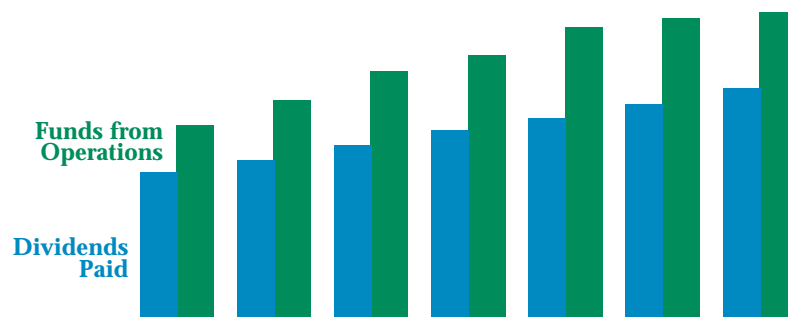


URSTADT BIDDLE PROPERTIES INC.

2000 ANNUAL REPORT



Through the last seven years, we achieved an average annual growth of 8% in Funds From Operations and average annual dividend increases of nearly 5%.



URSTADT BIDDLE PROPERTIES INC.

Urstadt Biddle Properties Inc. (UBP) is a self-administered publicly held equity real estate investment trust providing investors with a means of participating in the ownership of income-producing properties.

UBP's core properties consist of community shopping centers in the northeastern part of the United States.

Other assets include land, office 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."

2000 Annual Report Contents

Selected Financial Data	1
Letter to Stockholders	2
Portfolio Review.....	5
Investment Portfolio.....	9
Core Properties.....	10
Financial Statements.....	12
Management's Discussion	29
Tax Status	32
Directors and Officers	33

COVER: **Barnes & Noble** (left) at *Danbury Square, Danbury, Connecticut*, **Linens 'N Things** (right) and **Marshalls** (below) at *Townline Square, Meriden, Connecticut*

A&P
ALBERTSON'S
BARNES & NOBLE
BATH & BODY WORKS
BLOCKBUSTER
CVS
CHRISTMAS TREE SHOPS
DAIMLER CHRYSLER
DRESS BARN
ECKERD DRUGS
FASHION BUG
JOANN FABRICS
KAY-BEE TOYS
KING KULLEN
LINENS-N-THINGS
MARSHALLS
OLD NAVY
PIER ONE IMPORTS
SHOP RITE
SPAG'S
STOP & SHOP
T.J. MAXX
TOYS 'R' US

SELECTED FINANCIAL DATA

(In thousands, except per share data)

Year Ended October 31,	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>
Balance Sheet Data:							
Total Assets	\$181,100	\$183,774	\$165,039	\$137,430	\$132,160	\$149,099	\$142,559
Mortgage Notes Payable	\$ 51,903	\$ 51,263	\$ 32,900	\$ 43,687	\$ 39,798	\$ 57,212	\$46,386
Operating Data:							
Total Revenues	\$ 31,254	\$ 29,814	\$ 25,595	\$ 24,827	\$ 24,432	\$ 22,853	\$18,969
Net Income Applicable to Common and Class A Common Stockholders	\$ 5,442	\$ 6,043	\$ 5,615	\$ 8,589	\$ 10,271	\$ 3,864	\$1,344
Funds from Operations (Note 1):	\$ 11,914	\$ 11,878	\$ 11,782	\$ 10,189	\$ 9,525	\$ 8,510	\$7,653
Per Share:							
Total Cash Dividends on Common and Class A Common Stock (Note 2):	<u>\$1.48</u>	<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 on Common and Class A Common Stock as a Percentage of Funds from Operations	<u>65%</u>	<u>63%</u>	<u>58%</u>	<u>63%</u>	<u>69%</u>	<u>72%</u>	<u>76%</u>

Note (1): 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 (NAREIT) and defines FFO as net income (computed in accordance with generally accepted accounting principles), excluding gains (or losses) from sales of properties, plus depreciation, amortization, and after adjustments for unconsolidated joint ventures. Effective January 1, 2000, NAREIT clarified the definition of FFO to include non-recurring items. Accordingly, amounts prior to 2000 have been restated to conform to the new definition.

Note (2): Prior to August 1998, the Company had one class of common stock. In August 1998, the Company declared a one-for-one stock split effected in the form of a new issue of Class A Common Stock. Total cash dividends reflect the sum of dividends paid on shares of Common Stock and Class A Common Stock.

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

To Our Stockholders

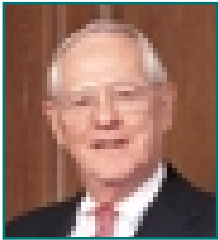
Fiscal 2000 provided your management team at *Urstadt Biddle Properties* with opportunities to strengthen the quality of its properties and to position the company for continued growth in 2001 and beyond. We resolved a number of major leasing issues resulting from retail bankruptcies facing us as we began the year. We also invested in our existing real estate by expanding and renovating our core properties and continued our announced strategy of making acquisitions in the Fairfield County, Connecticut and Westchester County, New York region while divesting the Company of holdings outside of this area.

Funds From Operations (FFO) **increased** slightly to \$11,914,000 from \$11,878,000 last year. Our FFO was affected by the loss of three tenants who filed for bankruptcy protection and closed their stores. (All vacated spaces were subsequently re-leased to quality retailers by the end of the year.) Even so, FFO continued its upward trend, which began seven years ago, and has increased at an average annual rate of 8% over the last seven consecutive years.

DIVIDENDS

UBP has paid uninterrupted dividends for more than thirty years. For the **seventh consecutive year**, and in a demonstration of its confidence in the outlook for the

Company, the Board of Directors **increased the dividend** on the Common shares and Class A Common shares. At current market prices, the new rates represent more than a 10% yield on each share investment. And yet, our dividend

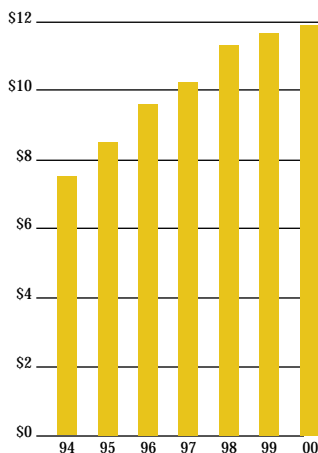


We believe the Company's ability to pay the current level of dividends to its stockholders is solid and our payout ratios continue to be among the lowest in the REIT industry.

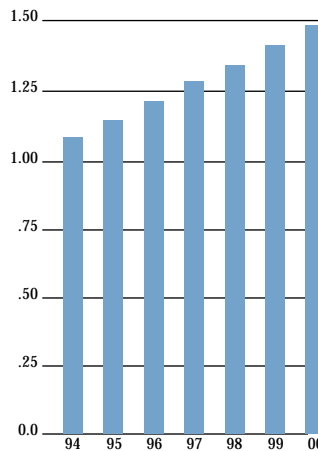
Charles J. Urstadt
Chairman

payout ratios average a conservative 65% of Funds From Operations. We believe the Company's ability to pay the current level of dividends to its stockholders is solid and our

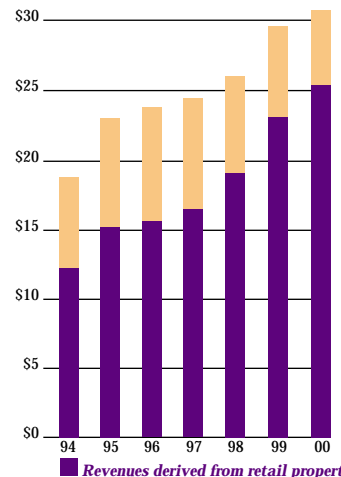
Funds From Operations
(In millions)



Total Dividends Paid
(In dollars per share)



Total Revenues
(In millions)



payout ratios continue to be among the lowest in the REIT industry. In view of this consistently positive performance, we believe we are **“Undervalued and Overlooked.”**

LEASING

Fiscal 2000 was one of our best leasing years. Through the date of this letter, we successfully **leased or renewed more than 732,000 square feet of space**, including more than 20% of our total core property leasable area. As a result, our tenant roster gained prestigious names such as Old Navy, Linens ‘N Things, TGI Friday’s, Christmas Tree Shops (a regional discount retailer) and The County of Westchester. We also renewed leases with Daimler Chrysler Corporation and Giffels Associates, the two largest tenants in our non-core portfolio. Both were renewed on long term lease arrangements. We ended our fiscal year with an overall economic OCCUPANCY RATE of 97% compared to 96% a year ago. As we look ahead, we are encouraged that we have a significantly lower number of leases expiring in the coming year.

To accommodate our new tenants and maximize our property returns, we increased our construction, development and renovation programs. This year, we spent more than \$6 million to re-tenant, expand and renovate our core properties and will spend an additional \$6 million in 2001 to complete the retenanting costs of the new leases signed. We have a strong construction management team in place to assure that we achieve the greatest value for dollars that we invest in our real property.

CAPITAL

The Company’s capital base is strong. Public markets were virtually non-existent for publicly traded stock issues of smaller REITs in 2000. However, we were able to use capital available from the traditional real estate sources: mortgage debt and sales of non-core assets to advance our strategic goals. Non-core assets are all of our industrial properties and certain office and retail properties located outside of the Northeast. In 2000, we sold two of our non-core properties realizing cash proceeds of \$4 million and reported capital gains on the sales of \$1.1 million. Among our goals in 2001 will be to sell additional non-core assets, realize the value and redeploy the proceeds in properties in our region.

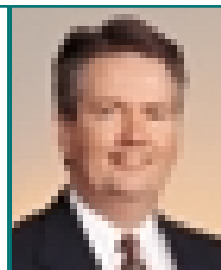
One of the Company’s fundamental principles has been to keep our debt levels modest. At year end, our mortgages were 30% of the Company’s total capitalization, which is conservative given the

Fiscal 2000 was one of our best leasing years. We were successful in leasing or renewing more than 732,000 square feet of space, including more than 20% of our total core property leasable area.



Willing L. Biddle
President

A fundamental Company principle has been to keep our debt levels modest. At year end, our mortgages were 30% of the Company’s total capitalization, which is conservative given the current economic climate.



James R. Moore
Executive Vice
President

The Company's financial strength was further demonstrated ...when, we received an upgrade in our preferred stock rating from BB- to BB.

current economic climate. The Company's earnings before interest, taxes, depreciation and amortization ("EBITDA") is a very strong 4.5 to 1 coverage. Our banking relationships are also strong. We recently increased one of our bank credit lines to \$15 million from \$10 million which, with other available financing sources, will be sufficient to provide adequate financing flexibility for the balance of 2001.

We sold \$2.4 million in Common and Class A Common stock in two private placements to purchasers who included all of the Company's directors and senior officers. Shortly after year end, we sold another \$1.5 million in common equity in an additional private placement.

CREDIT RATING UPGRADED

The Company's financial strength was further demonstrated when, shortly after the end of the fiscal year, we received **an upgrade in our preferred stock rating from BB- to BB** by Fitch Duff & Phelps, a major credit rating agency. We are particularly proud of this recognition as we were the only REIT to be upgraded by Fitch in 2000.

OUTLOOK

There is almost universal agreement at the present time that the U.S. economy is headed for a slowdown, if not a recession. While we believe that real estate fundamentals remain strong and property markets healthy, we are also beginning to see signs of a slowing economy. We are not immune to the impact of business failures and change in consumer attitudes. But we firmly believe that fiscal discipline, prudent leveraging and careful, intensive management of our properties will assure continued success in 2001 and thereafter.

It is with much regret that we announce the resignation as a Director of Mr. Paul Paganucci for reasons of health. "Pag," as he is affectionately known, has been an exceptionally able and dedicated director since 1984 and his effective contribution has been invaluable to the Company by virtue of his extensive experience and wisdom. The Board joins us in expressing our gratitude for his years of service. We will all miss his gentle but effective presence on the Board, however are very fortunate that he has agreed to continue to serve as Director Emeritus.



Paul D. Paganucci

We want to extend our thanks to our Board of Directors, staff and you, our stockholders, for your support and confidence in the Company.

Sincerely yours,

Charles J. Urstadt

A handwritten signature in black ink, appearing to read "Charles J. Urstadt".

Chairman

Willing L. Biddle

A handwritten signature in black ink, appearing to read "Willing L. Biddle".

President

January 15, 2001

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, although we are not so rigid as to preclude some diversification into well located high yield office buildings near our executive offices in Greenwich, Connecticut.

LEASING

Fiscal 2000 was one of the Company's most challenging years for leasing. Early in the year we were faced with the bankruptcy of three major tenants at two of our centers. We also faced the risks of lease renewals for two of the Company's largest tenants whose leases were scheduled to expire in 2000. We are pleased to report that we were very successful in responding to these challenges. Our leasing team completed new leases and lease renewals totaling 732,000 square feet of space. The amount of leasing activity was at a record level and represented over 20% of the Company's core properties gross leasable area. We successfully re-leased the vacant "big box" retail spaces caused by retail tenant bankruptcies and renewed the two largest tenants in our non-core property portfolio thus enhancing the market values of those properties. The Company



Linda Imhof
Vice President, Leasing

has a significantly lower amount of leases expiring in the next few years and we believe we are well positioned

Daimler Chrysler
parts distribution facility
renewal



defensively for a potential slow down in the economy. Rental rates for rental space leased this year increased an average of 4% on a same-space effective rent basis. The percentage of the portfolio leased increased from 96% to 97% by the end of the year. The



Giffels Building
Southfield, Michigan

largest transaction this year was the lease renewal for 253,000 square feet of space at our **Dallas, Texas** distribution facility which is leased to DAIMLER CHRYSLER CORPORATION. The lease was structured to provide for a seven year term. At our **Giffels Building** in Michigan, we renewed the lease of GIFFELS ASSOCIATES, an engineering firm and the building's largest tenant, at a higher rent. In our core portfolio, we continued the redevelopment of **Townline Square** by leasing a total of 62,000 square feet of space to LINENS 'N THINGS and OLD NAVY and 45,000 square feet of shop space to smaller tenants.

We are hopeful that we will have this property completely redeveloped and 100% leased by the end of fiscal 2001. At **Danbury Square**, we leased 47,000 square feet of space

largest transaction this year was the lease renewal for 253,000 square feet of space at our **Dallas, Texas** distribution facility which is leased to DAIMLER CHRYSLER CORPORATION. The lease was structured to provide for a seven year term. At our **Giffels Building** in Michigan, we renewed the lease of GIFFELS ASSOCIATES, an engineering firm and the



Linens 'N Things
TownLine Square,
Meriden, Connecticut

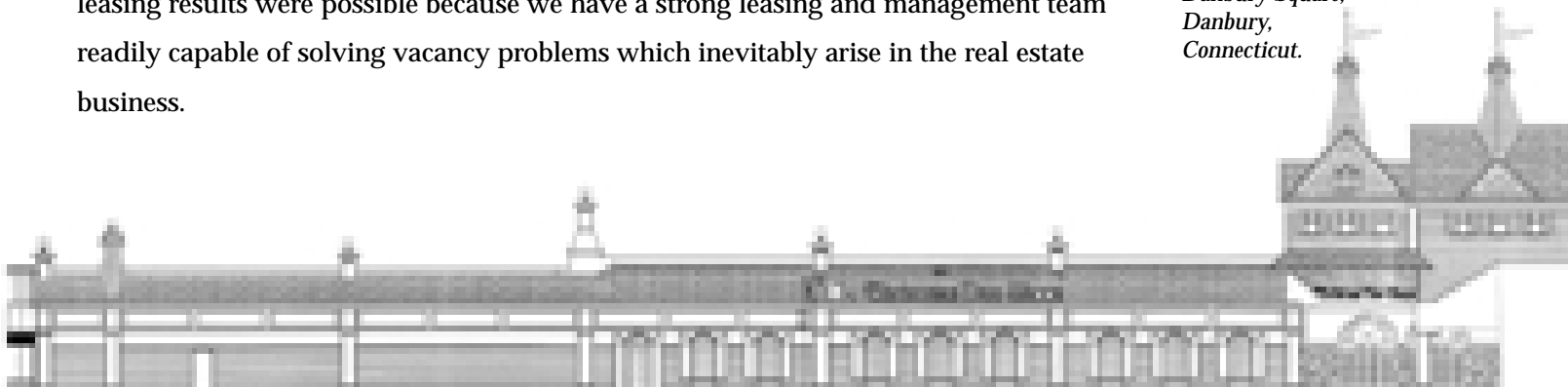
to CHRISTMAS TREE SHOPS, a high volume regional home furnishings discount retailer well known in the New England market. The lease with Christmas Tree Shops and new leasing of previously vacant space have brought occupancy at **Danbury Square** back to 100%. At the **Arcadian Shopping Center** we leased 12,500 square feet of space to The County of Westchester and built a



Wayne Wirth, Vice President, Construction (right foreground) oversees development of Westchester Community College's new medical school at the Briarcliff, NY property. Architect's rendering (left) shows completed facility.

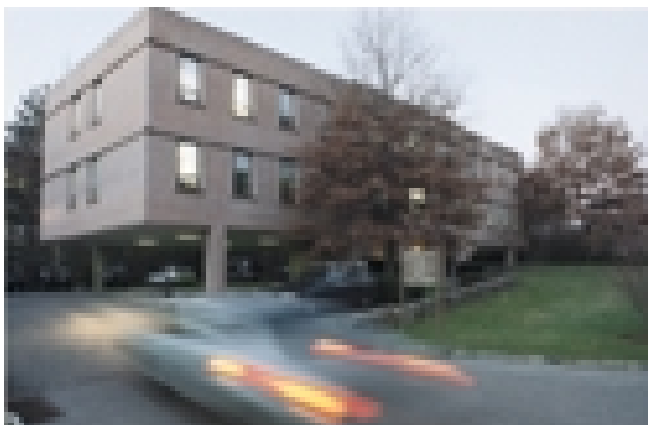
medical school for use by WESTCHESTER COUNTY COMMUNITY COLLEGE which opened in January, 2001. At our **Newington, New Hampshire** property LINENS 'N THINGS leased 27,000 square feet of space and will take occupancy when an existing tenant leaves in 2001. These significant transactions and numerous smaller leases completed during the year will have a positive impact on the Company's financial results in fiscal 2001 and thereafter as new tenants open for business throughout the year. Our leasing results were possible because we have a strong leasing and management team readily capable of solving vacancy problems which inevitably arise in the real estate business.

Architect's rendering of Christmas Tree Shops under construction at Danbury Square, Danbury, Connecticut.



PORTFOLIO CHANGES

Few opportunities existed this year to acquire the type of quality properties in our region with potential for value appreciation that we seek. We do not believe in buying property simply to make a purchase. We believe your company's capital should be kept available so that when an appropriate acquisition opportunity presents itself we are prepared with the necessary financial resources. With the major leasing exposures in the non-core properties now resolved, these holdings are highly marketable and their values realizable. This year, we sold both the Jonesboro, Georgia retail property and Syracuse, New York industrial property for total capital gains of \$1.1 million.



530 Old Post Road
Greenwich, Connecticut

We also purchased a small office building close to our headquarters in Greenwich, Connecticut. We have developed a data base of property owners in our target area of Westchester, Putnam and Fairfield Counties, which primarily contain affluent communities with high barriers to entry for future retail competition. We continue to believe that the real estate business is a regional one and that by concentrating our resources we can increase efficiencies of property management, leasing and acquisitions.

*Recently completed
Cinema North
Movie Theaters
Carmel ShopRite Center
Carmel, New York*



INVESTMENT PORTFOLIO

URSTADT BIDDLE PROPERTIES INC.

Core Properties

UBP owns or has interests in eleven shopping centers, four office buildings, and three mixed-use facilities which total 1,748,000 square feet.

Location	Square Feet	Principal Tenants	Property Type
Springfield, Massachusetts	309,000	A&P, Spag's	Shopping center
Meriden, Connecticut	300,000	ShopRite, Old Navy, Linens-N-Things	Shopping center
Danbury, Connecticut	193,000	Barnes & Noble, Toys 'R' Us	Shopping center
Briarcliff, New York	160,000	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*
Greenwich, Connecticut	50,000	Greenwich Hospital, Urstadt Biddle Properties (Executive Offices)	4 Office buildings
Ridgefield, Connecticut	48,000	Chico's	Mixed-use
Briarcliff, New York	28,000	Westchester Community College	Mixed-use
Somers, New York	19,000	Putnam County Savings Bank	Shopping center

Non-Core Properties

UBP owns one office building containing 202,000 square feet and 4.2 acres of vacant land. UBP also owns two retail properties totaling 357,000 square feet and three industrial properties with a total of 899,000 square feet. Long-term mortgages totalling \$2.4 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
Dallas, Texas	253,000	Daimler Chrysler Corporation	Parts distribution facility
St. Louis, Missouri	170,000	Daimler Chrysler Corporation	Parts distribution facility
Albany, Georgia	476,000	Firestone	Tire distribution facility
Denver, Colorado	4.2 acres		Undeveloped land

* General partner interest.

CORE PROPERTIES

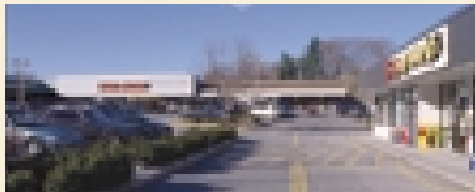


Towne Centre Shopping Center
Somers, New York

Carmel ShopRite Center
Carmel, New York

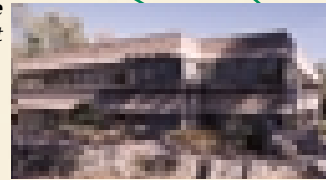


Heritage 202 Center
Somers, New York

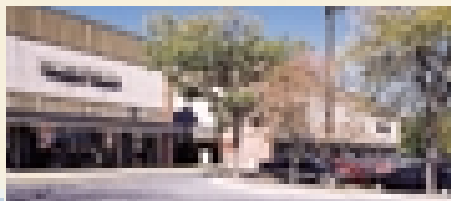
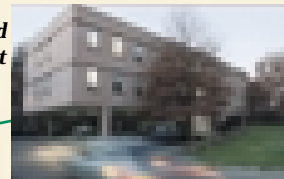


Arcadian Shopping Center
Briarcliff, New York

25 Valley Drive
Greenwich, Connecticut



530 Old Post Road
Greenwich, Connecticut

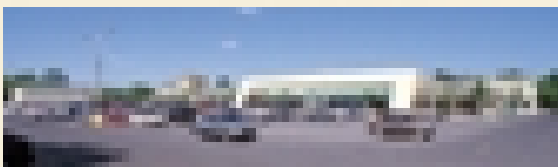


Eastchester Mall
Eastchester, New York



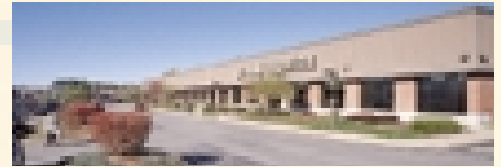
URSTADT BIDDLE PROPERTIES
Greenwich, Connecticut

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,	
	<u>2000</u>	<u>1999</u>
ASSETS		
Real Estate Investments:		
Properties owned — at cost, net of accumulated depreciation	\$146,851	\$144,522
Properties available for sale — at cost, net of accumulated depreciation and recoveries	12,158	16,966
Investment in unconsolidated joint venture	9,167	9,889
Mortgage notes receivable	2,379	2,500
	<u>170,555</u>	<u>173,877</u>
Cash and cash equivalents	1,952	2,758
Interest and rent receivable	3,853	3,370
Deferred charges, net of accumulated amortization	2,824	2,418
Other assets	1,916	1,351
	<u>\$181,100</u>	<u>\$183,774</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Bank loans	\$ —	\$ 2,000
Mortgage notes payable	51,903	51,263
Accounts payable and accrued expenses	1,222	1,907
Deferred officers' compensation	102	155
Other liabilities	2,090	1,810
	<u>55,317</u>	<u>57,135</u>
Minority Interest	5,140	5,140
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 2000 and 1999	33,462	33,462
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; 5,557,387 and 5,531,845 issued and outstanding shares in 2000 and 1999, respectively	55	55
Class A Common stock, par value \$.01 per share; 40,000,000 shares authorized; 5,356,249 and 5,184,039 issued and outstanding shares in 2000 and 1999 respectively	54	52
Additional paid in capital	122,448	120,964
Cumulative distributions in excess of net income	(33,397)	(31,127)
Unamortized restricted stock compensation and notes receivable from officers/stockholders	(1,979)	(1,907)
	<u>87,181</u>	<u>88,037</u>
	<u>\$181,100</u>	<u>\$183,774</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,		
	2000	1999	1998
Revenues:			
Operating leases	\$30,242	\$28,666	\$23,772
Financing leases	97	232	353
Interest and other	670	532	1,260
Equity income of unconsolidated joint venture	245	384	210
	31,254	29,814	25,595
Operating Expenses:			
Property expenses	10,413	9,460	7,696
Interest	4,245	3,913	2,522
Depreciation and amortization	6,307	5,896	4,747
General and administrative expenses	2,152	2,150	2,077
Directors' fees and expenses	164	177	210
	23,281	21,596	17,252
Operating Income before Minority Interests	7,973	8,218	8,343
Minority Interests in Results of Consolidated Joint Ventures	(451)	(392)	(167)
Operating Income	7,522	7,826	8,176
Gains on Sales of Real Estate Investments	1,067	1,364	—
Net Income	8,589	9,190	8,176
Preferred Stock Dividends	(3,147)	(3,147)	(2,561)
Net Income Applicable to Common and Class A Common Stockholders	\$5,442	\$6,043	\$5,615
Basic Earnings per Share:			
Common	\$.50	\$.55	\$.52
Class A Common	\$.55	\$.62	\$.57
Weighted Average Number of Shares Outstanding:			
Common	5,351	5,236	5,125
Class A Common	5,059	5,101	5,121
Diluted Earnings Per Share:			
Common	\$.49	\$.54	\$.52
Class A Common	\$.55	\$.61	\$.57
Weighted Average Number of Shares Outstanding:			
Common and Common Equivalent	5,433	5,317	5,283
Class A Common and Class A Common Equivalent	5,532	5,545	5,279

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,		
	2000	1999	1998
Operating Activities:			
Net income	\$ 8,589	\$ 9,190	\$ 8,176
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	6,307	5,896	4,747
Compensation recognized relating to restricted stock	630	488	331
Recovery of investment in properties owned subject to financing leases	1,214	1,249	1,115
Equity in income of unconsolidated joint venture	(245)	(384)	(210)
Gains on sales of real estate investments	(1,067)	(1,364)	—
(Increase) decrease in interest and rent receivable	(481)	(925)	204
(Decrease) increase in accounts payable and accrued expenses	(684)	780	(380)
(Increase) in other assets and other liabilities, net	(371)	(507)	(82)
Net Cash Provided by Operating Activities	13,892	14,423	13,901
Investing Activities:			
Acquisitions of properties	(1,627)	(9,717)	(29,592)
Improvements to properties and deferred charges	(6,642)	(3,985)	(2,196)
Net proceeds from sale of properties	3,921	2,765	—
Investment in unconsolidated joint venture	(535)	(635)	(340)
Distributions received from unconsolidated joint venture	1,500	600	—
Payments received on mortgage notes receivable	121	107	998
Miscellaneous	—	309	—
Net Cash (Used in) Investing Activities	(3,262)	(10,556)	(31,130)
Financing Activities:			
Proceeds from sale of preferred stock	—	—	33,462
Proceeds from mortgage notes payable and bank loans	6,500	19,000	33,028
Payments on mortgage notes payable and bank loans	(7,861)	(15,039)	(37,815)
Dividends paid – Common and Class A Common shares	(7,712)	(7,471)	(6,784)
Dividends paid – Preferred Stock	(3,147)	(3,147)	(2,561)
Sales of additional Common and Class A Common shares	2,713	2,232	351
Purchases of Common and Class A Common shares	(1,929)	(584)	(474)
Net Cash (Used in) Provided by Financing Activities	(11,436)	(5,009)	19,207
Net (Decrease) Increase In Cash and Cash Equivalents	(806)	(1,142)	1,978
Cash and Cash Equivalents at Beginning of Year	2,758	3,900	1,922
Cash and Cash Equivalents at End of Year	\$ 1,952	\$ 2,758	\$ 3,900

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			(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	Additional Paid In Capital			
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 (\$.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 (\$.68 per share)	—	—	—	—	—	(3,511)	—	(3,511)
Class A Common Stock (\$.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
Net Income Applicable to Common and Class A Common Stockholders	—	—	—	—	—	5,442	—	5,442
Cash dividends paid:								
Common Stock (\$.70 per share)	—	—	—	—	—	(3,748)	—	(3,748)
Class A Common Stock (\$.78 per share)	—	—	—	—	—	(3,964)	—	(3,964)
Sale of additional shares	64,400	—	256,400	3	2,406	—	—	2,409
Sale of additional shares under dividend reinvestment plan	21,367	—	22,035	—	304	—	—	304
Shares issued under restricted stock plan	48,375	1	48,375	1	700	—	(702)	—
Amortization of restricted stock compensation	—	—	—	—	—	—	630	630
Purchases of shares	(108,600)	(1)	(154,600)	(2)	(1,926)	—	—	(1,929)
Balances — October 31, 2000	<u>5,557,387</u>	<u>\$55</u>	<u>5,356,249</u>	<u>\$54</u>	<u>\$122,448</u>	<u>\$(33,397)</u>	<u>\$(1,979)</u>	<u>\$87,181</u>

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 and Business

Urstadt Biddle Properties Inc., (Company), 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. At October 31, 2000, the Company owned or had interests in 25 properties. The Company was organized in 1969 as a Massachusetts business trust (Trust) and, in 1997, pursuant to a plan of reorganization reorganized from a Massachusetts business trust to a Maryland corporation. 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.

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 2000 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, 2000, 1999 and 1998 was approximately \$11,936,000, \$8,600,000 and \$9,800,000 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 40 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):

	2000	1999	1998
Numerator			
Net income applicable to Common Stockholders – basic	\$2,650	\$2,893	\$2,674
Effect of dilutive securities:			
Operating partnership units	<u>28</u>	<u>—</u>	<u>80</u>
Net income applicable to Common Stockholders – diluted	<u>\$2,678</u>	<u>\$2,893</u>	<u>\$2,754</u>
Denominator			
Denominator for basic EPS – weighted average Common shares	5,351	5,236	5,125
Effect of dilutive securities:			
Stock options and awards	82	81	103
Operating partnership units	—	—	55
Denominator for diluted EPS – weighted average Common equivalent shares	<u>5,433</u>	<u>5,317</u>	<u>5,283</u>
Numerator			
Net income applicable to Class A Common Stockholders – basic	\$2,792	\$3,150	\$2,941
Effect of dilutive securities:			
Operating partnership units	<u>246</u>	<u>218</u>	<u>87</u>
Net income applicable to Class A Common Stockholders – diluted	<u>\$3,038</u>	<u>\$3,368</u>	<u>\$3,028</u>
Denominator			
Denominator for basic EPS – weighted average Class A Common shares	5,059	5,101	5,121
Effect of dilutive securities:			
Stock options and awards	90	104	103
Operating partnership units	383	340	55
Denominator for diluted EPS – weighted average Class A Common equivalent shares	<u>5,532</u>	<u>5,545</u>	<u>5,279</u>

The weighted average Common equivalent shares and Class A Common equivalent shares for the year ended October 31, 2000 and 1999 each exclude operating partnership units which are convertible into 54,553 shares. These shares were not included in the calculation of diluted EPS because the effect would be anti-dilutive.

New Accounting Standard

In June 1998, the Financial Accounting Standards Board issued Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities," which generally requires that all derivative instruments be reflected in the financial statements at their estimated fair value. The Company does not generally enter into derivative contracts for either investment or hedging purposes. The Company expects to adopt the provisions of this Statement No. 133 in the first quarter of Fiscal 2001, and is reviewing its long term contracts to determine if any terms may be deemed to be embedded derivatives requiring such valuation.

(2) REAL ESTATE INVESTMENTS

The Company's investments in real estate were composed of the following at October 31, 2000 and 1999 (in thousands):

	Properties Owned	Properties Available for Sale	Investment in Unconsolidated Joint Venture	Mortgage Notes Receivable	2000 Totals	1999 Totals
Retail	\$130,039	\$2,090	\$9,167	\$2,379	\$143,675	\$145,653
Office/Mixed Use	16,508	6,725	—	—	23,233	22,788
Industrial	—	2,543	—	—	2,543	4,332
Undeveloped Land	304	800	—	—	1,104	1,104
	<u>\$146,851</u>	<u>\$12,158</u>	<u>\$9,167</u>	<u>\$2,379</u>	<u>\$170,555</u>	<u>\$173,877</u>

The Company's investments at October 31, 2000, consisted of equity interests in 25 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, 2000 and 1999 (in thousands):

	2000	1999
Northeast	\$148,461	\$145,886
Southeast	9,368	12,777
Midwest	8,782	9,743
Southwest	3,944	5,471
	<u>\$170,555</u>	<u>\$173,877</u>

(3) PROPERTIES OWNED

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

	2000	1999
Land	\$ 29,592	\$ 29,104
Buildings and improvements	144,644	138,152
	174,236	167,256
Accumulated depreciation	(27,385)	(22,734)
	<u>\$146,851</u>	<u>\$144,522</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: 2001 – \$19,648,000; 2002 – \$18,422,000; 2003 – \$17,054,000; 2004 – \$15,404,000; 2005 – \$13,884,000 and thereafter – \$67,083,000.

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 \$148,000, \$165,000, and \$422,000, in 2000, 1999, and 1998 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 a fixed number of shares 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(3) PROPERTIES OWNED (continued)

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. The limited partners, after a period of three years from the formation of the partnership may put the remainder of their partnership interests of 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.

The limited partners interests in both partnerships are reflected in the accompanying consolidated financial statements as Minority Interest. The acquisition of the interest in the Arcadian Shopping Center and the assumption of the first mortgage by the partnership represent noncash investing and financing activities and therefore are not included in the accompanying 1999 Consolidated Statement of Cash Flows.

In fiscal 2000, the Company purchased an office property in Greenwich, Connecticut for \$1.65 million. 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 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, 2000 and 1999, properties available for sale consisted of the following (in thousands):

	2000	1999
Properties available for sale subject to:		
Operating leases	\$ 9,615	\$13,210
Direct financing leases	2,543	3,756
	<u>\$12,158</u>	<u>\$16,966</u>

Operating Leases

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

	2000	1999
Land	\$ 2,292	\$ 2,545
Buildings and improvements	<u>15,706</u>	<u>18,666</u>
	17,998	21,211
Accumulated depreciation	<u>(8,383)</u>	<u>(8,001)</u>
	<u>\$ 9,615</u>	<u>\$13,210</u>

Minimum rental payments on non-cancelable operating leases become due as follows: 2001 – \$5,442,000; 2002 – \$4,602,000; 2003 – \$3,985,000; 2004 – \$4,100,000; 2005 – \$4,288,000 and thereafter – \$7,009,000.

Direct Financing Leases

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

	2000	1999
Total minimum lease payments to be received	\$ 442	\$ 1,752
Assumed residual values of leased property	2,107	2,107
Unearned income	(6)	(103)
Investment in property subject to direct financing leases	<u>\$ 2,543</u>	<u>\$ 3,756</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.

The remaining minimum lease payments receivable on direct financing leases are due in 2001.

Sales of Properties

In fiscal 2000, the Company sold two of its non-core properties and realized net gains on the sales of the properties of \$1,067,000.

In fiscal 1999, the Company sold one of its non-core properties 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 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, accordingly, reduced its investment in unconsolidated joint venture and stockholders' equity in an amount equal to the fair value of the shares repurchased. 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 Class A Common Shares of the Company recorded by the Partnership.

(6) MORTGAGE NOTES RECEIVABLE

Mortgage notes receivable consist of fixed rate mortgages. The components of the mortgage notes receivable at October 31, 2000 and 1999 were as follows (in thousands):

	2000	1999
Remaining principal balance	\$ 2,897	\$ 3,059
Unamortized discounts to reflect market interest rates at time of acceptance of notes	(518)	(559)
	<u>\$ 2,379</u>	<u>\$ 2,500</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

At October 31, 2000, principal payments on mortgage notes receivable become due as follows: 2001 – \$111,000; 2002 – \$100,000; 2003 – \$109,000; 2004 – \$119,000; 2005 – \$130,000 thereafter – \$2,328,000.

At October 31, 2000, the remaining principal balance consists of mortgage notes from two borrowers. The amount due from the largest individual borrower was \$1,915,000. The contractual interest rate on mortgage notes receivable is 9%.

(7) MORTGAGE NOTES PAYABLE AND LINES OF CREDIT

At October 31, 2000, the Company has seven nonrecourse mortgage notes payable totaling \$40,034,000 (\$38,394,000 at October 31, 1999) due in installments over various terms extending to the year 2010 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 \$60.7 million as of October 31, 2000.

Scheduled principal payments during the next five years and thereafter are as follows: 2001 – \$6,836,000; 2002 – \$2,481,000; 2003 – \$673,000; 2004 – \$727,000; 2005 – \$783,000 and thereafter – \$28,534,000.

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, 2000, the Company had outstanding borrowings of \$11,869,000 (\$12,869,000 at October 31, 1999). Outstanding borrowings are included in mortgage notes payable in the accompanying consolidated balance sheets.

The Company also has a \$10 million unsecured line of credit arrangement with a bank (which was increased to \$15 million in December, 2000). The line of credit expires in fiscal 2002 and is available, among other things, to acquire real estate, refinance indebtedness and for working capital needs. Extensions of credit under the arrangement are at the bank’s discretion and subject to the bank’s satisfaction of certain conditions. Outstanding borrowings bear interest at the prime rate + 1/2% or LIBOR + 2.5%. The Company pays an annual fee of 1/4% on unused amounts. There were no borrowings outstanding under this line of credit.

Interest paid for the years ended October 31, 2000, 1999, and 1998 was \$4,245,000, \$4,038,000, and \$2,397,000 respectively.

(8) PREFERRED STOCK

In fiscal 1998 the Company sold 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 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

In fiscal 1998, the Board of Directors declared and paid 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. 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 Company has a shareholders rights plan which expires on November 12, 2008. The rights 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, as amended, allows for restricted stock awards of up to 350,000 shares each of Common Stock or Class A Common Stock. During 2000, the Company awarded 48,375 Common shares (46,500 Common Shares in 1999) and 48,375 Class A Common Shares (46,500 Class A shares in 1999) to participants 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 stockholders' equity. Unamortized restricted stock compensation is being amortized to expense over the five year vesting period. For the years ended October 31, 2000, 1999 and 1998, \$630,000, \$488,000, and \$331,000 respectively, was charged to expense.

The Company's Board of Directors has authorized a program to purchase up to a total of one million shares of the Company's Common Stock and Class A Common Stock. As of October 31, 2000, the Company purchased and retired 223,600 Common shares and 211,300 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 824,093 Common shares and 743,003 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	2000		1999		1998	
	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	412,750	\$7.04	410,750	\$7.09	416,562	\$6.98
Granted	593,000	\$6.81	6,000	\$7.69	7,000	\$9.03
Exercised	—	—	—	—	(5,874)	\$6.93
Canceled	(301,500)	\$6.91	(4,000)	\$12.70	(6,938)	\$8.86
Balance at end of period	704,250	\$6.91	412,750	\$7.04	410,750	\$7.09
Exercisable	111,250		387,062		347,375	
Class A Common Stock:						
Balance at beginning of period	412,750	\$7.10	410,750	\$7.09	416,562	\$6.98
Granted	—	—	6,000	\$8.18	7,000	\$9.03
Exercised	—	—	—	—	(5,874)	\$6.97
Canceled	(301,500)	\$6.96	(4,000)	\$12.79	(6,938)	\$8.92
Balance at end of period	111,250	\$7.48	412,750	\$7.10	410,750	\$7.09
Exercisable	111,250		387,062		347,375	
Weighted average fair value of options granted during the year						
– Common Stock	\$0.18		\$0.55		\$1.16	
– Class A Common Stock	\$0.12		\$0.59		\$1.16	

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. In July 2000, an officer of the Company was awarded stock options, to purchase 593,000 shares of Common stock, Class A Common Stock or a combination of both classes of Common Stock as shall total the number of shares subject to the options.

At October 31, 2000, exercise prices of Common Shares and Class A Common Shares under option ranged from \$6.29 to \$9.03 for the Common Shares and \$6.33 to \$9.09 for the Class A Common Shares. Option expiration dates range for both classes of stock from November 2003 through July 2010 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, 2000, 1999 and 1998:

	Year ended October 31,		
	2000	1999	1998
Risk-free interest rate	6.17%	5.65%	5.88%
Expected dividend yields	9.8%–10.9%	9.1%	7.1%
Expected volatility	15.1%	23.6%	24.3%
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 of 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, 2000, 1999 and 1998 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, 2000, 1999 and 1998 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. In fiscal 2000, the promissory notes were amended to extend the term of the notes to 10 years from the date of the original note and to fix the interest rate at 2% over a U.S. treasury note rate. The notes are collateralized by the stock issued upon exercise of the stock options. Interest is payable quarterly and the principal is due in 2007. 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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, 2000 and 1999, the estimated aggregate fair value of the mortgage notes receivable was \$2,586,000 and \$2,703,000 respectively.

Mortgage notes payable with aggregate carrying values of \$40,034,000 and \$38,391,000 have estimated aggregate fair values of \$41,301,000 and \$38,407,000 at October 31, 2000 and 1999 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, 2000 and 1999 are as follows (in thousands, except per share data):

	Year Ended October 31, 2000				Year Ended October 31, 1999			
	Quarter Ended				Quarter Ended			
	Jan 31	Apr 30	July 31	Oct 31	Jan 31	Apr 30	July 31	Oct 31
Revenues	<u>\$7,812</u>	<u>\$7,865</u>	<u>\$7,606</u>	<u>\$7,971</u>	<u>\$6,933</u>	<u>\$7,651</u>	<u>\$7,266</u>	<u>\$7,964</u>
Net Income (1)	<u>\$1,787</u>	<u>\$3,067</u>	<u>\$1,811</u>	<u>\$1,924</u>	<u>\$1,747</u>	<u>\$2,036</u>	<u>\$1,809</u>	<u>\$3,598</u>
Preferred Stock Dividends	<u>786</u>	<u>787</u>	<u>787</u>	<u>787</u>	<u>786</u>	<u>787</u>	<u>787</u>	<u>787</u>
Net Income Applicable to Common and Class A Common Stockholders	<u>\$1,001</u>	<u>\$2,280</u>	<u>\$1,024</u>	<u>\$1,137</u>	<u>\$961</u>	<u>\$1,249</u>	<u>\$1,022</u>	<u>\$2,811</u>
Basic Earnings per Share:								
Common	\$0.09	\$0.21	\$0.09	\$0.11	\$0.09	\$0.12	\$0.09	\$0.25
Class A Common	\$0.10	\$0.23	\$0.10	\$0.12	\$0.10	\$0.12	\$0.11	\$0.29
Diluted Earnings per Share:								
Common	\$0.09	\$0.20	\$0.09	\$0.11	\$0.09	\$0.12	\$0.09	\$0.24
Class A Common	\$0.10	\$0.23	\$0.10	\$0.12	\$0.10	\$0.12	\$0.11	\$0.28

(1) Quarters ended April 30, 2000 and October 31, 1999 include gains on sales of real estate investments of \$1,067,000 and \$1,364,000 respectively.

(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 mortgage loans 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, 2000, 1999 and 1998. 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. (In thousands)

Year Ended October 31,	Equity Investments	Mortgage Loans	Non Segment	Total
2000				
Total Revenues	<u>\$ 30,664</u>	<u>\$ 376</u>	<u>\$ 214</u>	<u>\$ 31,254</u>
Net Operating Income	<u>\$ 19,800</u>	<u>\$ 376</u>	<u>\$ 214</u>	<u>\$ 20,390</u>
Total Assets	<u>\$176,769</u>	<u>\$2,379</u>	<u>\$1,952</u>	<u>\$181,100</u>
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>

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

Year Ended October 31,	2000	1999	1998
Net Operating Income from Reportable Segments	<u>\$20,390</u>	<u>\$19,962</u>	<u>\$ 17,732</u>
Addition:			
Gains on sales of real estate investments	<u>1,067</u>	<u>1,364</u>	<u>—</u>
Deductions:			
Interest expense	<u>4,245</u>	<u>3,913</u>	<u>2,522</u>
Depreciation and amortization	<u>6,307</u>	<u>5,896</u>	<u>4,747</u>
General, administrative and other expenses	<u>2,316</u>	<u>2,327</u>	<u>2,287</u>
Total Deductions	<u>12,868</u>	<u>12,136</u>	<u>9,556</u>
Net Income	<u>8,589</u>	<u>9,190</u>	<u>8,176</u>
Preferred stock dividends	<u>(3,147)</u>	<u>(3,147)</u>	<u>(2,561)</u>
Net Income Applicable to Common and Class A Common Stockholders	<u>\$5,442</u>	<u>\$ 6,043</u>	<u>\$ 5,615</u>

(14) SUBSEQUENT EVENT

In November 2000, the Company entered into a contract to purchase an office building property in Greenwich, Connecticut at a purchase price of \$2,375,000.

On January 5, 2001, the Company sold 200,000 shares of Common Stock and 5,000 shares of Class A Common Stock for aggregate proceeds of approximately \$1.5 million in a private placement issue to two entities controlled by an officer of the Company.

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, 2000 and 1999, and the related consolidated statements of income, cash flows and stockholders' equity for each of the three years in the period ended October 31, 2000. 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 auditing standards generally accepted in the United States. 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, 2000 and 1999, and the results of their operations and their cash flows for each of the three years in the period ended October 31, 2000 in conformity with accounting principles generally accepted in the United States.

ARTHUR ANDERSEN LLP

New York, New York
December 13, 2000, except as to
Note (14) which date is
January 5, 2001

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, 2000, the Company had cash and cash equivalents of \$1.9 million compared to \$2.8 million in 1999. The Company also has a \$20 million secured revolving credit facility with a bank which expires in 2005 and a \$15 million unsecured line of credit which expires in fiscal 2002. The unsecured line of credit was increased from \$10 million to \$15 million in December 2000. The credit lines are available to finance the acquisition, management or development of commercial real estate, refinance indebtedness and for working capital purposes. Extensions of credit under the unsecured credit line are at the bank's discretion and subject to the bank's satisfaction of certain conditions. There were no borrowings outstanding under the unsecured credit line at October 31, 2000. At October 31, 2000, long-term debt consists of mortgage notes payable totaling \$40 million and outstanding borrowings of \$11.9 million under the secured revolving credit facility.

In February 2000, the Company obtained a mortgage note payable in the amount of \$6.5 million secured by one of its core retail properties having a net book value of \$9 million. Proceeds from the financing were used to repay a \$4.1 million mortgage note payable and outstanding short-term bank loans.

In fiscal 1998, the Company's 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 was intended to provide the Company with the flexibility to raise equity capital to finance the acquisition of properties, employee compensation purposes and further the growth of the Company, in each case without diluting the voting power of the Company's existing stockholders. In fiscal 2000, the Company sold 256,400 shares of Class A Common Shares and 64,400 shares of Common stock in two private placement transactions for aggregate cash proceeds of \$2.4 million.

The Company expects to make real estate investments periodically. In fiscal 2000, the Company purchased an office building in Greenwich, Connecticut for \$1,650,000. The Company also invests in its existing properties and, during fiscal 2000, spent approximately \$6.6 million on its properties for capital improvements and leasing costs. The Company expects to incur approximately \$6 million in fiscal 2001 for tenant improvement obligations. The Company may use bank borrowings or available cash to fund the capital costs.

In a prior year, the Company's 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 the United States. In fiscal 2000, the Company sold two non-core properties for proceeds of approximately \$4,000,000 realizing net gains on the sales of \$1,067,000. It is the Company's intent to sell additional non-core properties in fiscal 2001 and expects such property sales to result in net gains to the Company. At October 31, 2000, the non-core properties, (including the Company's investment in unconsolidated joint venture) total seven properties having an aggregate net book value of \$21,325,000.

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

The Company's Board of Directors has authorized the purchase of up to a total of one million shares of the Company's Common Stock and Class A Common stock 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 2000, the Company repurchased 108,600 Common shares and 154,600 Class A Common shares at an aggregate cost of \$1,929,000. The Company utilized available cash resources to fund the repurchases. To date, the Company has repurchased 223,600 Common shares and 211,300 Class A Common shares under this program. 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)), excluding gains or losses from sales of property, plus depreciation and amortization and after 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 or its dividend paying capacity. Furthermore, FFO as disclosed by other REITs may not be comparable to the Company's calculation of FFO. Effective January 1, 2000, NAREIT clarified the definition of FFO to include non-recurring items except for those that are treated as extraordinary under GAAP. The table below provides a reconciliation of net income in accordance with GAAP to FFO as calculated under the current NAREIT guidelines for the years ended October 31, 2000, 1999

and 1998 (amounts in thousands). Certain 1998 amounts have been restated to conform to the current guidelines:

	2000	1999	1998
Net Income Applicable to Common and Class A Common Stockholders	\$5,442	\$6,043	\$5,615
Plus: Real property depreciation, amortization of tenant improvement and lease acquisition costs and recoveries of investments in properties subject to finance leases	7,005	6,545	5,475
Adjustments for unconsolidated joint venture	534	654	692
Less: Gains on sales of real estate investments	(1,067)	(1,364)	—
Funds from Operations	<u>\$11,914</u>	<u>\$11,878</u>	<u>\$11,782</u>

RESULTS OF OPERATIONS

Fiscal 2000 vs. Fiscal 1999

Revenues

Revenues from operating leases increased \$1,576,000 or 5.5% to \$30,242,000 in fiscal 2000 compared to \$28,666,000 in fiscal 1999. The increase in operating lease revenues reflects \$1,867,000 of additional rental income from properties acquired by the Company in fiscal 1999. Operating lease revenue for properties owned during fiscal 2000 and 1999 reflect the loss of \$700,000 in rental income from several tenants at two rental properties who filed for bankruptcy protection and vacated the premises. The Company subsequently signed leases with new tenants to re-lease the vacant spaces.

The Company's core properties, consisting of 1.7 million square feet of gross leaseable area (GLA), were 97% leased at October 31, 2000, an increase of 1% from

the end of the last fiscal year. During fiscal 2000, the Company leased or renewed 353,000 square feet of GLA at its core properties compared to 293,000 square feet of GLA in the comparable period a year ago.

Expenses

Total expenses amounted to \$23,281,000 in Fiscal 2000 compared to \$21,596,000 last year. The largest expense category is property expenses of the real estate operating properties. The increases in property expenses in fiscal 2000 result principally from the additional property expenses for properties acquired during fiscal 1999, which increased property expenses by \$669,000. Property expenses for all other properties increased by 3.3% from higher repair and maintenance expenses and real estate taxes at certain of the Company's core properties.

Interest expense increased as a result of a full year's interest expense on incremental borrowings of \$18.3 million in fiscal 1999.

Depreciation and amortization expense increased principally from the write off of unamortized tenant improvement costs and other allowances for tenants that vacated during the year.

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. 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 properties are 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.

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 2000 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 2000 is as follows:

Dividend Payment Date	Common Share			Class A Common Share		
	Gross Dividend Paid Per Share	Ordinary Income Distribution	Capital Gain Distribution	Gross Dividend Paid Per Share	Ordinary Income Distribution	Capital Gain Distribution
January 21, 2000	\$0.175	\$0.159	\$0.016	\$0.195	\$0.177	\$0.018
April 21, 2000	\$0.175	\$0.159	\$0.016	\$0.195	\$0.177	\$0.018
July 21, 2000	\$0.175	\$0.159	\$0.016	\$0.195	\$0.177	\$0.018
October 20, 2000	\$0.175	\$0.159	\$0.016	\$0.195	\$0.177	\$0.018
Total	\$0.700	\$0.636	\$0.064	\$0.780	\$0.708	\$0.072

MARKET PRICE RANGES

The following sets forth, for the fiscal years ended October 31, 2000 and 1999, 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 2000		Fiscal 1999	
	Low	High	Low	High
Common Shares				
First Quarter	\$6.75	\$7.438	\$7.063	\$8.625
Second Quarter	\$6.75	\$7.375	\$7.500	\$8.250
Third Quarter	\$6.75	\$7.313	\$7.438	\$8.000
Fourth Quarter	\$6.75	\$7.188	\$6.688	\$7.688
Class A Common Shares				
First Quarter	\$7.125	\$7.688	\$7.375	\$8.688
Second Quarter	\$7.250	\$7.688	\$8.000	\$8.563
Third Quarter	\$6.750	\$7.563	\$7.750	\$8.625
Fourth Quarter	\$7.125	\$7.563	\$7.500	\$8.063

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
Bankers Trust Company

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 UBPA
Stockholders of Record as of December 31, 2000:
Common Stock: 1,733 and Class A Common Stock: 1,726

Annual Meeting

The annual meeting of stockholders will be held at 11:00 A.M. March 14, 2001 at The Greenwich Hyatt, Greenwich, Connecticut.

Form 10-K

A copy of the Company's 2000 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 reinvestment plan which provides stockholders with a convenient means of increasing their holdings without incurring 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)

Valley Ridge Shopping Center
Wayne, New Jersey



Five Town Plaza
Springfield, Massachusetts



Arcadian Shopping Center
Briarcliff, New York



Bi-County Shopping Center
Farmingdale, New York



321 RAILROAD AVENUE
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