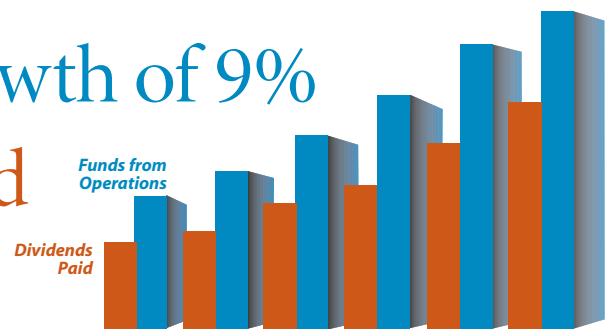


URSTADT BIDDLE PROPERTIES INC.

1999 ANNUAL REPORT

30 years of uninterrupted dividends.

During the last six years, we achieved an average annual FFO growth of 9% and average annual dividend increases of over 5%.



URSTADT BIDDLE PROPERTIES INC.

Urstadt Biddle Properties Inc. (UBP) is a self-administered equity real estate investment trust providing investors with a means of participating in the ownership of income-producing properties with ready liquidity. UBP's core properties consist of community shopping centers in the northeastern part of the United States. The remaining assets include office and retail buildings, industrial properties and mortgages.

Common Shares and Class A Common Shares of the Company trade on the New York Stock Exchange under the symbols "UBP" and "UBP.A."

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TOYS 'R' US
MARSHALLS
KING KULLEN
MIKASA
SHOP RITE
PIER ONE IMPORTS
FASHION BUG
BARNES & NOBLE
SPAG'S
BLOCKBUSTER
CVS
ECKERD DRUGS
DRESS BARN
A&P
JOANN FABRICS
DAIMLER CHRYSLER
GRAND UNION
STOP & SHOP
KayBee TOYS
T.J. MAXX
ALBERTSON'S

SELECTED FINANCIAL DATA

(In thousands, except per share data)

Year Ended October 31,	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>
Balance Sheet Data:						
Real Estate Investments	\$173,877	\$155,402	\$129,341	\$124,972	\$136,115	\$128,394
Total Assets	\$183,774	\$165,039	\$137,430	\$132,160	\$149,099	\$142,559
Mortgage Notes Payable and Preferred Stock	\$ 84,725	\$ 66,362	\$ 43,687	\$ 39,798	\$ 57,212	\$46,386
Operating Data:						
Total Revenues	\$ 29,814	\$ 25,595	\$ 24,827	\$ 24,432	\$ 22,853	\$18,969
Net Income Applicable to Common and Class A Common Stockholders	\$ 6,043	\$ 5,615	\$ 8,589	\$ 10,271	\$ 3,864	\$1,344
Funds from Operations*	\$ 11,878	\$ 11,213	\$ 10,189	\$ 9,525	\$ 8,510	\$7,653
Per Share Data (Note):						
Net Income – diluted:						
Common Stock	\$.54	\$.52	\$.79	\$.90	\$.34	\$.12
Class A Common Stock	\$.61	\$.57	\$.86	\$.99	\$.38	\$.14
Cash Dividends on:						
Common Stock	\$.68	\$1.13	\$1.26	\$1.22	\$1.14	\$1.10
Class A Common Stock	\$.76	\$.19	—	—	—	—
Total Cash Dividends	<u>\$1.44</u>	<u>\$1.32</u>	<u>\$1.26</u>	<u>\$1.22</u>	<u>\$1.14</u>	<u>\$1.10</u>
Cash Dividends as a Percentage of Funds from Operations	<u>63%</u>	<u>61%</u>	<u>63%</u>	<u>69%</u>	<u>72%</u>	<u>76%</u>

Note: Per share data for all periods prior to 1999, have been restated to reflect the effect of the one-for-one stock split effected in the form of a new issue of Class A Common Stock distributed in August 1998, however the cash dividends are presented based on actual amounts paid.

* The Company considers Funds from Operations (FFO) to be an appropriate additional measure of operating performance. The Company has adopted the definition of FFO suggested by the National Association of Real Estate Investment Trusts and defines FFO as net income (computed in accordance with generally accepted accounting principles), excluding gains (or losses) from debt restructuring and sales of properties, plus depreciation, amortization, the elimination of significant non-recurring charges and credits and after adjustments for unconsolidated joint ventures.

For a further discussion of FFO, see Management's Discussion and Analysis on page 29.

TO OUR STOCKHOLDERS

Since our founding in 1969 we have paid uninterrupted quarterly dividends ...

a proud record for any company.

Urstadt Biddle's FFO has grown steadily for the last six years at an average annual rate of 9%.

Your Company and its management have remained dedicated to its strategic goals.... *to concentrate our real estate portfolio close to our headquarters in Fairfield County, Connecticut, focused on grocery-anchored shopping centers.* Adhering to this philosophy has again resulted in solid financial results, an increase in our annual dividend rate, significant new leasing that will benefit us in 2000 and beyond and more than \$23 million of new properties added to our growing portfolio of quality neighborhood shopping centers. We also disposed of one of our non-core assets, realizing a net gain of approximately \$1.4 million. Simply stated... *your company is financially strong and well-positioned for the future.*

Funds from Operations ("FFO"), our primary indicator of operating performance, continued its steady growth, increasing more than 6% over 1998. In fact, during the past six years our **FFO rose at an average annual rate of more than 9%**. Reflecting their confidence in the outlook of the Company, the Directors of UBP again **increased the annual dividend rate** on both the Common Stock and Class A Common Stock for the sixth consecutive year. Our new dividend rate, at current market prices, yields more than 10% yet remains one of the lowest payout rates in the REIT Industry.

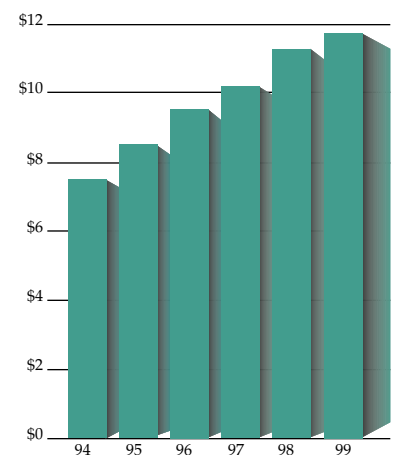
Since our founding in 1969 we have paid 120 uninterrupted quarterly dividends ... a proud record for any company.

In 1999, the NAREIT Equity Index for shopping center REIT total returns was down by more than 10%. UBP's total return to its stockholders on the other hand, dropped less than 2%. While we cannot influence what happens on Wall Street, we have worked hard to strengthen the operating performance of the company. As one pundit said "REITs should stay out of Wall Street and get back to Main Street."

Judging by the volatility of certain high-flying segments of the stock market, many investors have forgotten that earnings and ultimately dividends are key benchmarks of a sound financial investment. These investors appear to have dedicated themselves to buying hope and promise and are not wary of the inherent risks of doing so.

Funds from Operations

(In millions)



CAPITAL

The Company's capital structure is sound. Our asset base is at its highest level in the Company's history. Our debt levels are conservative, with fixed interest rates that are low and little debt coming due in the next few years. We are well protected against anticipated increases in interest rates this year. In 1999, the capital markets virtually disappeared for publicly traded real estate companies. However, the Company sold nearly \$2 million of its Common and Class A Common Stock in privately placed offerings. And in a demonstration of its confidence in the long-term value of the Company's shares, all of the Company's directors and senior officers purchased additional stock in another private placement of \$1.2 million shortly after year end.

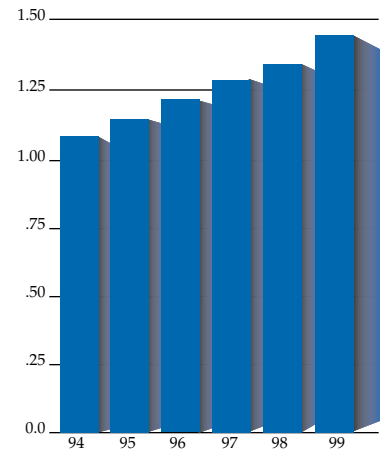
OPERATIONS

Our acquisitions team was active this year. We acquired two neighborhood shopping centers totaling 266,000 square feet, at a cost of \$23 million. The properties are located in Westchester County, New York. We plan to continue to make selective acquisitions of well-located neighborhood shopping centers anchored by grocery stores. Our management team was successful in leasing, managing and improving the "bricks and mortar" of our high-quality properties. We leased or renewed nearly 300,000 square feet of space and have the lowest amount of lease rollover exposure than at any time in the past five years. A full discussion of our real estate operating activities appears in the Portfolio Review section of this Annual Report.

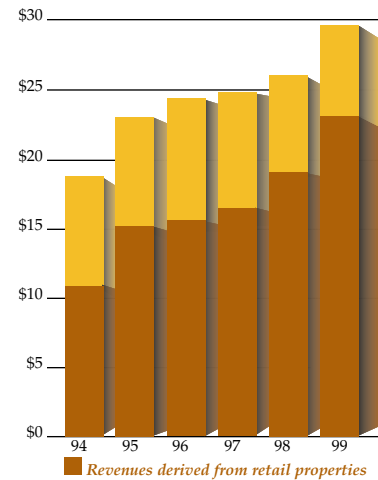
OUTLOOK

There is the unknown future of internet shopping and its effects on our tenants. This relatively new phenomenon is being tested and quantified. We are very much aware of its potential and consider its implications to the future of retail shopping. We believe that our primary property type, the grocer anchored center, will continue to be a desirable and viable way to sell goods and services to consumers even with the projected explosive growth of internet shopping. In spite of e-shopping, consumers will continue to visit our shopping centers to buy groceries, drop off their laundry, get a haircut, take home a pizza or run any one of a dozen chores they do every day. We will look to capitalize on this

Total Dividends Paid
(In dollars per share)



Total Revenues
(In millions)



TO OUR STOCKHOLDERS



*Charles J. Urstadt (right),
Chairman and Willing L.
Biddle, President.*

new retailing approach and seek to find peripheral services, which will benefit the company and our tenants.

This year's Annual Report celebrates the 30th anniversary of the founding of our company and the 10th anniversary under the leadership of Charles J. Urstadt. A great deal of credit for the Company's accomplishments belongs to your Board of Directors who are the custodians of your investment. UBP's Board is one of the finest in the REIT industry and it is to them that we dedicate, with thanks, this Annual Report. These highly motivated individuals have outstanding records as successful business leaders and, as a group, work together in a productive and collegial atmosphere. Together, they have a significant ownership in the Company and share the same interests as you in our Company's future success.

This year, we were pleased that Mr. George J. Vojta, Chairman and Chief Executive Officer of The

Westchester Group and former Vice Chairman of Bankers Trust Company, joined our Board. George is truly an outstanding person and an excellent addition. He replaces Mr. James O. York who retired this year but continues to provide counsel to UBP in his capacity as a Director Emeritus.

We also extend our annual thanks to our hard working staff who have made our success possible and to you, our shareholders, for your continued support and faith in our team efforts.

Sincerely yours,

Charles J. Urstadt

Chairman

Willing L. Biddle

President

January 14, 2000

PORTFOLIO REVIEW

Our strategy is to concentrate our portfolio of properties in a geographic area close to our headquarters in Fairfield County, Connecticut, and primarily in one property type — grocery-anchored shopping centers. Our focus is on well located neighborhood shopping centers leased to retailers who deliver basic services and products to consumers.

PORTFOLIO CHANGES

We acquired more than \$23 million in new properties this year, including two grocery-anchored shopping centers totaling 266,000 sf. The properties are located in Westchester County, New York.

Early in the year, we acquired the **Arcadian Shopping Center** in Briarcliff Manor, New York, in a “DownReit” partnership in which the seller contributed the property in a tax-advantaged transaction. The property is anchored by a Stop & Shop supermarket and a CVS drug store. Since acquiring the property, we completed the first phase of a major renovation of the center, including an upgrade of a portion of the facade, lighting and parking lot. The center is now more attractive and there has been a noticeable increase in customer traffic.

Arcadian Shopping Center
Briarcliff, New York



(before)



(after)



Compensation Committee Members, from left, Robert R. Douglass, E. Virgil Conway (Chairman), and George H.C. Lawrence.

In August, we purchased the **Towne Centre at Somers** shopping center. This center, located in the town of Somers, New York, contains a Gristede's Supermarket, three banks, a U.S. Post Office and other local convenience type tenants. The property is 95% occupied and is proving to be an attractive addition to our portfolio. The property was purchased in a tax-deferred exchange with the proceeds of the sale of our **Mesa, Arizona** property, along with additional cash and mortgage debt.

We continue to develop our database of owners in our target area of Westchester and Fairfield counties. These counties consist primarily of affluent suburban communities for New York City commuters. The barriers to entry for future retail competition in these markets is generally high. Good properties in this area rarely come on the market and our last six acquisitions were of properties not actively offered for sale.

The successes we have had with our recent property acquisitions confirm that our strategy of concentrating our investments in this market is sound. We strongly believe the real estate business is a regional one.



*Towne Centre Shopping Center
Somers, New York*

We also believe that by concentrating our investments in one region, we can increase efficiencies of property management, leasing and acquisitions.



Five Town Plaza (above) and grand opening of Spag's (left) at Five Town Plaza Springfield, Massachusetts



Carmel ShopRite Center Carmel, New York (below)



OPERATIONS

During the year we leased or renewed nearly 300,000 square feet of space. Rental rates for space leased this year increased an average of 3% on a same-space effective rent basis. The percentage of the portfolio leased rose this year to 96%. The largest new retail lease completed this year was with Spag's Supply, Inc. for the 115,000 square foot space formerly occupied by Caldor at **Five Town Plaza** in Springfield, Massachusetts. Caldor had previously filed for bankruptcy protection and closed its store at the center. Spag's, a regional discount store, has an enthusiastic following in New England and Massachusetts, in particular. We are excited to have Spag's as an anchor tenant at the property and expect the center's other tenants to be positively benefited. We continued the redevelopment of the **Carmel ShopRite Center** and leased 35,000 square feet of space to Gold's Gym and an eight-plex cinema theatre. Gold's Gym is open for business

PORTFOLIO REVIEW

and the cinema, which has begun construction, plans to open for business in June, 2000. We completed the redevelopment and facade renovation of the **Ridgefield Center** property. This year, we leased most of this property's unoccupied space to bring occupancy to 95% by year end. We also renewed **Daimler Chrysler's** lease of 170,000 square feet at our St. Louis distribution facility for an additional ten-year period. The tenant has agreed to renovate and expand the property at a cost of approximately \$2.3 million at its own expense.



Ridgefield Center
Ridgefield, Connecticut



Members of The Board of Directors, from left, Charles D. Urstadt, Peter Herrick (Chairman, Audit Committee), Paul D. Paganucci, and George J. Vojta.

INVESTMENT PORTFOLIO

URSTADT BIDDLE PROPERTIES INC.

Core Properties

UBP owns or has interests in eleven shopping centers, three office buildings, and two mixed-use facilities which total 1,738,000 square feet.

Location	Square Feet	Principal Tenants	Property Type
Springfield, Massachusetts	309,000	A&P, Spag's	Shopping center
Meriden, Connecticut	300,000	ShopRite, Marshall's	Shopping center
Danbury, Connecticut	193,000	Barnes & Noble, Toys 'R' Us	Shopping center
Briarcliff, New York	188,000	Stop & Shop, CVS	Shopping center*
Carmel, New York	126,000	ShopRite, Eckerd Drugs	Shopping center
Newington, New Hampshire	102,000	Jo Ann Fabrics	Mixed-use
Wayne, New Jersey	102,000	A&P, PNC Bank	Shopping center
Darien, Connecticut	95,000	Grand Union	Shopping center
Somers, New York	78,000	Gristede's, US Post Office	Shopping Center
Farmingdale, New York	70,000	King Kullen, Genovese Drugs	Shopping center
Eastchester, New York	68,000	Food Emporium (A&P)	Shopping center*
Ridgefield, Connecticut	48,000	Chico's	Mixed-use
Somers, New York	19,000	Putnam County Savings Bank	Shopping center
Greenwich, Connecticut	20,000	Greenwich Hospital	Office building
Greenwich, Connecticut	20,000	Urstadt Biddle Properties (Executive offices)	(2) Office buildings

Non-Core Properties

UBP owns one office building containing 202,000 square feet and 4.2 acres of vacant land. UBP also owns three retail properties totaling 474,500 square feet and four industrial properties with a total of 928,000 square feet. Long-term mortgages totalling \$2.5 million are held by the Company and secured by stores leased to Kmart and Federated Department Stores.

Location	Square Feet	Principal Tenant	Property Type
Southfield, Michigan	202,000	Giffels Associates	Office building*
Clearwater, Florida	231,000	Albertson's, TJ Maxx	Shopping center*
Tempe, Arizona	126,000	Mervyn's	Shopping center
Jonesboro, Georgia	117,500	Value City Stores	Department store
Dallas, Texas	253,000	Daimler Chrysler Corporation	Parts distribution facility
St. Louis, Missouri	170,000	Daimler Chrysler Corporation	Parts distribution facility
Syracuse, New York	29,000	Navistar International	Sales and service center
Albany, Georgia	476,000	Firestone	Tire distribution facility
Denver, Colorado	4.2 acres		Undeveloped land

*General partner interest.

CORE PROPERTIES



Towne Centre Shopping Center
Somers, New York

Carmel ShopRite Center
Carmel, New York



Heritage 202 Center
Somers, New York



Arcadian Shopping Center
Briarcliff, New York



Eastchester Mall
Eastchester, New York



25 Valley Drive
Greenwich, Connecticut



URSTADT BIDDLE
PROPERTIES
Greenwich,
Connecticut

Valley Ridge Shopping Center
Wayne, New Jersey



*Five Town Plaza
Springfield, Massachusetts*



*Newington Park
Newington, New Hampshire*

*Danbury Square
Danbury, Connecticut*



*Ridgefield Center
Ridgefield, Connecticut*



*Townline Square
Meriden, Connecticut*



*Goodwives Shopping Center
Darien, Connecticut*



*Bi-County Shopping Center
Farmingdale, New York*

CONSOLIDATED BALANCE SHEETS

(In thousands, except share data)	October 31,	
ASSETS	<u>1999</u>	<u>1998</u>
Real Estate Investments:		
Properties owned — at cost, net of accumulated depreciation	\$144,522	\$122,975
Properties available for sale — at cost, net of accumulated depreciation and recoveries	16,966	20,350
Investment in unconsolidated joint venture	9,889	9,470
Mortgage notes receivable	2,500	2,607
	<u>173,877</u>	<u>155,402</u>
Cash and cash equivalents	2,758	3,900
Interest and rent receivable	3,370	2,445
Deferred charges, net of accumulated amortization	2,418	2,320
Other assets	1,351	972
	<u>\$183,774</u>	<u>\$165,039</u>
 LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Bank loans	\$ 2,000	\$ 6,000
Mortgage notes payable	51,263	32,900
Accounts payable and accrued expenses	1,907	1,127
Deferred directors' fees and officers' compensation	155	646
Other liabilities	1,810	1,450
	<u>57,135</u>	<u>42,123</u>
Minority Interest	<u>5,140</u>	<u>2,125</u>
Preferred Stock, par value \$.01 per share; 20,000,000 shares authorized; 8.99% Series B Senior Cumulative Preferred stock (liquidation preference of \$100 per share); 350,000 shares issued and outstanding in 1999 and 1998	<u>33,462</u>	<u>33,462</u>
Stockholders' Equity:		
Excess stock, par value \$.01 per share; 10,000,000 shares authorized; none issued and outstanding	—	—
Common stock, par value \$.01 per share; 30,000,000 shares authorized; 5,531,845 and 5,221,602 issued and outstanding shares in 1999 and 1998, respectively	55	52
Class A Common stock, par value \$.01 per share; 40,000,000 shares authorized; 5,184,039 and 5,193,650 issued and outstanding shares in 1999 and 1998 respectively	52	52
Additional paid in capital	120,964	118,558
Cumulative distributions in excess of net income	(31,127)	(29,699)
Unamortized restricted stock compensation and notes receivable from officers/stockholders	(1,907)	(1,634)
	<u>88,037</u>	<u>87,329</u>
	<u>\$183,774</u>	<u>\$165,039</u>

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

CONSOLIDATED STATEMENTS OF INCOME

(In thousands, except per share data)

	Year Ended October 31,		
	<u>1999</u>	<u>1998</u>	<u>1997</u>
Revenues:			
Operating leases	\$28,666	\$23,772	\$23,336
Financing leases	232	353	451
Interest and other	532	1,260	932
Equity income of unconsolidated joint venture	384	210	108
	<u>29,814</u>	<u>25,595</u>	<u>24,827</u>
Operating Expenses:			
Property expenses	9,460	7,696	7,024
Interest	3,913	2,522	3,350
Depreciation and amortization	5,896	4,747	4,132
General and administrative expenses	2,150	2,077	1,550
Directors' fees and expenses	177	210	182
	<u>21,596</u>	<u>17,252</u>	<u>16,238</u>
Operating Income before Minority Interests	8,218	8,343	8,589
Minority Interests in Results of Consolidated Joint Ventures	(392)	(167)	—
Operating Income	7,826	8,176	8,589
Gain on Sale of Real Estate Investment	1,364	—	—
Net Income	9,190	8,176	8,589
Preferred Stock Dividends	(3,147)	(2,561)	—
Net Income Applicable to Common and Class A Common Stockholders	\$6,043	\$5,615	\$8,589
Basic Earnings per Share:			
Common	<u>\$.55</u>	<u>\$.52</u>	<u>\$.80</u>
Class A Common	<u>\$.62</u>	<u>\$.57</u>	<u>\$.87</u>
Weighted Average Number of Shares Outstanding:			
Common	<u>5,236</u>	<u>5,125</u>	<u>5,115</u>
Class A Common	<u>5,101</u>	<u>5,121</u>	<u>5,115</u>
Diluted Earnings Per Share:			
Common	<u>\$.54</u>	<u>\$.52</u>	<u>\$.79</u>
Class A Common	<u>\$.61</u>	<u>\$.57</u>	<u>\$.86</u>
Weighted Average Number of Shares Outstanding:			
Common and Common Equivalent	<u>5,317</u>	<u>5,283</u>	<u>5,194</u>
Class A Common and Class A Common Equivalent	<u>5,545</u>	<u>5,279</u>	<u>5,194</u>

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	Year Ended October 31,		
	1999	1998	1997
Operating Activities:			
Net income	\$ 9,190	\$ 8,176	\$ 8,589
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	5,896	4,747	4,132
Compensation recognized relating to restricted stock	488	331	111
Recovery of investment in properties owned subject to financing leases	1,249	1,115	1,021
Equity in income of unconsolidated joint venture	(384)	(210)	(108)
Gain on sale of real estate investment	(1,364)	—	—
(Increase) decrease in interest and rent receivable	(925)	204	146
Increase (decrease) in accounts payable and accrued expenses	780	(380)	909
(Increase) in other assets and other liabilities, net	(507)	(82)	(45)
Net Cash Provided by Operating Activities	14,423	13,901	14,755
Investing Activities:			
Acquisitions of properties	(9,717)	(29,592)	(3,226)
Improvements to properties and deferred charges	(3,985)	(2,196)	(3,951)
Net proceeds from sale of property	2,765	—	—
Investment in unconsolidated joint venture	(635)	(340)	(384)
Distributions received from unconsolidated joint venture	600	—	—
Payments received on mortgage notes receivable	107	998	101
Miscellaneous	309	—	—
Net Cash (Used in) Investing Activities	(10,556)	(31,130)	(7,460)
Financing Activities:			
Proceeds from sale of preferred stock	—	33,462	—
Proceeds from bank loans	4,000	19,500	—
Proceeds from mortgage notes	15,000	13,528	5,000
Payments on mortgage notes payable and bank loans	(15,039)	(37,815)	(6,111)
Dividends paid – Common and Class A Common shares	(7,471)	(6,784)	(6,451)
Dividends paid – Preferred Stock	(3,147)	(2,561)	—
Sales of additional Common and Class A Common shares	2,232	351	385
Purchases of Common and Class A Common shares	(584)	(474)	(15)
Net Cash Provided by (Used in) Financing Activities	(5,009)	19,207	(7,192)
Net (Decrease) Increase In Cash and Cash Equivalents	(1,142)	1,978	103
Cash and Cash Equivalents at Beginning of Year	3,900	1,922	1,819
Cash and Cash Equivalents at End of Year	\$ 2,758	\$ 3,900	\$ 1,922

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

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(In thousands, except shares and per share data)

	Common Stock		Class A Common Stock		Additional Paid in Capital	Treasury Shares at Cost	(Cumulative Distributions In Excess of Net Income)	Unamortized Restricted Stock Compensation and Notes Receivable	Total
	Outstanding Number of Shares	Par Value	Outstanding Number of Shares	Par Value					
Balances — October 31, 1996	5,346,081	\$53	\$ —	\$ —	124,073	(3,492)	(30,668)	\$ —	89,966
Net Income Applicable to Common and Class A Common Stockholders	—	—	—	—	—	—	8,589	—	8,589
Cash dividends paid (\$1.26 per share)	—	—	—	—	—	—	(6,451)	—	(6,451)
Sale of additional shares under dividend reinvestment plan	16,621	—	—	—	299	—	—	—	299
Exercise of stock options	29,520	—	—	—	353	—	—	—	353
Shares issued under restricted stock plan	49,000	—	—	—	838	—	—	—	838
Deemed purchase of common stock in connection with organization of unconsolidated joint venture	(272,727)	(2)	—	—	(4,293)	—	—	—	(4,295)
Purchases of shares	(1,000)	—	—	—	—	(15)	—	—	(15)
Reduction in treasury shares	—	—	—	—	(3,507)	3,507	—	—	—
Amortization of restricted stock compensation and notes from officers for purchases of common stock	—	—	—	—	—	—	—	(994)	(994)
Balances — October 31, 1997	5,167,495	51	—	—	117,763	—	(28,530)	(994)	88,290
Net Income Applicable to Common and Class A Common Stockholders	—	—	—	—	—	—	5,615	—	5,615
One-for-one stock split effected in the form of a dividend of a new issue of Class A Common Stock	—	—	5,226,991	52	(52)	—	—	—	—
Cash dividends paid:									
Common Stock (\$1.13 per share)	—	—	—	—	—	—	(5,848)	—	(5,848)
Class A Common Stock (\$0.19 per share)	—	—	—	—	—	—	(936)	—	(936)
Sale of additional shares under dividend reinvestment plan	14,983	—	4,359	—	270	—	—	—	270
Exercise of stock options	5,874	—	5,000	—	81	—	—	—	81
Shares issued under restricted stock plan — net	47,750	1	—	—	970	—	—	(971)	—
Amortization of restricted stock compensation	—	—	—	—	—	—	—	331	331
Purchases of shares	(14,500)	—	(42,700)	—	(474)	—	—	—	(474)
Balances — October 31, 1998	5,221,602	52	5,193,650	52	118,558	—	(29,699)	(1,634)	87,329
Net Income Applicable to Common and Class A Common Stockholders	—	—	—	—	—	—	6,043	—	6,043
Cash dividends paid:									
Common Stock (\$0.68 per share)	—	—	—	—	—	—	(3,511)	—	(3,511)
Class A Common Stock (\$0.76 per share)	—	—	—	—	—	—	(3,960)	—	(3,960)
Deemed repurchase of Class A Common Stock and reissuance of Common Stock	272,727	3	(272,727)	(3)	—	—	—	—	—
Sale of additional shares	32,000	—	212,000	2	1,943	—	—	—	1,945
Sale of additional shares under dividend reinvestment plan	17,816	—	18,616	—	287	—	—	—	287
Shares issued under restricted stock plan	46,500	1	46,500	1	759	—	—	(761)	—
Amortization of restricted stock compensation	—	—	—	—	—	—	—	488	488
Purchases of shares	(58,800)	(1)	(14,000)	—	(583)	—	—	—	(584)
Balances — October 31, 1999	5,531,845	\$55	5,184,039	\$52	\$120,964	\$ —	\$(31,127)	\$(1,907)	\$88,037

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The accompanying consolidated financial statements include the accounts of Urstadt Biddle Properties Inc. a Maryland corporation (the "Company"), as successor by merger to HRE Properties, a Massachusetts business trust (the "Trust"). In fiscal 1997, the stockholders approved a plan of reorganization of the Trust from a Massachusetts business trust to a corporation organized in Maryland. The plan of reorganization was effected by means of a merger of the Trust into the Company. As a result of the merger, the separate existence of the Trust ceased and each issued and outstanding common share of beneficial interest of the Trust was converted into one share of Common Stock, par value \$.01 per share, of the Company. All properties, assets, liabilities and obligations of the Trust became the properties, assets, liabilities and obligations of the Company.

Business

Urstadt Biddle Properties Inc., a real estate investment trust, is engaged in the acquisition, ownership and management of commercial real estate, primarily neighborhood and community shopping centers in the northeastern part of the United States. Other assets include office and retail buildings and industrial properties. The Company's major tenants include supermarket chains, other retailers who sell basic necessities and multi-national industrial corporations.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company, its wholly-owned subsidiaries, and joint ventures in which the Company has the ability to control the affairs of the venture. The unconsolidated joint venture is accounted for by the equity method of accounting. Under the equity method, only the Company's net investment and proportionate share of income or loss of the unconsolidated joint venture is reflected in the financial statements. All significant intercompany transactions and balances have been eliminated in consolidation.

Accounting for Leases

The Company accounts for its leases of real property in accordance with the provisions of Financial Accounting Standards Statement No. 13, "Accounting for Leases," as amended. This Statement sets forth specific criteria for determining whether a lease should be accounted for as an operating lease or a direct financing lease. In general, the financing lease method applies where property is under long-term lease to a creditworthy tenant and the present value of the minimum required lease payments at the inception of a lease is at least 90% of the market value of the property leased. Other leases are accounted for as operating leases.

Federal Income Taxes

The Company believes it qualifies and intends to continue to qualify as a real estate investment trust (REIT) under Sections 856-860 of the Internal Revenue Code (IRC). Under those sections, a REIT, among other things, that distributes at least 95% (90% for tax years after 2001) of its real estate trust taxable income will not be taxed on that portion of its taxable income which is distributed. The Company intends to distribute all of its taxable income for the fiscal years through 1999 in accordance with the provisions of Section 858 of the IRC. Accordingly, no provision has been made for Federal income taxes in the accompanying consolidated financial statements.

Taxable income of the Company prior to the dividends paid deduction for the years ended October 31, 1999, 1998 and 1997 was approximately \$8,600,000, \$9,800,000 and \$9,500,000 respectively. The difference between net income for financial reporting purposes and taxable income results from, among other things, differences in adjusted bases for capital gains and losses and different methods of accounting for leases, depreciable lives related to the properties owned and investments in joint ventures.

Depreciation and Amortization

The Company uses the straight-line method for depreciation and amortization. Properties owned and properties available for sale are depreciated over the estimated useful lives of the properties, which range from 30 to 45 years. Tenant improvements and deferred leasing costs are amortized over the life of the related leases. All other deferred charges are amortized over the terms of the agreements to which they relate.

Properties Available for Sale

A property is classified as available for sale upon determination by the Board of Directors that the property is to be marketed for sale in the normal course of business over the next several years.

Real Estate Investment Impairment

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the asset to future net cash flows, undiscounted and without interest, expected to be generated by the asset. If such assets are considered impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceed the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. It is the Company's policy to reclassify properties available for sale as assets to be disposed of upon determination that such properties will be sold within one year.

Capitalization

The Company capitalizes all external direct costs relating to the acquisition of real estate investments and costs relating to improvements to properties. The Company also capitalizes all external direct costs relating to its successful leasing activities.

Income Recognition

Revenues from operating and finance leases include revenues from properties owned and properties available for sale. Rental income is generally recognized based on the terms of leases entered into with tenants. Rental income from leases with scheduled rent increases is recognized on a straight-line basis over the lease term. Additional rents which are provided for in leases, are recognized as income when earned and their amounts can be reasonably estimated. Interest income is recognized as it is earned. Gains and losses on sales of properties are recorded when the criteria for recognizing such gains or losses under generally accepted accounting principles have been met.

Statements of Cash Flows

The Company considers short-term investments with original maturities of 90 days or less to be cash equivalents.

Use of Estimates

The preparation of financial statements requires management to make use of estimates and assumptions that affect amounts reported in the financial statements as well as certain disclosures. Actual results could differ from those estimates.

Earnings Per Share

Basic earnings per share ("EPS") excludes the impact of dilutive shares and is computed by dividing net income applicable to Common and Class A Common stockholders by the weighted number of Common shares and Class A Common shares outstanding for the period. Diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue Common shares or Class A Common shares were exercised or converted into Common shares or Class A Common shares and then shared in the earnings of the Company. Since the cash dividends declared on the Company's Class A Common stock are higher than the dividends declared on the Common Stock, basic and diluted EPS have been calculated using the "two-class" method. The two-class method is an earnings allocation formula that determines earnings per share for each class of common stock according to the weighted average of the dividends declared, outstanding shares per class and participation rights in undistributed earnings.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The following table sets forth the reconciliation between basic and diluted EPS (in thousands):

	1999	1998	1997
Numerator			
Net income applicable to Common Stockholders – basic	\$2,893	\$2,674	\$4,090
Effect of dilutive securities:			
Operating partnership units	—	80	—
Net income applicable to Common Stockholders – diluted	<u>\$2,893</u>	<u>\$2,754</u>	<u>\$4,090</u>
Denominator			
Denominator for basic EPS – weighted average Common shares	5,236	5,125	5,115
Effect of dilutive securities:			
Stock options and awards	81	103	79
Operating partnership units	—	55	—
Denominator for diluted EPS – weighted average Common equivalent shares	<u>5,317</u>	<u>5,283</u>	<u>5,194</u>
Numerator			
Net income applicable to Class A Common Stockholders – basic	\$3,150	\$2,941	\$4,499
Effect of dilutive securities:			
Operating partnership units	218	87	—
Net income applicable to Class A Common Stockholders – diluted	<u>\$3,368</u>	<u>\$3,028</u>	<u>\$4,499</u>
Denominator			
Denominator for basic EPS – weighted average Class A Common shares	5,101	5,121	5,115
Effect of dilutive securities:			
Stock options and awards	104	103	79
Operating partnership units	340	55	—
Denominator for diluted EPS – weighted average Class A Common equivalent shares	<u>5,545</u>	<u>5,279</u>	<u>5,194</u>

The weighted average Common equivalent shares and Class A Common equivalent shares for the year ended October 31, 1999 each exclude 54,553 shares. These shares were not included in the calculation of diluted EPS because the effect would be anti-dilutive.

(2) REAL ESTATE INVESTMENTS

The Company's investments in real estate were composed of the following at October 31, 1999 and 1998 (in thousands):

	Properties Owned	Properties Available for Sale	Investment in Unconsolidated Joint Venture	Mortgage Notes Receivable	1999 Totals	1998 Totals
Retail	\$139,791	\$4,486	\$9,889	\$2,500	\$156,666	\$136,253
Office	4,427	7,348	—	—	11,775	12,451
Industrial	—	4,332	—	—	4,332	5,594
Undeveloped Land	304	800	—	—	1,104	1,104
	<u>\$144,522</u>	<u>\$16,966</u>	<u>\$9,889</u>	<u>\$2,500</u>	<u>\$173,877</u>	<u>\$155,402</u>

The Company's investments at October 31, 1999, consisted of equity interests in 26 properties, which are located in various regions throughout the United States, and mortgage notes. The following is a summary of the geographic locations of the Company's investments at October 31, 1999 and 1998 (in thousands):

	1999	1998
Northeast	\$145,886	\$ 124,371
Southeast	12,777	12,771
Midwest	9,743	10,782
Southwest	5,471	7,478
	<u>\$173,877</u>	<u>\$155,402</u>

(3) PROPERTIES OWNED

The components of properties owned were as follows (in thousands):

	1999	1998
Land	\$ 29,104	\$24,590
Buildings and improvements	<u>138,152</u>	<u>117,325</u>
	167,256	141,915
Accumulated depreciation	<u>(22,734)</u>	<u>(18,940)</u>
	<u>\$144,522</u>	<u>\$122,975</u>

Space at properties owned by the Company is generally leased to various individual tenants under short and intermediate term leases which are accounted for as operating leases.

Minimum rental payments on noncancellable operating leases become due as follows: 2000 – \$22,534,000; 2001 – \$19,884,000; 2002 – \$17,410,000; 2003 – \$15,381,000; 2004 – \$13,860,000 and thereafter – \$73,690,000.

In addition to minimum rental payments, certain tenants are required to pay additional rental amounts based on increases in property operating expenses and/or their share of the costs of maintaining common areas. Certain of the Company's leases provide for the payment of additional rent based on a percentage of the tenant's revenues. Such additional percentage rents are included in rental income and aggregated approximately \$165,000, \$422,000, and \$3,778,000, in 1999, 1998, and 1997 respectively.

The Company is the general partner in a consolidated limited partnership formed in 1997 to acquire and manage the Eastchester Mall, in Eastchester, New York. The limited partner is entitled to preferential distributions of cash flow from the property and, after a period of three years from the formation of the Partnership, may put its interest to the Company for an equivalent value of Common stock and Class A Common stock of the Company, or at its option, the Company may redeem the interest for cash. The Company has the option to purchase the limited partner's interest after a certain period. The partnership agreement, among other things, restricts the sale or refinancing of the property without the limited partner's consent.

The Company is also the general partner in a consolidated limited partnership formed in 1998 to acquire and manage the Arcadian Shopping Center in Briarcliff, New York. The limited partners contributed the property subject to a \$6.3 million first mortgage in exchange for operating partnership units (OPU's). The OPU's are exchangeable into an equivalent number of shares of Class A Common stock or cash, at the option of the general partner. The limited partners are entitled to preferential distributions of cash flow from the property. On January 9, 1999, two limited partners exchanged their units for cash. The limited partners, after a period of three years from the formation of the Partnership, may put the remainder of their limited partnership interests to the Company for, at the option of the general partner, either cash or units of Class A Common stock of the Company at a unit price as defined in the partnership agreement. The Company has the option to purchase the limited partners interest after a certain period. The partnership agreement, among other things, places certain restrictions on the sale or refinancing of the property without the limited partners' consent for a specified period; thereafter the partnership agreement imposes no such restrictions.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(3) PROPERTIES OWNED (continued)

The limited partners interests in both partnerships are reflected in the accompanying consolidated financial statements as minority interest. The acquisition of the interests in the properties and the assumption of the first mortgages by the partnerships represent noncash investing and financing activities and therefore are not included in the accompanying 1999 and 1997 consolidated statements of cash flows.

In fiscal 1999, the Company acquired interests in three properties for total consideration of \$23 million, including the Towne Centre Shopping Center in which the Company assumed a first mortgage of \$4.1 million. The assumption of the first mortgage represents a noncash financing activity and is therefore not included in the accompanying 1999 Consolidated Statement of Cash Flows.

(4) PROPERTIES AVAILABLE FOR SALE

The Board of Directors has authorized a plan to sell all of the non-core properties of the Company over a period of several years. The non-core properties, which have been classified as Properties Available for Sale, consist of all of the Company's distribution and service properties and certain of its office and retail properties located outside of the Northeast region of the United States.

At October 31, 1999 and 1998, properties available for sale consisted of the following (in thousands):

	1999	1998
Properties available for sale subject to:		
Operating leases	\$13,210	\$15,345
Direct financing leases	<u>3,756</u>	<u>5,005</u>
	<u>\$16,966</u>	<u>\$20,350</u>

Operating Leases

The components of properties available for sale subject to operating leases were as follows (in thousands):

	1999	1998
Land	\$ 2,545	\$ 2,985
Buildings and improvements	<u>18,666</u>	<u>21,183</u>
	21,211	24,168
Accumulated depreciation	<u>(8,001)</u>	<u>(8,823)</u>
	<u>\$13,210</u>	<u>\$15,345</u>

Direct Financing Leases

The components of properties available for sale subject to direct financing leases were as follows (in thousands):

	1999	1998
Total minimum lease payments to be received	\$ 1,752	\$ 3,233
Assumed residual values of leased property	2,107	2,107
Unearned income	<u>(103)</u>	<u>(335)</u>
Investment in property subject to direct financing leases	<u>\$ 3,756</u>	<u>\$ 5,005</u>
Original cost of property subject to direct financing leases	<u>\$16,276</u>	<u>\$16,276</u>

Assumed residual values are based upon a depreciated cost concept using estimated useful lives and thus do not contain an element of appreciation which may result by reason of inflation or other factors.

Minimum lease payments receivable on direct financing leases become due as follows: \$1,299,000 in 2000, and \$453,000 in 2001.

Sales of Properties

In fiscal 1999, the Company sold a retail property and realized a net gain on the sale of the property of \$1,364,000.

(5) INVESTMENT IN UNCONSOLIDATED JOINT VENTURE

The Company is the sole general partner in Countryside Square Limited Partnership (the "Partnership"), which owns the Countryside Square Shopping Center in Clearwater, Florida. In 1997, the Company contributed the shopping center at its net carrying amount, and the limited partners contributed 600,000 Common shares of the Company. The Partnership received 600,000 Class A Common Shares pursuant to the stock dividend declared in August 1998 (see Note 9) and in 1999 exchanged the 600,000 Common Shares that it held with an affiliate for an equivalent number of Class A Common Shares (the "Exchange"). The partnership agreement provides for the limited partners to receive an annual cash preference from available cash of the Partnership, as defined. Upon liquidation, proceeds from the sale of the partnership assets are to be distributed to the partners in accordance with the terms of the partnership agreement. The property may be sold at any time after the third year of operation and the Company has a right of first refusal on the sale of the property. The partners are not obligated to make any additional capital contributions.

The Company has accounted for its proportionate interest in the Class A Common shares owned by the Partnership as a deemed purchase and, has reduced its investment in unconsolidated joint venture and stockholders' equity by \$4,295,000. As a result of the Exchange, the consolidated statement of stockholders' equity for the year ended October 31, 1999 reflects a deemed reissuance of the Company's proportionate share of the Common shares formerly held by the Partnership and a deemed retirement of its proportionate share of the additional Class A Common shares which the Partnership received. The Company's equity in earnings of the Partnership is reflected after eliminating its proportionate share of dividend income in the Common and Class A Common Shares of the Company recorded by the Partnership. The initial contribution of the property into the Partnership and deemed purchase of shares represented noncash investing and financing activities and therefore were not included in the 1997 consolidated statement of cash flows.

(6) MORTGAGE NOTES RECEIVABLE

Mortgage notes receivable consist of fixed rate mortgages. The components of the mortgage notes receivable at October 31, 1999 and 1998 were as follows (in thousands):

	1999	1998
Remaining principal balance	\$ 3,059	\$ 3,206
Unamortized discounts to reflect market interest rates at time of acceptance of notes	<u>(559)</u>	<u>(599)</u>
	<u>\$ 2,500</u>	<u>\$ 2,607</u>

At October 31, 1999, principal payments on mortgage notes receivable become due as follows: 2000 – \$162,000; 2001 – \$111,000; 2002 – \$100,000; 2003 – \$109,000; 2004 – \$119,000, thereafter – \$2,458,000.

At October 31, 1999, the remaining principal balance consists of mortgage notes from two borrowers. The amount due from the largest individual borrower was \$2,038,000. The contractual interest rate on the mortgage notes receivable is 9%.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(7) MORTGAGE NOTES PAYABLE AND LINES OF CREDIT

At October 31, 1999, the Company has seven nonrecourse mortgage notes payable totalling \$38,394,000 (\$13,503,000 at October 31, 1998) due in installments over various terms extending to the year 2009 and which bear interest at rates ranging from 7.38% to 9.75%. The mortgage notes payable are collateralized by real estate investments having a net carrying value of \$61.9 million as of October 31, 1999.

Scheduled principal payments during the next five years and thereafter are as follows: 2000 – \$4,774,000; 2001 – \$6,737,000; 2002 – \$2,379,000; 2003 – \$563,000; 2004 – \$608,000 and thereafter – \$23,333,000.

The Company has a \$20 million secured revolving credit loan agreement (the "Agreement") with a bank. The Agreement which expires in October 2005 is secured by first mortgage liens on two properties. Interest on outstanding borrowings are at the prime +1/2% or LIBOR +1.5%. However, the Company can elect a fixed rate option at any time prior to the last year of the Agreement. The Agreement requires the Company to maintain certain debt service coverage ratios during the term of the agreement and provides for a permanent reduction in the revolving credit loan amount of \$625,000 annually, commencing in 2001. At October 31, 1999, the Company had outstanding borrowings of \$12,869,000 (\$19,397,000 at October 31, 1998) under the Agreement. Outstanding borrowings are included in mortgage notes payable in the accompanying consolidated balance sheets.

The Company has agreed in principle with two banks for a \$25 million unsecured revolving credit facility. The credit facility will have a term of two years and will bear interest at the prime rate + 1/4% or LIBOR + 2.25%. The new credit facility is subject to agreement on final terms and will contain covenants, the most restrictive requires the Company to maintain certain debt service coverage ratios, limits the amount of dividends paid and amount of indebtedness. The credit facility is expected to be finalized in the Company's second quarter of fiscal 2000.

Interest paid for the years ended October 31, 1999, 1998, and 1997 was \$4,038,000, \$2,397,000 and \$3,350,000 respectively.

(8) PREFERRED STOCK

In fiscal 1998, the Company completed a private placement of 350,000 shares of 8.99% Series B Senior Cumulative Preferred Stock, par value \$.01 per share, with a liquidation preference of \$100 per share ("Series B Preferred Stock"). Holders of the Series B Preferred Stock are entitled to receive cumulative preferential cash dividends equal to 8.99% per annum, payable quarterly in arrears and subject to adjustment under certain circumstances.

The Series B Preferred Stock has no stated maturity, will not be subject to any sinking fund or mandatory redemption and will not be convertible into other securities or property of the Company. On or after January 8, 2008, the Series B Preferred Stock may be redeemed by the Company at its option, in whole or in part, at a redemption price of \$100 per share, plus all accrued dividends. Upon a Change in Control of the Company (as defined), (i) each holder of Series B Preferred Stock shall have the right, at such holder's option, to require the Company to repurchase all or any part of such holder's Series B Preferred Stock for cash at a repurchase price of \$100 per share, plus all accrued and unpaid dividends, and (ii) the Company shall have the right, at the Company's option, to redeem all or any part of the Series B Preferred Stock at (a) prior to January 8, 2008, the Make-Whole Price (as defined) and (b) on or subsequent to January 8, 2008, the redemption price of \$100 per share, plus all accrued and unpaid dividends.

The Series B Preferred Stock also contains covenants which require the Company to maintain certain financial coverages relating to fixed charge and capitalization ratios. Shares of the Series B Preferred Stock are non-voting; however, under certain circumstances (relating to non-payment of dividends or failure to comply with the financial covenants) the preferred stockholders will be entitled to elect two directors.

(9) STOCKHOLDERS' EQUITY

On June 16, 1998, the Board of Directors declared a special stock dividend on the Company's Common Stock consisting of one share of a newly created class of Class A Common Stock, par value \$.01 per share for each share of the Company's Common Stock. The Class A Common Stock entitles the holder to 1/20 of one vote per share. Each share of Common Stock and Class A Common Stock have identical rights with respect to dividends except that each share of Class A Common Stock will receive not less than 110% of the regular quarterly dividends paid on each share of Common Stock. The stock dividend was paid on August 14, 1998. An amount equal to the par value of the Class A Common shares issued was transferred from additional paid in capital to Class A Common Stock. All references to the number of common shares, except authorized shares, and per share amounts elsewhere in the consolidated financial statements have been adjusted to reflect the effect of the stock dividend for all periods presented.

The Board of Directors adopted a shareholder rights plan in 1998 and declared a dividend distribution of one purchase right for each outstanding original share of Common Stock and Class A Common Stock (collectively the "Common Shares"). The rights, which expire on November 12, 2008, are not currently exercisable. When they are exercisable, the holder will be entitled to purchase from the Company one one-hundredth of a share of a newly-established Series A Participating Preferred Stock at a price of \$65 per one one-hundredth of a preferred share, subject to certain adjustments. The distribution date for the rights will occur 10 days after a person or group either acquires or obtains the right to acquire 10% ("Acquiring Person") or more of the combined voting power of the Company's Common Shares, or announces an offer the consummation of which would result in such person or group owning 30% or more of the then outstanding Common Shares. Thereafter, shareholders other than the Acquiring Person will be entitled to purchase original common shares of the Company having a value equal to two times the exercise price of the right.

If the Company is involved in a merger or other business combination at any time after the rights become exercisable, and the Company is not the surviving corporation or 50% or more of the Company assets are sold or transferred, the rights agreement provides that the holder other than the Acquiring Person will be entitled to purchase a number of shares of common stock of the acquiring company having a value equal to two times the exercise price of each right.

The Company's articles of incorporation provide that if, any person acquires more than 7.5% of the outstanding shares of any class of stock, except, among other reasons, as approved by the Board of Directors. Such shares in excess of this limit shall automatically be exchanged for an equal number of shares of Excess Stock. Excess Stock have limited rights, may not be voted and are not entitled to any dividends.

The Company has a Restricted Stock Plan (Plan) which provides for the grant of restricted stock awards to key employees of the Company. The Plan allows for restricted stock awards of up to an aggregate of 250,000 Class A Common shares or Common shares. During 1999, the Company awarded 46,500 Common shares (51,250 Common Shares in 1998) and 46,500 Class A Common Shares (none in 1998) to participants in the Plan as an incentive for future services. The shares vest after five years. Dividends on vested and non-vested shares are paid as declared. The market value of shares awarded has been recorded as unamortized restricted stock compensation and is shown as a separate component of stockholder's equity. Unamortized restricted stock compensation is being amortized to expense over the five year vesting period. For the years ended October 31, 1999, 1998 and 1997, \$488,000, \$331,000 and \$111,000 respectively was charged to expense.

The Company's Board of Directors authorized a program to purchase up to one million of the Company's Class A Common and Common shares periodically. As of October 31, 1999, the Company has purchased and retired 115,000 Common shares and 56,700 Class A Common shares under this program.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(10) STOCK OPTION PLAN

The Company has a stock option plan under which 418,271 Common shares and Class A Common shares are reserved for issuance to key employees and non-employee Directors of the Company. Options are granted at fair market value on the date of the grant, have a duration of ten years from the date of grant and are generally exercisable in installments over a maximum period of four years from the date of grant.

A summary of stock option transactions during the periods covered by these financial statements is as follows:

Year ended October, 31	1999		1998		1997	
	Number of Shares	Weighted Average Exercise Prices	Number of Shares	Weighted Average Exercise Prices	Number of Shares	Weighted Average Exercise Prices
Common Stock:						
Balance at beginning of period	410,750	\$7.09	416,562	\$6.98	440,082	\$7.18
Granted	6,000	\$7.69	7,000	\$9.03	6,000	\$8.34
Exercised	—	—	(5,874)	\$6.93	(29,520)	\$5.96
Canceled	(4,000)	\$12.70	(6,938)	\$8.86	—	—
Balance at end of period	412,750	\$7.04	410,750	\$7.07	416,562	\$6.95
Exercisable	387,062		347,375		298,000	
Class A Common Stock:						
Balance at beginning of period	410,750	\$7.09	416,562	\$6.98	440,082	\$7.18
Granted	6,000	\$8.18	7,000	\$9.03	6,000	\$8.40
Exercised	—	—	(5,874)	\$6.97	(29,520)	\$6.00
Canceled	(4,000)	\$12.79	(6,938)	\$8.92	—	—
Balance at end of period	412,750	\$7.10	410,750	\$7.11	416,562	\$7.00
Exercisable	387,062		347,375		298,000	
Weighted average fair value of options granted during the year						
– Common Stock	\$0.55		\$1.16		\$1.20	
– Class A Common Stock	\$0.59		\$1.16		\$1.20	

In connection with the Class A Common stock dividend each outstanding incentive stock option to purchase Common stock was modified to permit the optionee to purchase an equal number of Class A Common Stock. Each outstanding non-qualified stock option was modified to permit the optionee to purchase a number of shares of either Common Stock, Class A Common Stock or a combination of both based on the fair market values of the respective shares determined at the stock dividend distribution date.

At October 31, 1999, exercise prices of Common Shares and Class A Common Shares under option ranged from \$5.67 to \$11.71, for the Common Shares and \$5.70 to \$11.79, for the Class A Common Shares. Option expiration dates range for both classes of stock from November 1999 through April 2009 and the weighted average remaining contractual life of these options is 4.9 years.

The fair value for these options was estimated as of the date of grant using a Black-Scholes option pricing model with the following weighted average assumptions for the years ended October 31, 1999, 1998 and 1997:

	Year ended October 31,		
	1999	1998	1997
Risk-free interest rate	5.65%	5.88%	7.09%
Expected dividend yield	9.1%	7.1%	7.6%
Expected volatility	23.6%	24.3%	26.5%
Weighted average option life	10 Years	10 Years	10 Years

The Black-Scholes option pricing model was developed for use in estimating the fair value of traded options which have no vesting restrictions and are fully transferable. In addition, option valuation models require the input of highly subjective assumptions, including the expected stock volatility. Because the Company's stock option plan has characteristics significantly different from those traded options, and because changes in the subjective input assumptions can materially affect the fair value estimate, in management's opinion, the existing models do not necessarily provide a reliable single measure of the fair value of the above stock option plan.

Stock appreciation rights may be issued in tandem with the stock options, in which case, either the option or the right can be exercised. Such rights entitle the grantee to payment in cash or a combination of common shares and cash equal to the increase in the value of the shares covered by the option to which the stock appreciation right is related. The plan limits the value of the stock appreciation rights to 150% of the option price for the related shares. The excess of the market price of the shares over the exercise price of vested options is charged to expense. For the three years ended October 31, 1999, 1998 and 1997, there were no amounts charged to expense.

The Company has adopted the disclosure-only provisions of Statement of Financial Accounting Standards No. 123, "Accounting for Stock Based Compensation" ("SFAS 123"). Accordingly, no compensation expense has been recognized for the options described above. Had compensation cost for these options been determined based on the fair value on the grant date consistent with the provisions of SFAS 123, the effect on the Company's net income and earnings per share for the three years ended October 31, 1999, 1998 and 1997 would have been immaterial.

Certain officers have exercised stock options and provided full recourse promissory notes to the Company in the amount of \$267,000. The notes bear interest at the prime rate +1/2% and are collateralized by the stock issued upon exercise of the stock options. Interest is payable semi-annually and the principal is due in 2002. Such notes are shown in Stockholders Equity in the accompanying balance sheet as notes receivable from officers/stockholders.

(11) DISCLOSURE ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS

The following disclosures of estimated fair value were determined by management using available market information and appropriate valuation methodologies. Considerable judgement is necessary to interpret market data and develop estimated fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Company could realize on disposition of the financial instruments. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts.

Cash and cash equivalents, rents and interest receivable, accounts payable, accrued expenses, other liabilities and certain borrowings except as noted below are carried at amounts which reasonably approximate their fair values.

The estimated fair value of mortgage notes receivable collateralized by real property is based on discounting the future cash flows at a year-end risk adjusted lending rate that the Company would utilize for loans of similar risk and duration. At October 31, 1999 and 1998, the estimated aggregate fair value of the mortgage notes receivable was \$2,703,000 and \$2,312,000 respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(11) DISCLOSURE ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Mortgage notes payable with aggregate carrying values of \$38,391,000 and \$13,503,000 have estimated aggregate fair values of \$38,407,000 and \$13,055,000 at October 31, 1999 and 1998, respectively. Estimated fair value is based on discounting the future cash flows at a year-end risk adjusted lending rate currently available to the Company for issuance of debt with similar terms and remaining maturities.

Although management is not aware of any factors that would significantly affect the estimated fair value amounts, such amounts have not been comprehensively revalued for purposes of these financial statements and current estimates of fair value may differ significantly from the amounts presented herein.

(12) QUARTERLY RESULTS OF OPERATIONS (UNAUDITED)

The unaudited quarterly results of operations for the years ended October 31, 1999 and 1998 are as follows (in thousands, except per share data):

	<u>Year Ended October 31, 1999</u>				<u>Year Ended October 31, 1998</u>			
	<u>Quarter Ended</u>				<u>Quarter Ended</u>			
	<u>Jan 31</u>	<u>Apr 30</u>	<u>July 31</u>	<u>Oct 31</u>	<u>Jan 31</u>	<u>Apr 30</u>	<u>July 31</u>	<u>Oct 31</u>
Revenues	<u>\$6,933</u>	<u>\$7,651</u>	<u>\$7,266</u>	<u>\$7,964</u>	<u>\$5,869</u>	<u>\$6,450</u>	<u>\$6,189</u>	<u>\$7,087</u>
Net Income ⁽¹⁾	<u>\$1,747</u>	<u>\$2,036</u>	<u>\$1,809</u>	<u>\$3,598</u>	<u>\$1,249</u>	<u>\$2,509</u>	<u>\$2,099</u>	<u>\$2,319</u>
Preferred Stock Dividends	<u>786</u>	<u>787</u>	<u>787</u>	<u>787</u>	<u>210</u>	<u>778</u>	<u>787</u>	<u>786</u>
Net Income Applicable to Common and Class A Common Stockholders	<u>\$961</u>	<u>\$1,249</u>	<u>\$1,022</u>	<u>\$2,811</u>	<u>\$1,039</u>	<u>\$1,731</u>	<u>\$1,312</u>	<u>\$1,533</u>
Basic Earnings per Share:								
Common	<u>\$.09</u>	<u>\$.12</u>	<u>\$.09</u>	<u>\$.25</u>	<u>\$.10</u>	<u>\$.16</u>	<u>\$.12</u>	<u>\$.14</u>
Class A Common	<u>\$.10</u>	<u>\$.12</u>	<u>\$.11</u>	<u>\$.29</u>	<u>\$.10</u>	<u>\$.18</u>	<u>\$.13</u>	<u>\$.16</u>
Diluted Earnings per Share:								
Common	<u>\$.09</u>	<u>\$.12</u>	<u>\$.09</u>	<u>\$.24</u>	<u>\$.10</u>	<u>\$.16</u>	<u>\$.12</u>	<u>\$.14</u>
Class A Common	<u>\$.10</u>	<u>\$.12</u>	<u>\$.11</u>	<u>\$.28</u>	<u>\$.10</u>	<u>\$.18</u>	<u>\$.13</u>	<u>\$.16</u>

(1) Quarter ended October 31, 1999 includes a gain on sale of real estate investment of \$1,364,000.

(13) SEGMENT REPORTING

For financial reporting purposes, the Company has grouped its real estate investments into two segments: equity investments and mortgage loans. Equity investments are managed separately from mortgages as they require a different operating strategy and management approach. The Company assesses and measures operating results for each of its segments, based on net operating income. For equity investments, net operating income is calculated as rental revenues of the property less its rental expenses (such as common area expenses, property taxes, insurance, etc.) and, for mortgage loans, net operating income consists of interest income less direct expenses, if any.

The revenues, net operating income and assets for each of the reportable segments are summarized in the following tables for the years ended October 31, 1999, 1998 and 1997. Non-segment assets include cash and cash equivalents, interest receivable, and other assets. The non-segment revenues consist principally of interest income on temporary investments. The accounting policies of the segments are the same as those described in Note 1.

Year Ended October 31,	Equity Investments	Mortgage Loans	Non Segment	Total
1999				
Total Revenues	<u>\$ 29,282</u>	<u>\$ 302</u>	<u>\$ 230</u>	<u>\$ 29,814</u>
Net Operating Income	<u>\$ 19,430</u>	<u>\$ 302</u>	<u>\$ 230</u>	<u>\$ 19,962</u>
Total Assets	<u>\$179,370</u>	<u>\$2,500</u>	<u>\$1,904</u>	<u>\$183,774</u>
1998				
Total Revenues	<u>\$ 24,335</u>	<u>\$ 684</u>	<u>\$ 576</u>	<u>\$ 25,595</u>
Net Operating Income	<u>\$ 16,472</u>	<u>\$ 684</u>	<u>\$ 576</u>	<u>\$ 17,732</u>
Total Assets	<u>\$158,455</u>	<u>\$2,607</u>	<u>\$3,977</u>	<u>\$165,039</u>
1997				
Total Revenues	<u>\$ 23,829</u>	<u>\$ 473</u>	<u>\$ 525</u>	<u>\$ 24,827</u>
Net Operating Income	<u>\$ 16,805</u>	<u>\$ 473</u>	<u>\$ 525</u>	<u>\$ 17,803</u>
Total Assets	<u>\$131,855</u>	<u>\$3,605</u>	<u>\$ 1,970</u>	<u>\$137,430</u>

The reconciliation to net income for the combined reportable segments and for the Company is as follows:

Year Ended October 31,	1999	1998	1997
Net Operating Income from Reportable Segments	<u>\$19,962</u>	<u>\$17,732</u>	<u>\$17,803</u>
Addition:			
Gain on sale of real estate	<u>1,364</u>	<u>—</u>	<u>—</u>
Deductions:			
Interest expense	<u>3,913</u>	<u>2,522</u>	<u>3,350</u>
Depreciation and amortization	<u>5,896</u>	<u>4,747</u>	<u>4,132</u>
General, administrative and other expenses	<u>2,327</u>	<u>2,287</u>	<u>1,732</u>
Total Deductions	<u>12,136</u>	<u>9,556</u>	<u>9,214</u>
Net Income	<u>9,190</u>	<u>8,176</u>	<u>8,589</u>
Preferred stock dividends	<u>(3,147)</u>	<u>(2,561)</u>	<u>—</u>
Net Income Applicable to Common and Class A Common Stockholders	<u>\$ 6,043</u>	<u>\$ 5,615</u>	<u>\$ 8,589</u>

(14) SUBSEQUENT EVENT

The Company obtained a commitment from a bank for a \$6.5 million nonrecourse first mortgage loan secured by one of its retail properties having a net book value of \$9.2 million at October 31, 1999. The mortgage will have a term of 10 years and bear interest at a fixed rate of 7.78%.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Stockholders of Urstadt Biddle Properties Inc.:

We have audited the accompanying consolidated balance sheets of Urstadt Biddle Properties Inc. and subsidiaries (the "Company"), as of October 31, 1999 and 1998, and the related consolidated statements of income, cash flows and stockholders' equity for each of the three years in the period ended October 31, 1999. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Urstadt Biddle Properties Inc. and subsidiaries as of October 31, 1999 and 1998, and the results of their operations and their cash flows for each of the three years in the period ended October 31, 1999 in conformity with generally accepted accounting principles.

ARTHUR ANDERSEN LLP

New York, New York
December 9, 1999

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

LIQUIDITY AND CAPITAL RESOURCES

The Company's liquidity and capital resources include its cash and cash equivalents, proceeds from bank borrowings and long-term mortgage debt, capital financings and sales of real estate investments. The Company expects to meet its short-term liquidity requirements primarily by generating net cash from the operations of its properties. Payments of expenses related to real estate operations, debt service, management and professional fees, and dividend requirements place demands on the Company's short-term liquidity. The Company believes that its net cash provided by operations is sufficient to fund its short-term liquidity needs in the near term. The Company expects to meet its long-term liquidity requirements such as property acquisitions, debt maturities and capital improvements through long-term secured indebtedness, proceeds from the sale of real estate investments, and/or the issuance of additional equity securities.

At October 31, 1999, the Company had cash and cash equivalents of \$2.8 million compared to \$3.9 million in 1998. The Company also has a \$20 million secured revolving credit facility with a bank which expires in 2005. Borrowings can be repaid and borrowed again during the term of the facility. The secured credit line is available to finance the acquisition, management or development of commercial real estate and for working capital purposes. Additionally, the Company has agreed in principle with two banks for a \$25 million unsecured revolving credit facility for a term of two years. At October 31, 1999, the Company had outstanding short-term borrowings of \$2 million under a line of credit which expired in December 1999. The Company intends to repay this amount from the proceeds of a \$6.5 million mortgage loan expected to close in the Company's second quarter of fiscal 2000. In May 1999, the Company obtained a \$15 million non-recourse mortgage loan secured by one of its core retail properties having a net book amount of \$21.3 million. Proceeds from the mortgage loan were used to repay borrowings outstanding under its lines of credit. At October 31, 1999, long-term debt consists of mortgage notes payable totaling \$38.4 million and outstanding borrowings of \$12.9 million under the secured revolving credit facility.

In fiscal 1998, the Company sold \$35 million of senior cumulative preferred stock in a private placement with institutional investors. Net proceeds of \$33.5 million (after deducting expenses of the sale) were used to repay approximately \$24 million of mortgage debt and to complete the acquisitions of two properties.

In June 1998, the Board of Directors declared a special stock dividend on the Company's Common Shares consisting of one share of a newly created class of Class A Common Shares. The establishment and issuance of the Class A Common Shares is intended to provide the Company with the flexibility to raise equity capital to finance acquisition of properties and further the growth of the Company. Such securities may be utilized as consideration in connection with the acquisition of properties by the Company and for employee compensation purposes, in each case without diluting the voting power of the Company's existing stockholders. The Company utilized securities in this manner to facilitate the acquisition of the Arcadian Shopping Center in Briarcliff, New York. In addition during fiscal 1999, the Company sold \$2 million in Common and Class A Common shares in private placements.

The Company expects to make real estate investments periodically. During the five years ended October 31, 1999, the Company acquired twelve properties at an aggregate purchase cost of \$91 million. During fiscal 1999, the Company purchased or acquired interests in three properties including the general partner interest in the Arcadian Shopping Center in Briarcliff, New York. The limited partners contributed the property subject to a \$6.3 million non-recourse first mortgage on the property in exchange for operating partnership units (OPU's). After a period of time, the limited partners OPU's are exchangeable, at the Company's option, into an equivalent number of Class A Common Shares or cash. During 1999, two limited partners exchanged OPU's for cash totaling \$2,025,000. In August 1999, the Company purchased the Towne Centre at Somers Shopping Center in Somers, New York for \$9,500,000. The Company funded this purchase from funds available under its existing bank credit lines, proceeds from the sale of a non-core property and the assumption of a first mortgage loan of \$4.1 million. The Company also invests in its existing properties and, during fiscal 1999, spent approximately \$4.0 million on its properties for capital improvement and leasing costs.

In a prior year, the Board of Directors expanded and refined the strategic objectives of the Company to refocus its real estate portfolio into one of self-managed retail properties located in the Northeast and authorized a plan to sell the non-core properties of the Company in the normal course of business over a period of several years. The non-core properties comprise all of the Company's distribution and service facilities, and certain of its office and retail properties and undeveloped land located outside of the Northeast region of

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

the United States. In 1999, the Company sold one property for gross proceeds of \$2,825,000 realizing a gain on the sale of \$1,364,000. The Company expects future sales of the non-core properties over the next several years to result in net gains to the Company. At October 31, 1999, the non-core properties, (including the Company's investment in unconsolidated joint venture) total nine properties having an aggregate net book value of \$26,855,000.

The Company's Board of Directors has authorized the purchase of up to one million of the Company's Common and Class A Common shares over the next two to three years. The Company may discontinue purchases of its shares for any reason including, prevailing market prices, availability of cash resources and alternative investment opportunities. In fiscal 1999, the Company repurchased 58,800 Common shares and 14,000 Class A Common shares at an aggregate cost of \$584,000. The Company utilized available cash resources to fund the repurchases. The Company expects to fund the cost of future share purchases, if any, from available cash.

FUNDS FROM OPERATIONS

The Company considers Funds from Operations (FFO) to be an appropriate supplemental financial measure of an equity REIT's operating performance since such measure does not recognize depreciation and amortization of real estate assets as reductions of income from operations.

The National Association of Real Estate Investment Trusts (NAREIT) defines FFO as net income computed in accordance with generally accepted accounting principles (GAAP) plus depreciation and amortization of assets uniquely significant to the real estate industry, excluding gains or losses on debt restructuring and sales of property, the elimination of significant non-recurring charges and credits and after preferred stock distributions and adjustments for unconsolidated joint ventures. The Company considers recoveries of investments in properties subject to finance leases to be analogous to amortization for purposes of calculating FFO. FFO does not represent cash flows from operations as defined by GAAP and should not be considered a substitute for net income as an indicator of the Company's operating performance, or for cash flows as a measure of liquidity. Furthermore, FFO as disclosed by other REITs may not be comparable to the Company's calculation of FFO. The table below provides a reconciliation of net income in accordance with GAAP to FFO as calculated under the NAREIT guidelines for the years ended October 31, 1999, 1998 and 1997 (amounts in thousands):

	1999	1998	1997
Net Income Applicable to Common and Class A Common Stockholders	\$6,043	\$5,615	\$8,589
Plus: Real property depreciation, amortization of tenant improvement and lease acquisition costs and recoveries of investments in properties subject to finance leases	6,545	5,442	4,798
Adjustments for unconsolidated joint venture	654	692	616
Less: Gains on sales of real estate investments	(1,364)	—	—
Non-recurring items — net	<u>—</u>	<u>(536)</u>	<u>(3,814)*</u>
Funds from Operations	<u>\$11,878</u>	<u>\$11,213</u>	<u>\$10,189</u>

*Includes a one-time \$3.25 million payment received in settlement of unpaid percentage rents from a tenant — see Results of Operations below.

RESULTS OF OPERATIONS

Fiscal 1999 vs. Fiscal 1998

Revenues

Operating lease revenue increased 20.6% from the comparable period in fiscal 1998. The increase in operating lease revenues results principally from additional rent income earned from the addition of properties acquired during fiscal 1999 and 1998. Such new properties increased operating rents by \$5.9 million in fiscal 1999. Operating lease revenues for properties owned in both fiscal 1999 and 1998 were generally unchanged in fiscal 1999 when compared to the same period a year ago.

Overall, the Company's properties were 96% leased at October 31, 1999. During fiscal 1999 the Company leased or renewed 293,000 square feet of space or 13% of the Company's total retail and office portfolio. The Company's industrial portfolio are triple net leased to single tenants under long term leases.

Interest income decreased in fiscal 1999. In fiscal 1998, the Company sold a \$35 million preferred stock issue and proceeds of the offering were invested in short-term cash investments until such time as they were used to make real estate investments and repay outstanding mortgage indebtedness

later in the year. Also, the Company earned additional interest income of \$278,000 from the repayment of a mortgage note receivable last year.

Expenses

Total expenses amounted to \$21,596,000 in fiscal 1999 compared to \$17,252,000 last year. The largest expense category is property expenses of the real estate operating properties. The increase in property expenses reflects the effect of the addition of properties acquired in fiscal 1999 and 1998. Property expenses of new properties increased operating expenses by \$1.8 million. Property expenses for properties owned during both fiscal 1999 and 1998 increased by 5% compared to fiscal 1998.

Interest expense increased from borrowings on the Company's unsecured and secured revolving credit facilities utilized to complete the acquisition of certain properties in fiscal 1999 and 1998 and the addition of \$25.4 million in first mortgage loans in fiscal 1999.

Depreciation expense increased principally from the acquisition of the properties referred to above.

General and administrative expenses increased in fiscal 1999 from higher legal and other professional costs and compensation expense related to restricted stock issued to key employees of the Company.

Fiscal 1998 vs. Fiscal 1997

Revenues

Operating lease revenue increased 18.4% from the comparable period in fiscal 1997 (before the one-time amount of \$3,250,000 discussed below). The increase in lease revenues resulting from, among other things, rental income from four properties acquired in 1998 and new leasing of space at certain of the Company's properties. Operating lease revenue for properties owned during both fiscal 1998 and 1997 increased 7.8% compared to the same period in the prior year. Fiscal 1997 lease revenues included a one-time settlement amount of \$3,250,000 representing additional percentage rent received from a tenant.

The Company leased or renewed more than 170,000 square feet of space during the year comprising more than 10% of the Company's gross leasable area of its core properties.

Interest income increased in fiscal 1998 from the reinvestment into short-term cash investments of the net proceeds from a \$35 million preferred stock issue sold in January, 1998 and additional interest of \$278,000 received from the repayment of a mortgage note receivable in the face amount of \$1,176,000 with a net carrying amount of \$898,000.

Expenses

Total expenses amounted to \$17,252,000 in fiscal 1998 compared to \$16,238,000 the previous year. The increase in property expenses in 1998 reflect the effect of the acquisition of four properties during fiscal 1998. Property expenses related to properties acquired in 1998 totaled \$569,000. Property expenses in fiscal 1998 for properties owned during both fiscal 1998 and 1997 increased by less than 2% compared to the same period in fiscal 1997.

Interest expense decreased by \$828,000 principally from the repayment of \$24.1 million of mortgage notes payable in fiscal 1998.

Depreciation and amortization expense increased principally from the acquisition of four operating properties during fiscal 1998 and capital expenditures for tenant improvements.

General and administrative expenses increased to \$2,077,000 from \$1,550,000 in fiscal 1997 from higher legal and other professional costs and compensation expense related to the issuance of restricted stock to key employees.

Impact of Year 2000

The Company completed a review of its software and hardware systems used internally to operate its business in order to assess the Year 2000 issue to determine the impact, if any, on its operations. As a result of this review, the Company did not have to significantly modify or replace its computer hardware or software programs so that its business systems are able to process information beyond 1999.

The Company also surveyed its key tenants, vendors, banks and other parties to determine the extent to which the Company may be vulnerable in the event those parties fail to remediate their own Year 2000 issue. Based on responses from such third parties, the Company is not aware of any such third parties who may be non-compliant and, as a result of such non-compliance, have a material adverse effect on the operations of the Company's properties. The costs attributable to the purchase of new computer equipment and software, third party modification plans, consulting fees, etc. were not significant in fiscal 1999.

TAX STATUS

The Company believes it qualifies, and intends to continue to qualify, as a real estate investment trust under the Internal Revenue Code. Thus, it will be generally subject to Federal income taxes only on that part of its taxable income not distributed as dividends so long as 95% of such taxable income is distributed (90% for tax years after 2001). The Company intends to distribute its taxable income for fiscal 1999 and, accordingly, no provision has been made for Federal income taxes.

INCOME TAX INFORMATION

The tax status for Federal income tax purposes of the dividends paid by the Company during fiscal 1999 and were all considered ordinary income for federal tax purposes is as follows:

Dividend Payment Date	Dividends Paid Per	
	Common Share	Class A Common Share
January 22, 1999	\$.17	\$.19
April 23, 1999	\$.17	\$.19
July 14, 1999	\$.17	\$.19
October 22, 1999	\$.17	\$.19
Total	\$.68	\$.76

MARKET PRICE RANGES

The following sets forth, for the fiscal years ended October 31, 1999 and 1998, the low and high closing sales price per Common Share and Class A Common Share as quoted on The New York Stock Exchange.

Shares trade on the New York Stock Exchange under the Symbols: UBP and UBPA.

	Fiscal 1999		Fiscal 1998	
	Low	High	Low	High
Common Shares				
First Quarter	7 1/16	– 8 5/8	17 3/4	– 20 1/4
Second Quarter	7 1/2	– 8 1/4	17 7/16	– 19 1/2
Third Quarter	7 7/16	– 8	17 1/2	– 18 1/2
Fourth Quarter	6 11/16	– 7 11/16	7 5/8*	– 18

*On 8/14/98 the Company paid a special stock dividend on the Company's Common Shares consisting of one share of a new class of Class A Common Stock for each share of Common Stock outstanding

Class A Common Shares**

First Quarter	7 3/8	– 8 11/16		—
Second Quarter	8	– 8 9/16		—
Third Quarter	7 3/4	– 8 5/8		—
Fourth Quarter	7 1/2	– 8 1/16	7 7/8	– 9 11/16

**Commenced trading on 8/17/98

URSTADT BIDDLE PROPERTIES INC.

DIRECTORS

CHARLES J. URSTADT*
Chairman, Urstadt Biddle Properties Inc.

ROBERT R. DOUGLASS[◇]
Vice Chairman, Urstadt Biddle Properties Inc.
Of Counsel, Milbank, Tweed, Hadley and McCloy

WILLING L. BIDDLE*
President, Urstadt Biddle Properties Inc.

E. VIRGIL CONWAY[◇]
Chairman, New York State Metropolitan
Transportation Authority

PETER HERRICK*[†]
Retired Vice Chairman, The Bank of New York

GEORGE H.C. LAWRENCE[◇]
Chairman and Chief Executive Officer
Lawrence Properties

PAUL D. PAGANUCCI[†]
Chairman, Ledyard National Bank

CHARLES D. URSTADT*
Senior Director, Brown Harris Stevens

GEORGE J. VOJTA[†]
Retired Vice Chairman of the Board and Director
Bankers Trust Company

*Executive Committee Member

[†]Audit Committee Member

[◇]Compensation Committee Member

Directors Emeriti

GEORGE T. CONKLIN, JR.
GEORGE M. HUBBARD, JR.
JAMES O. YORK

Officers

CHARLES J. URSTADT
Chairman and Chief Executive Officer

WILLING L. BIDDLE
President and Chief Operating Officer

JAMES R. MOORE
Executive Vice President, Chief Financial Officer
and Treasurer

RAYMOND P. ARGILA
Senior Vice President, Legal and Assistant Secretary

THOMAS D. MYERS
Vice President and Secretary

JOHN C. MERRITT
Vice President, Acquisitions

WAYNE W. WIRTH
Vice President, Construction

LINDA L. IMHOF
Vice President, Leasing

JOSEPH V. LoPARRINO
Controller

HEIDI R. BRAMANTE
Assistant Vice President

Securities Traded

New York Stock Exchange
Symbols: UBP and UBP.A
Stockholders of Record as of December 31, 1999:
Common Stock: 1,850 and Class A Common Stock: 1,831

Annual Meeting

The annual meeting of stockholders will be held
at 11:00 A.M. March 15, 2000 at The Greenwich Hyatt,
Greenwich, Connecticut.

Form 10-K

A copy of the Company's 1999 Annual Report on
Form 10-K filed with the Securities and Exchange
Commission may be obtained by stockholders
without charge by writing to the Secretary of the
Company at its executive office.

Shareholder Information and Dividend Reinvestment Plan

Inquiries regarding stock ownership, dividends or
the transfer of shares can be addressed to our Transfer
Agent, The Bank of New York, Shareholder Relations
Department-11E, P.O. Box 11258, Church Street
Station, New York, NY 10286-1258 or call toll-free at
1-800-524-4458. The Company has a dividend reinvest-
ment plan which provides stockholders with a conve-
nient means of increasing their holdings without incur-
ring commissions or fees. For information about the
plan, stockholders should contact the Transfer Agent.
Other shareholder inquiries should be directed to
Thomas D. Myers Esq., Secretary, telephone
(203)-863-8200.

Investor Relations

Investors desiring information about the Company
can contact James R. Moore, Executive Vice President,
telephone (203) 863-8200. Investors are also encouraged
to visit our web site at: www.ubproperties.com

Auditors

Arthur Andersen LLP

General Counsel

Coudert Brothers

Executive Office of the Company

321 Railroad Avenue
Greenwich, CT 06830
Tel: (203) 863-8200
Fax: (203) 861-6755
Website: www.ubproperties.com

Memberships

National Association of Real Estate Investment Trusts, Inc.
(NAREIT)
International Council of Shopping Centers (ICSC)

Towne Centre Shopping Center
Somers, New York



Danbury Square
Danbury, Connecticut



Carmel ShopRite Center
Carmel, New York



Ridgefield Center
Ridgefield, Connecticut



Eastchester Mall
Eastchester, New York



 **URSTADT BIDDLE**
PROPERTIES INC.

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