Clarion Lion Properties Fund, which is managed by ING Clarion Partners, an **ING Groep NV (ING)** affiliate.

Federal Realty, which operates in the East Coast and California markets, says it has increased its common dividend for 37 consecutive years. Wood says the venture will acquire as much as \$350 million worth of supermarket-anchored shopping centers, with Clarion Lion owning 70 percent of acquisitions and Federal Realty owning 30 percent and earning fees for managing the assets. Federal Realty says that it gets smaller returns from these centers but invests less money and time. — *Mark Yarm*



FEDERAL REALTY'S JOINT VENTURE PLANS TO ACQUIRE AS MUCH AS \$350 MILLION WORTH OF SHOPPING CENTERS.

CREDIT TECH

FASTER FAST FOOD

When a consumer can charge a fast-food purchase instead of paying in cash, he or she tends to spend 10 to 20 percent more, estimates John J. McDonnell, chairman and CEO of **Transaction Network Services Inc. (TNS)**. However, the fast-food industry has resisted accepting credit or debit cards, citing slow dial-up processing and delays while customers sign receipts, he says. Transaction Network Services says it has responded with TransXpress Secure, a product whose always-on connection reportedly cuts the average electronic-transaction time from 10 seconds to four. The system operates between the card processor and the terminal in the store, and it allows retailers to process many types of cards through a single terminal at the register, McDonnell says. Transaction Network Services says several credit-card companies allow for smaller-dollar transactions to be completed without consumer signatures, which facilitates shorter waiting times and more transactions overall. Secure transactions are encrypted and transmitted over the Internet to card processors such as **Alliance Data Systems Corp. (ADS)**, **First Data Corp. (FDC)** and **Global Payments Inc. (GPN)**, McDonnell reports. “Convenience benefits the customer and the restaurants,” he adds. — *Mardy Fones*



THANKS TO TRANSACTION NETWORK SERVICES, CUSTOMERS CAN CHARGE THEIR FAST FOOD.

TICKER TAKES [HOBBIES] ▶

CRAFT-MAKING: MICHAELS STORES INC. (MIK) SOLD 1,238,851 POUNDS OF PAPER LAST YEAR — THE WEIGHT EQUIVALENT OF 119 FULL-GROWN ASIAN ELEPHANTS. ▶