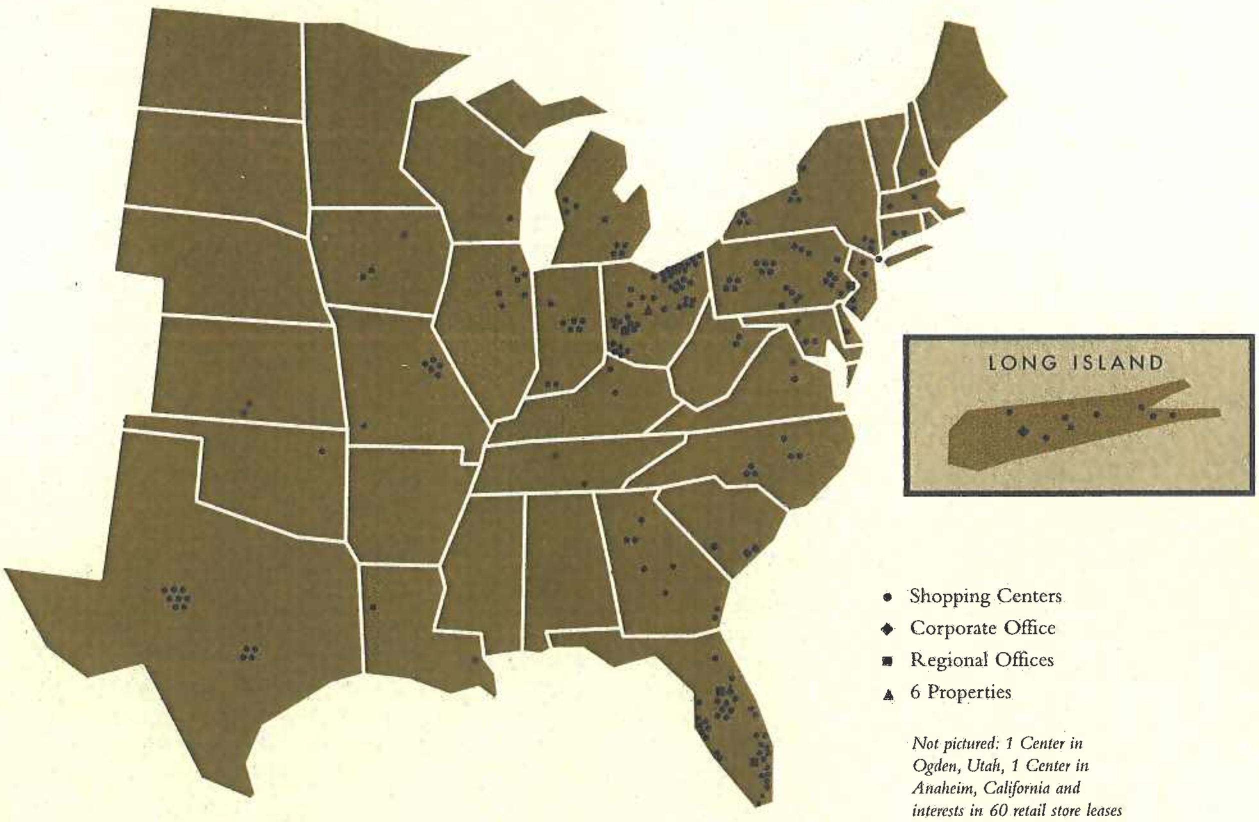
KIMCO REALTY

1995 ANNUAL REPORT

CORPORATION

KIMCO REALTY CORPORATION
SHOPPING CENTERS AND CORPORATE AND REGIONAL OFFICES



C O M P A N Y   P R O F I L E

Kimco Realty Corporation owns and operates the nation's largest publicly-traded portfolio of neighborhood and community shopping centers with interests in 253 properties comprising approximately 31 million square feet of leasable area in 38 states. The Company also manages an additional 27 properties comprising approximately 4 million square feet of leasable area. Since incorporation in 1966, the Company has specialized in the acquisition, development, and management of well-located centers with strong growth potential. Self-administered and self-managed, the Company's focus is to increase the cash flow and enhance the value of its shopping center properties through strategic re-tenanting, redevelopment, renovation and expansion, and to make selective acquisitions of neighborhood and community shopping centers which have below-market rate leases or other cash flow growth potential. The Company's common shares are traded on the New York Stock Exchange under the symbol KIM.

P O R T F O L I O   O F   P R O P E R T I E S   C

ity	Center Name	GLA
	CALIFORNIA	
naheim	Anaheim S.C.	15,306
	CONNECTICUT	
amden	Hamden Mart	341,502
'aterbury	Bradlees Plaza	136,153
	DELAWARE	
smere	Value City S.C.	111,600
	FLORIDA	
ltamonte Springs	Oshmans S.C.	94,193
oca Raton	Camino Square S.C.	73,549
radenton	Lakeside Plaza	26,700
oral Springs	Coral Square Promenade	41,063
. Pierce	Kmart Plaza	210,460
omestead	Homestead Towne Square	140,605
nsen Beach	Marketplace Square	169,589
issimmee	Vine Street Square	130,983
ake Barton	Miami Subs	2,800
argo (West)	Wal*Mart Plaza	150,240
argo (East)	Tri-City Plaza	215,036
argo (Central)	East Bay Junction	56,355
auderdale Lakes	Reef Plaza	107,514
auderhill	Baby Superstore Plaza	179,706
eesburg	Leesburg Shops	13,468
largate	Peppertree Plaza	257,638
lelbourne	NASA Plaza	168,797
lelbourne (North)	Northgate S.C.	132,468
liami	Grove Gate S.C.	104,968
liami	Coral Way Plaza	162,278
liami (SW Dade)	Miller Road S.C.	81,780
I. Miami Beach	Honey Hill S.C.	133,340
Iew Port Richey	Port Richey S.C.	9,000
)rlando	Century Plaza	129,036
)rlando (Central)	Grant Square	103,480
)rlando (East)	Sports Authority Plaza	124,798
)rlando (West)	Sun Plaza	114,434
)rlando (NE)	Fern Park Plaza	131,630
)rlando (South)	Sand Lake Plaza	232,554
alatka	Big Lots Plaza	75,296
inellas Park	Park Blvd. Promenade	119,355
lantation	Bread of Life Center	60,414
ompano Beach	Sample Plaza	63,838
iviera Beach	Riviera Square	46,390
anford	Seminole Center	301,406
arasota (Central)	South East Plaza	109,138
arasota (West)	Tuttle Bee Plaza	103,260
outh Miami	South Miami S.C.	62,083
t. Petersburg	Oak Tree Plaza	115,681
Vest Palm Beach	Baby Superstore Plaza	69,875
Vest Palm Beach	Belmart Plaza	74,326
Vinter Haven	Chain O'Lakes Plaza	88,400
	GEORGIA	
ugusta	Augusta Square	119,930
tlanta	Atlanta	165,314
orest Park	Forest Park Plaza	100,452
ainesville	Gainesville Towne Center	142,288
lacon	Macon Plaza	127,260
avannah	Savannah Square	88,480
avannah	Savannah Center	187,302
Varner Robins	Robins Plaza	101,230
	ILLINOIS	
ddison	Lake Street Plaza	93,289
loomington	Bloomington Commons	175,530
radley	Northfield Square Mall	80,300
lgin	Town & Country S.C.	178,539
eneva	Venture S.C.	104,000

City	Center Name	GLA
Ottawa	Value City S.C.	60,000
	INDIANA	
Eagledale	Eagledale S.C.	79,416
Evansville	Plaza East	186,496
Evansville	Plaza West	147,775
Greenwood	Greenwood S.C.	157,160
Indianapolis	Felbram S.C.	27,400
Indianapolis	Linwood Square	166,104
Indianapolis	Target 31 South S.C.	177,558
Lafayette	Lafayette S.C.	90,500
	IOWA	
Clive	Venture S.C.	90,400
Des Moines	Venture S.C.	96,400
Waterloo	Venture S.C.	96,000
	KANSAS	
E. Wichita	Venture S.C.	96,100
W. Wichita	Venture S.C.	97,000
	KENTUCKY	
Bellevue	Kroger S.C.	53,695
Lexington	South Park S.C.	260,086
	LOUISIANA	
New Orleans	Lake Forest S.C.	190,000
Shreveport	Shreveport Plaza	27,104
	MARYLAND	
Hagerstown	Hagerstown Plaza	115,718
Laurel	Laurel S.C.	75,882
Laurel	Laurel Plaza	81,550
	MASSACHUSETTS	
Leominster	Searstown Mall	597,052
Great Barrington	Barrington Plaza	134,768
	MICHIGAN	
Clawson	Clawson Center	169,604
Farmington	Farmington Center	97,085
Flint	Hallwood Plaza	377,802
Grand Haven	South Shore Plaza	88,721
Livonia	Livonia S.C.	44,185
Muskegon	Beltline Plaza	70,523
Walker	Green Orchard S.C.	285,035
Taylor	Cross Creek S.C.	121,500
	MISSOURI	
Ellisville	Shop & Save S.C.	118,080
Hazelwood	Kmart Shopping Center	130,780
Jennings	Jennings S.C.	155,095
Lemay	Lemay S.C.	73,281
Springfield	Primrose Marketplace	260,180
St. Louis	Gravois Plaza	164,464
	NEW HAMPSHIRE	
Salem	Rockingham Plaza	330,584
	NEW JERSEY	
Cherry Hill	Fashion Square	153,858
N. Brunswick	Fashion Plaza	400,832
Ridgewood	Ridgewood S.C.	24,280
Westmont	Westmont Plaza	195,824
	NEW YORK	
Bridgehampton	Bridgehampton Cmns.	280,489
Buffalo	Elmwood Plaza	141,070
Buffalo	Shops @ Seneca	153,500
Buffalo, Amherst	Tops Plaza	101,066
Carle Place	Voice Road Plaza	132,359
Centereach	Centereach S.C.	369,505
Great Neck	Great Neck Shops	14,385
Hampton Bays	Hampton Bays S.C.	70,990
Nanuet	Nanuet Mall South	70,896

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CENTERS OWNED OR MANAGED

City	Center Name	GLA
NEW YORK (CONT'D)		
Plainview	Manetto Hill Plaza	74,972
Poughkeepsie	44 Plaza	180,250
Riverhead	East End Commons	107,806
Rochester	Irondequoit S.C.	105,000
Rochester	Henrietta S.C.	105,000
Rochester	West Gates S.C.	185,145
Staten Island	Richmond S.C.	210,990
Syosset	Syosset S.C.	32,124
Watertown	Watertown Plaza	69,571
Yonkers	Shoprite S.C.	43,560
NORTH CAROLINA		
Charlotte	Woodlawn Marketplace	110,300
Charlotte	Independence Square	135,222
Charlotte	Tyvola Mall	226,295
Durham	Oakcreek Village S.C.	116,195
Gastonia	Akers Center	227,882
Raleigh	Pleasant Valley Promenade	366,774
Winston-Salem	Cloverdale S.C.	133,059
OHIO		
Akron	Harvest Plaza	56,975
Akron	West Market Plaza	138,363
Akron	Hills Plaza	149,054
Akron	Hills Plaza	116,656
Barberton	Barberton S.C.	119,975
Beavercreek	Beavercreek Plaza	126,137
Bedford	Meadowbrook Square	133,147
Brooklyn	Hills Plaza	133,563
Brunswick	Kmart Plaza	168,443
Cambridge	Cambridge Square	95,955
Canton	Canton Hills S.C.	99,267
Canton	Canton Hills Plaza	63,816
Canton	Hills Plaza	150,900
Canton	Canton Commons	159,975
Centerville	Cross Pointe S.C.	123,938
Cincinnati	Ridge Plaza	142,949
Cincinnati	Glenway Plaza	128,950
Cincinnati	Cassinelli Square	314,987
Cleveland	Greenlite S.C.	82,411
Columbus	S. Hamilton S.C.	140,999
Columbus	S. High Plaza	99,262
Columbus	Olentangy Plaza	129,830
Columbus	Morse Plaza	191,789
Columbus	West Broad Plaza	134,644
Columbus	Whitehall S.C.	112,813
Dayton	Salem Plaza	128,458
Dayton	Woodman Plaza	117,760
Dayton	Shiloh Springs Plaza	163,431
Dayton	Oak Creek Plaza	215,891
Elyria	Kmart Plaza	103,400
Kent	Hills Plaza	103,500
Kettering	Value City Plaza	123,098
Lima	Eastgate Plaza	194,130
Massillon	Hills Plaza	102,632
Mentor	Hills Plaza	103,871
Mentor	Erie Commons	251,298
Middleburg Hgts.	Hills Plaza	104,342
North Olmsted	Hills Plaza	99,862
Sharonville	Kmart Plaza	130,715
Springboro Pike	Southland 75 S.C.	98,736
Springfield	Kmart Plaza	131,628
Troy	Sherwood S.C.	87,660
Upper Arlington	Arlington Square	149,470
Westerville	Westerville Plaza	237,946
Wickliffe	Town Square	128,180
Willoughby Hills	Willoughby Plaza	140,185

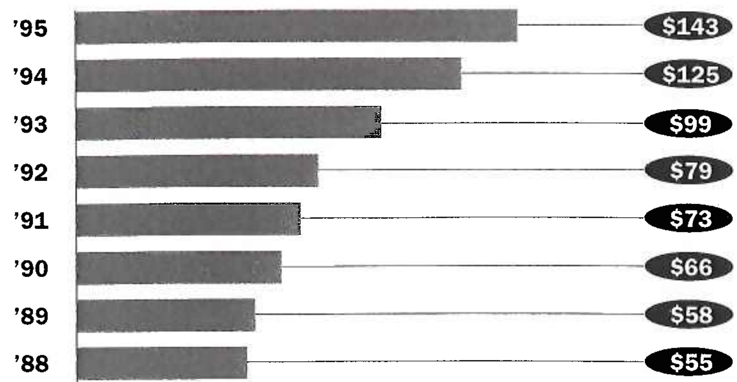
City	Center Name	GLA
OKLAHOMA		
S. Tulsa	Venture S.C.	96,100
PENNSYLVANIA		
Braddock Hills	Braddock Hills S.C.	109,717
Eagleville	Ridge Pike Plaza	151,237
E. Stroudsburg	Pocono Plaza	167,654
E. Norriton	Norriton Square	113,560
Erie	Erie Mini Mart	3,000
Gettysburg	Gettysburg Plaza	30,706
Harrisburg	Harrisburg East S.C.	178,317
Harrisburg	Harrisburg West S.C.	152,689
Middletown	Middletown Plaza	35,747
Middletown	Olmsted Plaza	144,226
New Kensington	New Kensington S.C.	106,624
Penn Hills	Hills Plaza	110,517
Philadelphia	Cottman-Castor S.C.	215,196
Philadelphia	Cottman-Bustleton Center	212,159
Richboro	Crossroads Plaza S.C.	80,739
Springfield	Springfield S.C.	219,083
Upper Allen	Upper Allen Plaza	59,470
West Mifflin	Kennywood Mall	203,566
West Mifflin	Kennywood Plaza	69,733
West Mifflin	Century III Mall	84,279
York	Eastern Blvd. Plaza	61,979
York	Mount Rose Plaza	53,011
York	W. Market Street Plaza	35,500
SOUTH CAROLINA		
Aiken	Heritage Square	132,345
Charleston	St. Andrews Center	164,057
Charleston	Westwood Plaza	182,237
TENNESSEE		
Chattanooga	Red Bank S.C.	44,288
Madison	Old Towne Village	177,146
TEXAS		
Baytown	Baytown Village S.C.	103,800
Dallas	Big Town Mall	564,192
Dallas	Big Town Center	101,040
Duncanville	Venture S.C.	96,500
E. Plano	Venture S.C.	96,700
Ft. Worth	Venture S.C.	106,000
Garland	Venture S.C.	103,600
Houston	Beltway Plaza Center	106,000
Houston	Kroger S.C.	45,494
Mesquite	Kroger Plaza	79,550
N. Arlington	Venture S.C.	97,000
W. Oaks	Venture S.C.	96,500
UTAH		
Ogden	Kmart S.C.	121,425
VIRGINIA		
Richmond	Burlington Center	121,550
Woodbridge	Gordon Plaza	186,202
WEST VIRGINIA		
Charles Town	Charles Town Plaza	115,621
Martinsburg	Martin's Food Plaza	43,212
WISCONSIN		
Racine	Badger Plaza	151,430

TOTAL NUMBER OF CENTERS 220*

TOTAL GLA 29,148,370*

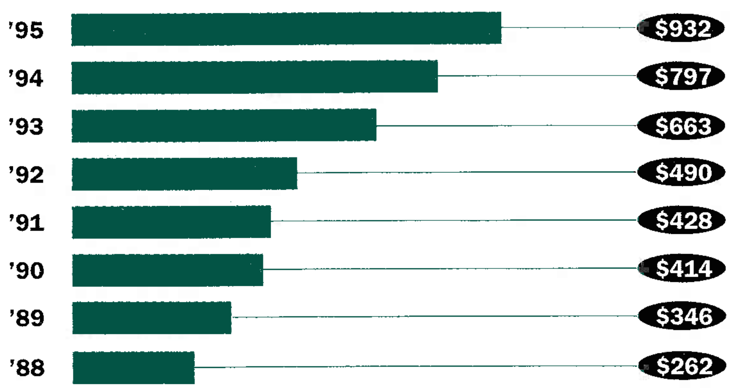
*In addition to its shopping center portfolio, the Company holds interests in retail store leases relating to approximately 5.4 million square feet of anchor store premises in 60 neighborhood and community shopping centers located in 24 states. These premises are substantially subleased to national retailers currently operating in these stores.

Revenues from Rental Properties (Millions)



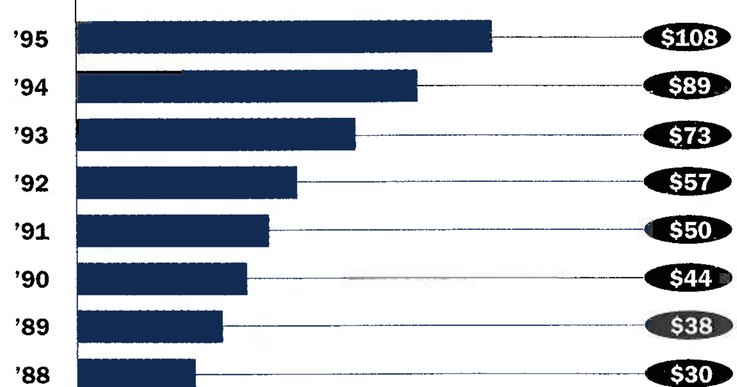
Fiscal years ended April 30, 1988 through 1991 and calendar years 1992 through 1995.

Real Estate Assets, Before Depreciation (Millions)



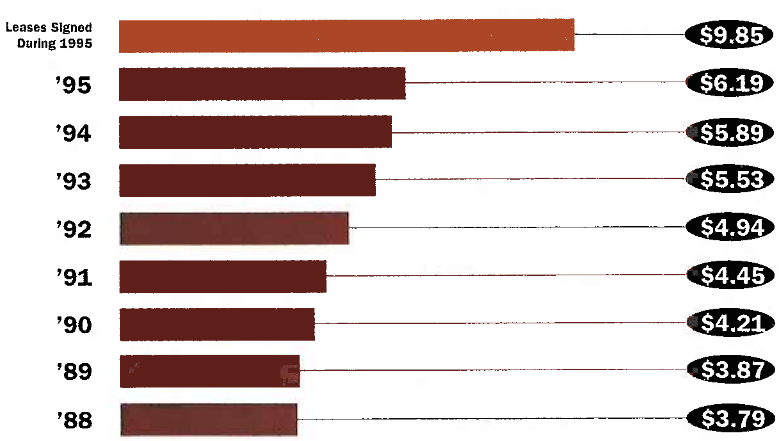
As of April 30, 1988 through 1991 and December 31, 1992 through 1995.

Net Operating Income Growth (Millions)



Fiscal years ended April 30, 1988 through 1991 and calendar years 1992 through 1995. Net operating income is defined as total revenues less operating expenses excluding depreciation and amortization and interest expense, plus income from investment in retail store leases.

Average Annual Base Rent Growth (Per Sq. Ft.)



As of April 30, 1988 through 1991 and December 31, 1992 through 1995.

DEAR FELLOW SHAREHOLDERS

We've come a long way together since our initial public offering, and time does seem to fly. I can't believe this is my fourth Annual Report to you. Let me briefly review the highlights of 1995 and discuss our strategy for the future.

I am pleased that despite the very difficult climate in 1995 our Funds from Operations (FFO) per share increased by 9.1% from \$1.98 to \$2.16. This increase came about from a combination of internal growth, acquisitions and redevelopment projects. Lou Petra, our Chief Financial Officer, will review in detail the 1995 financial results in his presentation to you. Lou has done a great job in monitoring our capital structure and keeping a sharp eye on costs. Somehow the more we grow, the more time Lou seems to have in a relaxed fashion to handle all of your questions. He still amazes me. David Samber, our President and Chief Operating Officer, will cover the acquisitions and redevelopments completed by the Company this past year. A great deal of credit for the results belongs to David and his team.

Two transactions were a particular source of pride to me, as they illustrate how a REIT which seeks to be more than a portfolio of properties can create significant additional value for its shareholders.

One was our acquisition of 60 leaseholds from the Woolworth organization in July 1995. F.W. Woolworth Co. many years ago discontinued operations of its Woolco discount department stores. Favorable provisions in many of its below-market rate store leases permitted that company to sublet its Woolco premises to other national retailers at substantial profits. With F.W. Woolworth having recently decided to divest its non-essential real estate assets, we bought, for \$23 million, its interest in approximately 5.4 million square feet of 98%-subleased retail premises in 60 neighborhood and community shopping centers located throughout 24 states, the majority of which represented markets in which we presently operated. This was a complex transaction, requiring creativity and due diligence on 60 locations in a compressed time frame. We believe that this deal will provide us with a substantial return on our investment and be a gateway to other profitable transactions both within our Woolworth portfolio and with other retailers.

The other major transaction was our purchase of 16 properties from Venture Stores for \$40 million in a sale-leaseback transaction. The terms we agreed to were very attractive but, like the Woolworth transaction, it was complex and had to be completed under intense time pressure. The handshake on the Venture deal was made on January 11, 1996 and the deal closed on January 27, 1996; our associates worked through many nights with hurry-up huddles, fabulous teamwork and kept their focus on the goal line throughout. Kudos to our in-house Legal Department who with great skill and speed handled all of the legal work, thus avoiding the expense of outside counsel. We believe that we purchased these properties at a very attractive price, which should provide us with a strong return on our investment even though the properties are being leased to Venture at very reasonable rental rates.

Milton Cooper

We paid four dividends of \$.36 each during the year and, on November 30, 1995 declared an increase in our dividend to \$.39 per share. We have continued to reduce the percentage of FFO that we distribute to ourselves as shareholders. Our reason is simple: the more cash we can retain for growth, the less capital we have to raise through expensive and time-consuming public offerings.

We determined that we would like to have a better balance in our shareholder constituency between individual shareholders and institutions, and felt it important to make our stock more accessible to non-institutional shareholders. This was the reason for the 3 for 2 stock split approved by our Board on November 30, 1995.

Since our IPO we have doubled the number of our shopping center interests from 126 to 253, we have doubled our square footage from approximately 16 million to 31 million, and we have tripled our market cap and FFO. We have been able to manage this growth primarily by adding new associates with skills in specific areas such as construction, leasing and legal. We felt that it was important for growth in our core business and for the consideration of possible growth strategies outside of our core business to also add to our senior management team. We were delighted that Mike Flynn accepted our offer of the new position of Vice Chairman of the Board. We know Mike well, as he had previously been a full-time associate with the Company and has continued to be associated with us in various capacities for over 25 years. He is familiar with our business culture and our long-term objectives, and has an extensive background in real estate and construction.

Our Strategy for the Future

We've enjoyed marvelous growth! For those of you who purchased shares in our initial public offering in November 1991 and reinvested the dividends, the total return has been over 150%. However, I continue to worry about our ability to sustain our dramatic growth in this anemic retail climate. In my letter to you last year I said, "Let me also share with you my concerns for the future. Simply put, the U.S.A. is over-stored. Many retailers are increasing their square footage without any regard for the relationship of space to the increase in population or disposable income. The "shop 'till you drop" attitude of the 1980's is over." The situation, obviously, hasn't changed.

This concern is old hat with us. Keep in mind that from 1966 to 1980 almost all of our growth, as a private company, came from ground-up developments. We stopped developing in 1980 because we were worried about excessive retail credit, and our concern continues. Our growth since 1980 has been principally through the acquisition of attractively-priced properties with below-market rents.

The unfortunate aspect of retailers overextending themselves is that when difficulties arise many have no moral compunction with respect to the filing of a Chapter 11 bankruptcy proceeding.

We will not be exempt from this trend. There will be more bankruptcies. Nevertheless, the overall rent structure within our portfolio is such that in the long run we will do fine. There may be some short-term loss of rent, but we should never make decisions or base our strategy on short-term earnings prospects. If we can seize an outstanding, long-range opportunity to enhance our cash flow by acquiring properties with below-market rents in excellent locations, we must be ready to commit to the purchase, notwithstanding there may be a period of time where the cash flow is diminished or ceases while we re-tenant a property.

Our strategy is to be in the real estate business and not the credit or retail business, and must always remain so.

We will continue to base our property investments upon inherent real estate values rather than the financial strength of a tenant or its profitability at any particular time. Our strategy is to be in the real estate business and not the credit or retail business, and must always remain so.

We will also continue to invest in technology under the guidance of Alex Weiss, who makes technology so friendly for all of us at Kimco. He even makes things simple for those of us who are over 50 and weren't part of the computer age in high school.

Future growth in our business will require us to be open-minded and innovative with respect to new opportunities. We are a large owner of commercially-zoned property on busy thoroughfares. We will have to be very skilled at developing supplemental non-retail uses, perhaps adding customer-friendly health care facilities to certain of our properties. We will also need to be very quick to respond to opportunities, and keep our balance sheet strong so that we will always have access to capital to take advantage of unique situations such as the Woolworth and Venture Stores transactions.

Since our IPO we have acquired approximately 15 million square feet of property. As a REIT it is very difficult for us to retain earnings and we have been forced to raise capital, in part, through common stock offerings. Except for those compelling opportunities which are too good to pass up, we will continue to look at strategies designed to enable us to grow our FFO without the diversion and cost of equity offerings.

This is not an easy time. While we have tremendous strengths, including a sound balance sheet, an excellent and dedicated team of associates, access to capital and significant opportunities which may be available to us, we do worry about the scope of potential tenant bankruptcies. My job is to guide us between the Scylla of paralytic pessimism and the Charybdis of ill-founded optimism. In this regard it's a great comfort to have the input and guidance of our sound and sage directors Marty Kimmel, Dick Dooley and Frank Lourenso, who continually provide us with new ideas and perspectives.

Most important, we must continue to stimulate, motivate and challenge our people and rely on them to help us in our growth. We must maintain our culture of doing right by all those who do business with us. Our growth will come from the contagious passion of our people to make things happen. I would like to thank all of our associates and friends for their help in accomplishing the results for the year and look forward to their continued support in building our future.

Sincerely,

Milton Cooper
Chairman

Our forecast for the retail climate of 1995 was accurate. Unfortunately, that forecast called for a blizzard of problems for our tenants. Not being surprised by these events, we were able to continue this past year with our efforts to position the portfolio for the difficult times at hand and use our financial strength and real estate acumen to seize opportunities created by this turbulence.

Our theme for many years has been to limit our exposure to individual tenant failures by acquiring and nurturing a portfolio of well-located, neighborhood and community shopping centers with below-market rents or other cash flow growth potential. The result is that we have assembled a portfolio of properties with an average base rent per square foot of $5.96 and with no tenant providing more than 4.3% of our rental revenues. To put this portfolio rent in perspective, it should be noted that despite the pressure on a number of segments of the retail industry, the average base rent per square foot on new leases signed by your Company during 1995 was $9.85—a level 65% above our portfolio average base rent. The relationship of contractual lease rents in place to current market rents is a major consideration in our acquisition analysis. In 1995, our acquisition activity actually lowered the average base rent in our portfolio by $.03 as our acquired properties had an average rent of only $5.86 per square foot.

While apparel retailers in particular are having a difficult time, there continues to be demand for the so-called "big boxes" from both the traditional, household-name retailers and the newer, entrepreneurial companies which have shown an ability to focus on a very narrow market segment yet create exciting, value-driven concepts. Our job is to pick the future stars of retailing as they emerge while providing enough diversity to allow for the inevitable surprises down the road.

We have continued our program of redeveloping well-located but tired properties. In 1995, we opened the largest individual store in our history, a 151,067 square foot Wal★Mart as part of the redevelopment of a mini-mall in Centereach, New York. In Carle Place, New York, we completed the transformation of a mixed-use, industrial/retail property into a modern, convenient shopping center in the main retail corridor of Long Island's Nassau County. Other shopping center redevelopment projects completed during 1995 include: Lauderhill, Florida; North Brunswick, New Jersey; Westerville, Ohio; and Westmont, New Jersey.

Shown in the photographs next to this letter is our Primrose Marketplace in Springfield, Missouri, which we acquired in December 1994. We were attracted to this property, notwithstanding its recent construction, because of (i) location—Primrose is across the street from the area's dominant regional mall; (ii) price—since one of the anchor tenants was in bankruptcy, competition from buyers who required institutional financing was eliminated enabling our purchase price to be lower; (iii) expansion potential—we had learned that three of the major tenants in occupancy would expand their stores if adjacent residential land could be acquired and rezoned; and (iv) market strength—we were confident that an aggressive leasing campaign would result in the ability to tenant available space which was not valued in the acquisition price.

In the 15 months since acquiring Primrose, we have replaced the bankrupt anchor with one of only four JCPenney home stores in the United States; acquired and rezoned the


David M. Samber

We will aggressively pursue growth within our portfolio and through acquisitions we consider to be opportunistic based upon conservative assumptions about future conditions.