KRAMONT REALTY TRUST
Form 10-K
March 15, 2004

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-K

(Mark One)

[X] ANNUAL REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the fiscal year ended December 31, 2003

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from ____________ to ______________________

Commission File Number 1-15923

KRAMONT REALTY TRUST
(Exact name of registrant as specified in its charter)

MARYLAND	25-6703702
(State of incorporation)	(I.R.S. employer identification no.)

580 WEST GERMANTOWN PIKE, SUITE 200, PLYMOUTH MEETING, PA 19462
(Address of principal executive offices)

Registrant's telephone number, including area code: 610-825-7100

Securities registered pursuant to Section 12(b) of the Act:

Title of Class	Name of exchange on which registered
COMMON SHARES OF BENEFICIAL INTEREST, $.01 PAR VALUE	NEW YORK STOCK EXCHANGE
9.75% SERIES B-1 CUMULATIVE CONVERTIBLE PREFERRED SHARES OF BENEFICIAL INTEREST, $.01 PAR VALUE	NEW YORK STOCK EXCHANGE
8.25% SERIES E CUMULATIVE REDEEMABLE PREFERRED SHARES OF BENEFICIAL INTEREST, $.01 PAR VALUE	NEW YORK STOCK EXCHANGE

Securities registered pursuant to Section 12(g) of the Act: NONE

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months and (2) has been subject to such filing requirements for the past 90 days.
YES [X] NO [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

Indicate by check mark whether the Registrant is an accelerated filer (as defined in Exchange Act Rule 12b-2). Yes [X] No [ ]

The aggregate market value of the voting common shares held by non-affiliates of the Registrant was approximately $392 million based on the closing price on the New York Stock Exchange for such shares on June 30, 2003.

The number of shares of the Registrant's Common Shares of Beneficial Interest outstanding was 24,069,925 as of March 15, 2004.

Portions of the Registrant's definitive proxy statement for the 2004 Annual Meeting of Shareholders, to be filed not later than April 29, 2004, are incorporated by reference into Items 10, 11, 12, 13, and 14 of Part III of this Form 10-K.

Forward-Looking Statements

Certain statements contained in this Annual Report may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities and Exchange Act of 1934, as amended, and as such may involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements, which are based on certain assumptions and describe our future plans, strategies and expectations, are generally identifiable by use of the words "may," "will," "should," "expect," "anticipate," "estimate," "believe," "intend" or "project", or the negative thereof, or other variations thereon or comparable terminology. Factors which could have a material adverse effect on the operations and future prospects of our company include:

- our inability to identify properties to acquire or our inability to successfully integrate acquired properties and operations;

- our dependence on the retail industry, including the effect of general or regional economic downturns on demand for leased space at and the amount of rents chargeable by neighborhood and community shopping centers;

- changes in tax laws or regulations, especially those relating to REITs and real estate in general;

- our failure to continue to qualify as a REIT under U.S. tax laws;

- the number, frequency and duration of tenant vacancies that we experience;

- the time and cost required to solicit new tenants and to obtain lease renewals from existing tenants on terms that are favorable to us;

- tenant bankruptcies and closings;

- the general financial condition of, or possible mergers or acquisitions involving, our tenants;

- competition from other real estate companies or from competing shopping centers or other commercial developments;

- changes in interest rates and national and local economic conditions;

- increases in our operating costs;

- compliance with regulatory requirements, including the Americans with Disabilities Act;

- the continued service of our senior executive officers;

- possible environmental liabilities;

- the availability, cost and terms of financing;

- the time and cost required to identify, acquire, construct or develop additional properties that result in the returns anticipated or sought;

- the costs required to re-develop or renovate any of our current or future properties; and

- our inability to obtain insurance coverage to cover liabilities arising from terrorist attacks or other causes or to obtain such coverage at commercially reasonable rates.

You should also carefully consider any other factors contained in this Annual Report, including the information incorporated by reference into this Annual Report. Unless otherwise indicated, statements herein are made as of the end of the period to which this Annual Report relates, and the Company disclaims any obligation to publicly update or revise any forward-looking statement in this Annual Report which may thereafter appear to be inaccurate for any reason. You should not rely on the information contained in any forward-looking statements, and you should not expect us to update any forward-looking statements.

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PART I

BACKGROUND

Kramont Realty Trust, a Maryland real estate investment trust ("Kramont") acquired its assets through the merger of Kranzco Realty Trust ("Kranzco") and CV Reit, Inc. ("CV Reit") into Kramont in a merger effective as of June 16, 2000 (the "Merger"). The Agreement and Plan of Reorganization and Merger, dated as of December 10, 1999, was adopted and approved by the shareholders of both companies on June 6, 2000. Terms of the Merger called for holders of common shares of both companies to each receive one common share of beneficial interest of Kramont for each outstanding common share of CV Reit and Kranzco on a tax-free basis, and for holders of Kranzco preferred shares to receive in exchange for such Kranzco preferred shares, Kramont preferred shares with the same rights. The Merger was accounted for as a purchase by CV Reit of Kranzco for accounting purposes.

ITEM 1. BUSINESS

Kramont is a self-administered, self-managed equity real estate investment trust ("REIT") which is engaged in the ownership, acquisition, development, redevelopment, management and leasing primarily of community and neighborhood shopping centers. Kramont does not directly own any assets other than its interest in Kramont Operating Partnership, L.P. ("Kramont OP") and conducts its business through Kramont OP and its affiliated entities, including Montgomery CV Realty L.P. ("Montgomery OP", together with Kramont OP and their wholly-owned subsidiaries, hereinafter collectively referred to as the "OPs", which together with Kramont are hereinafter referred to as the "Company"). The OPs, directly or indirectly, own all of the Company's assets, including its interests in shopping centers. Accordingly, the Company conducts its operations through an Umbrella Partnership REIT ("UPREIT") structure. As of December 31, 2003, Kramont owned 93.57% of Kramont OP and is its sole general partner. As of December 31, 2003, Kramont OP indirectly owned 99.87% of the limited partnership interest of Montgomery OP and owned 100% of its sole general partner. As of December 31, 2003, the OPs owned and operated eighty-two shopping centers (one of which is held for sale) and two office buildings, and managed four shopping centers for third parties and four shopping centers in connection with a joint venture, located in 15 states aggregating approximately 12.1 million leasable square feet.

The owners of the minority interests hold operating partnership units ("OP Units") which are convertible into common shares of beneficial interest on a one to one basis. The Company has the option to issue the common shares of beneficial interest or redeem them for cash equal to the then fair market value of the common shares at the time of the conversion. At December 31, 2003, there were 1,666,152 outstanding OP Units in the OPs.

FINANCIAL INFORMATION ABOUT INDUSTRY SEGMENTS

The Company's income-producing properties and other assets represent one reportable segment as each of the income-producing properties have similar economic and environmental conditions, business processes, types of customers (i.e., tenants), and services provided, and because resource allocation and other operating decisions are based on an evaluation of the entire portfolio. In addition, the Company believes the Mortgage Note Receivables are not material and do not represent a separate operating segment.

OPERATING STRATEGIES

Our primary business objectives are to increase Funds From Operations (See Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations for a definition of Funds From Operations) and to enhance the value of our properties. It has been our operating strategy to achieve these objectives through:

- Efficient operation of our properties, including active leasing and property management, maintenance of high occupancy levels, increasing rental rates and controlling operating and capital costs.

- Acquisition of additional properties which satisfy our criteria, at favorable prices, including properties requiring renovation or re-leasing.

- Completion of strategic renovations and expansions to further maximize operating cash flows.

- Attainment of greater access to capital sources.

ACQUISITION STRATEGIES/INVESTMENT STRATEGIES

The Company intends to make acquisitions in a manner consistent with the requirements of the Internal Revenue Code of 1986, as amended (the "Code") and regulations promulgated thereunder applicable to REITs with respect to the composition of the Company's portfolio and the derivation of income unless, because of circumstances or changes in the Code (or any related regulation), the board of trustees (the "Trustees") of the Company determine that it is no longer in the best interests of the Company to qualify as a REIT. The Company's acquisition strategy is to opportunistically acquire properties which need replacement anchor tenants or where the Company's management expertise and reputation can enhance value. That strategy includes acquiring and rehabilitating properties in new markets with strong demographic characteristics in order to reduce the Company's sensitivity to regional economic cycles. The Company will seek to utilize its UPREIT structure to acquire interests in properties in exchange for units of limited partner interest in Kramont OP ("OP Units"). Since the Company is an UPREIT, potential transferors of property to the Company may be able to transfer the property on a tax-deferred basis.

The Company will generally acquire fee simple or leasehold interests in real property consistent with the Company's acquisition strategies set forth above. However, the Company may make equity investments through joint ventures with developers, owners or other persons which may provide for, among other terms, (i) a cumulative preference as to cash distributions; (ii) a participation in net cash flows from operations; and (iii) a participation in the appreciation of the value of the underlying real property. The Company contemplates that it would manage day-to-day operations of any joint venture's underlying real property. The Company may also acquire investments in real property or real estate oriented companies through issuance of debt or equity securities in exchange for investments or by such other methods as the Trustees deem to be in the best interests of the Company.

The Company may acquire all or some of the securities of other REITs or other issuers or purchase or otherwise acquire its own shares. The Company does not anticipate investing in issuers of securities, other than REITs, for the purpose of exercising control or underwriting securities of other issuers or acquiring any investments primarily for sale in the ordinary course of business or to hold any investments with a view to making short-term profits from their sale. Although the Company may make loans to other entities or persons, it has no plans to do so. In the future, the Trustees will consider any transaction involving loans to other entities or persons on a case by case basis.

FINANCING STRATEGIES

The Company intends to finance acquisitions with the most appropriate sources of capital, as determined by the Trustees, which may include limited partner units in Kramont OP, available cash flows from operations, the issuance of other equity securities, the sale of investments and, within the debt guidelines described below, bank and other institutional borrowings and the issuance of debt securities. Future borrowings by the Company for acquisitions may be either on a secured or unsecured basis.

The Company will not have a policy limiting the number or amount of mortgages that may be placed on any particular property, but mortgage financing instruments will usually limit additional indebtedness on specific properties.

OPERATING PRACTICES

Virtually all operating and administrative functions, such as leasing, data processing, maintenance, finance, accounting, construction, and legal, are centrally managed at the Company's headquarters. In addition, the Company maintains regional offices in Georgia, New York, Virginia, Florida, and Pennsylvania. On-site functions such as security, maintenance, landscaping, sweeping, plumbing, electrical, and other similar activities are either performed by the Company or subcontracted. The costs of those functions are passed through to tenants to the extent permitted by their respective leases.

The Company has computer software systems designed to support its operating, leasing, and administrative functions and to optimize management's ability to own, operate and manage additional properties without significant increase in its general and administrative expenses. The Company's systems allow instant access to floor plans, store availability, lease data, tenants' sales history, operating income, cash flows and budgets.

ASSETS

At December 31, 2003, the book value of the Company's assets amounted to $810.7 million, including $730.9 million in income-producing real estate and properties held for sale, and $31.1 million in real estate mortgage notes receivable. A description of the Company's principal assets follows:

PROPERTIES

Income-Producing Real Estate and Properties Held for Sale - Please refer to Item 2. Properties.

MORTGAGE NOTES RECEIVABLE

At December 31, 2003, the Company's mortgage notes receivable amounted to $31.1 million including an aggregate of $8.5 million due from H. Irwin Levy, a Trustee. They are secured by first mortgages on the recreation facilities at the three Century Village adult condominium communities in southeast Florida. As of December 31, 2003, none of the mortgage notes were delinquent.

The notes provide for self-amortizing equal monthly principal and interest payments in the aggregate amount of $6.5 million per annum, through January 2012, and bear interest at annual rates ranging from 8.84% to 13.5%. The notes are pledged as collateral for certain borrowings. Two of the notes are prepayable in 2007. Please refer to Item 13. Certain Relationships and Related Transactions regarding related party transactions with Mr. Levy.

INVESTMENTS IN UNCONSOLIDATED AFFILIATES

Self-Storage Warehouse Partnerships

The Company owns 45% - 50% general and limited partnership interests in three partnerships whose principal assets consist of self-storage warehouses located in southeast Florida, with an aggregate of approximately 2,800 units and 320,000 square feet, managed by unaffiliated parties. The Company has no financial obligations with respect to such partnerships except under state law, as general partners. The Company receives monthly distributions from each of the partnerships based on cash flows.

Drexel

Effective December 31, 1997, the Company acquired a 95% economic interest in Drexel Realty, Inc. ("Drexel"), which for over 30 years has been engaged in the development, construction, leasing, and management of real estate. Until the Merger, Drexel managed the properties owned by Montgomery OP as well as other properties located in Pennsylvania and New Jersey owned by third parties. As of December 31, 2003, Drexel managed four properties in Pennsylvania and New Jersey owned by third parties. At this time, it is not contemplated that Drexel will seek additional third party management contracts. Currently, the Company owns 1% of the voting stock and 100% of the non-voting stock. 99% of the voting stock of Drexel is beneficially owned by Mr. Louis P. Meshon, Sr., a Trustee, and held in a voting trust. Mr. Meshon currently serves as President of Drexel. Please refer to Item 13. Certain Relationships and Related Transactions regarding related party transactions with Mr. Meshon.

Shopping Center Venture

In July 2003, the Company formed a joint venture with Tower Fund ("Tower"), for the purpose of acquiring real estate assets. Tower is a commingled separate account available through annuity contracts of Metropolitan Life Insurance Company (New York, New York) and managed by SSR Realty Advisors. The Company will administer the day-to-day affairs of the joint venture which is owned 80% by Tower and 20% by the Company. The joint venture owns four shopping centers comprising 553,000 square feet in Vestal, New York. The joint venture

properties are all 100% occupied and were purchased by the joint venture for $69.7 million plus transaction costs. The Company's equity contribution to the joint venture is approximately $6 million including transaction costs.

The Company accounts for its investments in unconsolidated affiliates using the equity method.

INDUSTRY FACTORS

Ownership of shopping centers involves risks arising from changes in economic conditions, generally, and in the real estate market specifically, as well as risks which result from property-specific factors such as the failure or inability to make needed capital improvements, competition, reductions in revenue arising from decreased occupancy or reductions in the level of rents obtainable, and factors which increase the cost of operating, financing and refinancing properties such as escalating interest rates and wage rates, increased taxes, fuel costs and other operating expenses and casualties. All of these kinds of risks can result in reduced net operating revenues available for distribution. The Company's ability to manage the properties effectively notwithstanding such risks and economic conditions will affect the funds available for distribution.

The results of operations of the Company also depend upon the availability of suitable opportunities for investment and reinvestment of the Company's excess cash and on the yields available from time to time on real estate investments, which in turn depend to a large extent on the type of investment involved, prevailing interest rates, the nature and geographical location of the property, competition, and other factors, none of which can be predicted with certainty.

MATERIAL TENANTS

The Company relies on major tenants to pay rent, and their inability to pay rent may substantially reduce the Company's net income and cash available for distributions to shareholders. The Company's four largest tenants are Wal-Mart Stores, Inc. ("Wal-Mart"), Ahold USA, Inc. ("Ahold"), TJX Companies, Inc. ("TJX"), and Kmart Corporation ("Kmart"). As of December 31, 2003, Wal-Mart represented approximately 7% of the Company's annualized minimum rents, Ahold represented 5% of the Company's annualized minimum rents, TJX represented 3% of the Company's annualized minimum rents, and Kmart represented 2.7% of the Company's annualized minimum rents. As of December 31, 2003, no other tenant would have represented more than 2.1% of the aggregate annualized minimum rents of the Company's shopping centers.

Kmart emerged from bankruptcy on May 6, 2003. As of December 31, 2003, Kmart has not announced the closing of any of the Company's six Kmart stores. However, there is no guarantee that Kmart will not announce any future store closings.

BANKRUPT TENANTS

The Company's business, results of operations and financial condition would be materially adversely affected if a significant number of tenants at the shopping centers fail to meet their lease obligations, including the obligation, in certain cases to pay a portion of increases in the Company's operating expenses. In the event of a default by a tenant, the Company may experience delays in enforcing its rights as landlord and may incur substantial costs in protecting its investment. If a tenant seeks protection under the bankruptcy laws, the lease may be terminated or rejected in which case the amount of rent the Company is able to collect will be substantially reduced and in some cases the Company may not collect any rent. In addition, it is likely the Company would not be able to recover any unamortized deferred costs related to such tenant. Accordingly, the bankruptcy or insolvency of one or more major tenants or a number of other tenants may materially adversely affect our business, results of operations and financial condition.

COMPETITION

The Company's competitors for acceptable investments include private investors, insurance companies, pension funds, and other REIT's which may have investment objectives similar to the Company's and some of which have greater financial resources than the Company's. All of the shopping centers are located in areas which have shopping centers and other retail facilities. Generally, there are other retail properties within a five-mile radius of a

shopping center. The amount of rentable retail space in the vicinity of the Company's shopping centers could have a material adverse effect on the amount of rent charged by the Company and on the Company's ability to rent vacant space and/or renew leases of such shopping centers. There are numerous commercial developers, real estate companies, and major retailers that compete with the Company in seeking land for development, properties for acquisition and tenants for properties, some of which may have greater financial resources than the Company and more operating or development experience than that of the Company. There are numerous shopping facilities that compete with the Company's shopping centers in attracting retailers to lease space. In addition, retailers at the shopping centers may face increasing competition from the Internet, outlet malls, discount shopping clubs, catalog companies, direct mail, telemarketing, and home shopping TV. The Company is not aware of statistics which would allow the Company to determine its position relative to all of the Company's competitors in the ownership and operation of shopping centers.

REAL ESTATE AND OTHER CONSIDERATIONS

As an owner and developer of real estate, the Company is subject to risks arising in connection with such activities and with the underlying real estate, including unknown deficiencies of and the ability to successfully develop or manage recently acquired shopping centers, poor economic conditions in those areas where shopping centers are located, defaults on tenant leases or non-renewal of leases, tenant bankruptcies, competition, liquidity of real estate, inability to rent vacant space, failure to generate sufficient income to meet operating expenses, including debt service, capital expenditures and tenant improvements, balloon payments on debt, environmental matters, financing availability, financial and operating restrictions imposed by certain financing arrangements, defaults under and failure to repay borrowings, fluctuations in interest rates, changes in real estate and zoning laws, cost overruns, delays, and other risks of development activities. The success of the Company also depends upon certain key personnel, its ability to maintain its qualification as a REIT and trends in the national and local economy, including income tax laws, governmental regulations and legislation, and population trends.

EMPLOYEES

As of December 31, 2003, the Company had 147 full and part-time employees. None of the Company's employees are subject to a collective bargaining agreement and the Company has experienced no labor-related work stoppages. The Company considers its relations with its personnel to be good.

ENVIRONMENTAL REGULATIONS

Various Federal, state, and local laws and regulations subject property owners or operators to liability for the costs of removal or remediation of certain hazardous or toxic substances located on or in the property. These laws often impose liability without regard to whether the owner or operator responsible for or even knew of the presence of such substances. The presence of or failure to properly remediate hazardous or toxic substances (such as toxic mold) may adversely affect our ability to rent, sell, or borrow against contaminated property. Payment of such costs and expenses could adversely affect our ability to make distributions or payments to our investors.

TAX STATUS

The Company expects to continue to qualify as a REIT. A trust which qualifies as a REIT is required to distribute at least 90% of ordinary taxable income for a taxable year and can deduct distributions paid to shareholders of beneficial interest with respect to such taxable year from taxable income.

A REIT is not required to distribute capital gain income but to the extent it does not, it must pay the applicable capital gain income tax unless it has ordinary losses to offset such capital gain income. The Company has historically distributed to the Company's shareholders capital gain income arising from principal repayments on the Company's mortgage notes receivable which are being reported on the installment method for tax purposes.

The taxation of the Company and its shareholders could change if relevant Federal, state or local income tax law provisions change.

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INFORMATION ABOUT KRAMONT ON THE INTERNET

The Company's web site address on the Internet is www.kramont.com. By providing a hyperlink on the Company's Internet web site to a third-party SEC filings web site, the Company makes available free of charge through its Internet web site its annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to the Section 13(a) or 15(d) of the Securities and Exchange Act of 1934, as amended, as soon as reasonably practicable after the Company electronically files such material with, or furnishes it to, the Securities and Exchange Commission. The Company does not maintain or provide such information directly to its Internet web site. The Company makes no representations or warranties with respect to the information contained on the third-party SEC filings web site and takes no responsibility for supplementing, updating, or correcting any such information.

The Company also makes available on its web site copies of the charters for the Audit, Compensation and Nominating & Corporate Governance Committees of its Board of Trustees, as well as its Code of Ethics for the Chief Executive Officer and Senior Financial Officers (and any amendments to, or waivers under, such code), and its Whistleblower Policy. Each of these documents is available in print to any shareholder who requests a copy from the Company.

ITEM 2. PROPERTIES

REAL ESTATE - INCOME-PRODUCING

As of December 31, 2003, the Company, directly or indirectly, owned 81 income-producing neighborhood or community shopping centers, 1 property held for sale, and 2 office buildings, located in 15 states comprising 10.8 million square feet. The properties are diverse in size, ranging from 2,650 square feet to 389,000 square feet of gross leasable area with an average of 128,200 square feet of gross leasable area. The shopping centers generally attract local area customers and are typically anchored by a supermarket, drugstore, or discount stores. The centers are smaller than regional malls and do not depend on customers who travel long distances. The tenant base generally concentrates on everyday purchases from local customers. Anchor tenants attract shoppers who also often patronize the smaller shops. At December 31, 2003, 88.9% of the gross leasable area of the Company's income-producing real estate was leased. The Company has pledged 89.2% of the book value of its income-producing real estate as collateral for borrowings.

Subsequent Events

On February 17, 2004, the Company completed the acquisition of a 203,000 square foot shopping center in Worcester, Massachusetts for a purchase price of $19.8 million plus transaction costs. The purchase was initially made using cash and the property was subsequently pledged as collateral under the Credit Facility (as defined in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations). The shopping center is 99% occupied and is anchored by a 67,000 square foot supermarket.

PROPERTIES HELD FOR SALE

The property held for sale at December 31, 2003, consists of a shopping center in Capitol Heights, Maryland. This property is carried at the lower of cost or fair value less selling costs (currently cost). Carrying amounts and subsequent declines or gains in fair value are recorded in operations as incurred (see Note 2 to the consolidated financial statements in Item 8. Financial Statements and Supplementary Data). Properties sold and property held for sale in prior periods have been reclassified to Properties Held for Sale on the consolidated balance sheet and Discontinued Operations on the statement of income in all periods presented.

The following table sets forth certain pertinent information, as of December 31, 2003, regarding the Company's properties:

PROPERTY	LOCATION	YEAR ACQUIRED	YEAR OF LATEST RENOVATION/ EXPANSION	OWNERSHIP INTEREST
SHOPPING CENTERS				
CONNECTICUT				
Christmas Tree Plaza	Orange	2003	N/A	Fee
Groton Square	Groton	2000	2003	Fee
Killingly Plaza	Killingly	2002	N/A	Fee

Manchester Plaza	Manchester	2000	1998	Fee
Milford	Milford	2000	N/A	Leasehold (2020)
Parkway Plaza I & II	Hamden	2000	N/A	Fee
Stratford Square	Stratford	2000	N/A	Fee
FLORIDA				
Century Plaza	Deerfield Beach	1982	2002	Fee
Village Oaks	Pensacola	2000	2003	Fee
GEORGIA				
Bainbridge Town Center	Bainbridge	2000	N/A	Fee
Douglasville Crossing	Douglasville	2000	N/A	Fee
Holcomb Bridge	Roswell	2000	N/A	Fee
Northpark	Macon	2000	1998	Fee
Park Plaza	Douglasville	2000	N/A	Fee
Snellville Oaks	Snellville	2000	N/A	Fee
Summerville	Summerville	2000	N/A	Fee
Tifton Corners	Tifton	2000	N/A	Fee
Tower Plaza	Carrollton	2000	N/A	Fee
Vidalia	Vidalia	2000	N/A	Fee
Village at Mableton	Mableton	2000	1998	Fee
KENTUCKY				
Harrodsburg Marketplace	Harrodsburg	2000	N/A	Fee
MARYLAND				
Campus Village	College Park	2000	N/A	Fee
Fox Run	Prince Frederick	2000	1997	Fee
MICHIGAN				
Musicland	Livonia	2000	N/A	Fee
NEW JERSEY				
Collegetown	Glassboro	2000	1995	Fee

PROPERTY	GROSS LEASABLE SQUARE AREA (SQ. FT.)	LEASE OCCUPANCY RATE 12/31/03	PRINCIPAL TENANTS (LEASE EXPIRATION/ OPTION EXPIRATION)
SHOPPING CENTERS			
CONNECTICUT			
Christmas Tree Plaza	136,016	100.00	Christmas Tree Shops (2016/2066) AC Moore (2007/2027)
Groton Square	194,862	99.08	Stop & Shop (2007/2027), Kohl's (2022/2042)

Killingly Plaza	75,376	98.51	Stop & Shop (2010/2030)
Manchester Plaza	183,377	45.65	Pep Boys (2016/2036) Stop & Shop (2018/2058)
Milford	25,200	100.00	Xpect Discount Drug (2004/2009)
Parkway Plaza I & II	163,694	10.75	
Stratford Square	160,086	96.33	Marshalls (2005/2010), Entertainment Cinema (2009/2039)
FLORIDA			
Century Plaza	90,669	93.30	Broward County Library (2007/2013)
Village Oaks	171,653	81.51	Wal Mart (2008/2038) (7)
GEORGIA			
Bainbridge Town Center	143,729	98.43	Kmart (2015/2065), Food Lion (2010/2030)
Douglasville Crossing	267,800	88.37	Wal Mart (2010/2040) (1), Rhodes Furniture (2004/2005)
Holcomb Bridge	105,420	94.14	Cub Foods (2008/2033) (1) (13),
Northpark	195,355	98.62	Kroger (2008/2028), Kmart (2013/2063)
Park Plaza	46,495	97.53	Kroger (14)
Snellville Oaks	220,885	97.31	Wal Mart (2011/2041) (1), Regal Cinema (2015/2025), Food Lion (2011/2031) (9)
Summerville	67,809	100.00	Wal Mart (2004/2034)
Tifton Corners	186,629	89.50	Wal Mart (2011/2041) (1), Bruno's (2010/2025) (1)
Tower Plaza	89,990	88.48	Bruno's (2007/2027)
Vidalia	93,696	100.00	Wal Mart (2005/2035) (1)
Village at Mableton	239,474	92.58	Kmart (2014/2064), Cub Foods (2009/2029) (1) (13), Dollar Tree (2009/2024)
KENTUCKY			
Harrodsburg Marketplace	60,048	97.00	Kroger (2007/2027)
MARYLAND			
Campus Village	25,529	100.00	
Fox Run	293,423	98.78	Kmart (2016/2066), Giant Foods (2021/2051), Peebles (2012/2032)
MICHIGAN			
Musicland	80,000	100.00	Media Play (2007/2027)
NEW JERSEY			
Collegetown	251,015	99.16	Kmart (2006/2016),

Lakewood Plaza	Lakewood	1999	N/A	Fee

Marlton Shopping Center-Phase I	Evesham	1998	2001	Fee
Marlton Shopping Center-Phase II	Evesham	1998	2001	Fee
Ocean Heights	Somers Point	2003	N/A	Fee
Rio Grande Plaza	Rio Grande	1997	1997	Fee
Springfield Shoprite	Springfield	2003	N/A	Fee
Suburban Plaza	Hamilton	2000	1999	Fee
NEW YORK				
A & P Mamaroneck	Mamaroneck	2000	N/A	Fee
The Mall at Cross County	Yonkers	2000	2000	Fee
Campus Plaza	Vestal	2003	N/A	Fee
Highridge	Yonkers	2000	N/A	Fee
North Ridge	New Rochelle	2000	N/A	Fee
Port Washington	Port Washington	2000	N/A	Leasehold (2067)
Village Square	Larchmont	2000	N/A	Fee
NORTH CAROLINA				
Cary Plaza	Cary	2000	N/A	Fee
Magnolia Plaza	Morganton	2000	N/A	Fee
OHIO				
Pickaway Crossing	Circleville	2000	N/A	Fee
PENNSYLVANIA				
550 W. Germantown Pike	Plymouth Meeting	2002	N/A	Fee
555 Scott Street	Wilkes-Barre	1997	N/A	Fee
69th Street Plaza	Upper Darby	2000	1994	Fee
Barn Plaza	Doylestown	2000	2002	Fee
Bensalem Square	Bensalem	2000	1983	Fee
Bethlehem Square	Bethlehem	2000	1994	Fee
Bradford Mall	Bradford	2000	N/A	Fee (2)
Bristol Commerce	Bristol	2000	2003	Fee
Chesterbrook Village	Wayne	1997	1995	Fee
Collegeville	Collegeville	1998	1994	Fee
Chalfont Village	New Britain	1999	N/A	Fee
Cherry Square	Northampton	1999	N/A	Fee
County Line Plaza	Souderton	1997	1998	Fee
Danville Plaza	Danville	1997	1987	Fee
Dickson City	Dickson City	1997	1990	Fee
Franklin Center	Chambersburg	2000	N/A	Fee

			Acme (2004/2044), Pep Boys (2015/2020)
Lakewood Plaza	203,699	99.34	Shop Rite Supermarkets (2010/2030), Consolidated Stores (2007/2012)
Marlton Shopping Center- Phase I	157,228	100.00	T.J. Maxx (2011/2026) DSW (2011/2031),
Marlton Shopping Center- Phase II	154,066	98.71	Burlington Coat Factory (2007/2032), Home Goods (2006/2021)
Ocean Heights	59,000	100.00	Shoprite (2034/2054) (11)
Rio Grande Plaza	138,747	97.71	JC Penney (2012/2042), Peebles (2012/2032), Sears (2006/2026)
Springfield Shoprite	32,209	100.00	Shoprite Supermarket (2023/2053)
Suburban Plaza	244,718	23.26	
NEW YORK			
A & P Mamaroneck	24,978	100.00	Great Atlantic & Pacific (2006/2016)
The Mall at Cross County	263,571	100.00	National Wholesale Liquidators (2012/2032), TJ Maxx (2004/2014), Kids R Us (2008/2018) (1), Home Goods (2010/2025), The Sports Authority (2010/2025), Circuit City (2018/2038)
Campus Plaza	160,646	92.10	Olum's of Binghamton (2016/2026) Staples (2013/2028)
Highridge	88,501	100.00	Pathmark (2013/2028)
North Ridge	42,131	92.62	Harmon Cosmetics (2007/2017), NRHMC (2011/2016)
Port Washington	19,600	100.00	North Shore Farms (2003/2028)
Village Square	17,028	94.71	Trader Joe's (2009/2024)
NORTH CAROLINA			
Cary Plaza	60,702	93.32	Food Lion (2010/2030) (6)
Magnolia Plaza	104,539	98.57	Ingles Supermarket (2007/2062)
OHIO			
Pickaway Crossing	127,130	100.00	Wal Mart (2009/2039)
PENNSYLVANIA			
550 W. Germantown Pike	2,650	0.00	Commerce Bank (2024/2044) (12)
555 Scott Street	8,400	100.00	Pet Supplies Plus (2005)
69th Street Plaza	42,500	36.47	National Wholesale Liquidators (2014/2028) (12)
Barn Plaza	237,688	100.00	Marshalls (2009/2024), Regal Cinemas, Inc. (2018/2027), Kohl's (2024/2054)
Bensalem Square	72,148	100.00	Pathmark (2009/2039)
Bethlehem Square	389,450	100.00	TJ Maxx (2006/2021), Home Depot (2010/2040), Giant Food Store (2010/2030), Wal-Mart (2007/2027)
Bradford Mall	290,375	59.60	Kmart (2004/2049) (2), Consolidated Stores (2007/2017), Peebles (2019/2029) (12)
Bristol Commerce	278,771	94.29	Superfresh (2008/2038), Wal-Mart (2013/2063)
Chesterbrook Village	122,316	90.37	Genuardi Markets (2010/2030)
Collegeville	110,696	100.00	Acme (2008/2038), Annie Sez (2007/2017)

Chalfont Village	46,051	100.00	Better Bodies of Chalfont (2005/2013)
Cherry Square	75,005	100.00	Redners Supermarket (2016/2036)
County Line Plaza	175,079	99.43	Woolco, Inc. (2007/2017) (1) (3), Clemens Markets (2007/2027)
Danville Plaza	24,052	96.41	CVS Pharmacy (2007/2027)
Dickson City	47,224	69.51	Office Max (2007/2017)
Franklin Center	175,492	70.24	Food Lion (2010/2030),

Gilbertsville	Gilbertsville	1998	N/A	Fee
MacArthur Road	Whitehall	2000	N/A	Fee
New Holland Plaza	New Holland	1998	N/A	Fee
Mount Carmel Plaza	Glenside	1997	N/A	Fee
North Penn Marketplace	Upper Gwynedd	1998	N/A	Fee
Park Hills Plaza	Altoona	2000	1996	Fee
Pilgrim Gardens	Drexel Hill	2000	N/A	Fee
Street Road	Bensalem	2000	1995	Fee
The Shoppes at Valley Forge	Phoenixville	2000	2002	Fee
Valley Fair	Tredyffrin	2000	2001	Fee
Village at Newtown	Newtown	1998	N/A	Fee
Village West	Allentown	2001	N/A	Fee
Whitehall Square	Whitehall	2000	2001	Fee
Whitemarsh	Conshohocken	1997	2002	Fee
Woodbourne Square	Langhorne	1997	N/A	Fee
RHODE ISLAND				
Wampanoag Plaza	East Providence	2000	N/A	Fee
SOUTH CAROLINA				
East Main Centre	Spartanburg	2000	2000	Fee
Park Centre	Columbia	2000	2000	Fee
TENNESSEE				
Meeting Square	Jefferson City	2000	N/A	Fee
VIRGINIA				
Culpeper Town Mall	Culpeper	2000	1999	Fee
Marumsco-Jefferson Plaza	Woodbridge	2000	N/A	Fee
Statler Crossing	Staunton	2000	N/A	Fee
OFFICE BUILDINGS				
NEW JERSEY				
Springfield Office Building	Springfield	2003	N/A	Fee
PENNSYLVANIA				
Plymouth Plaza	Plymouth Meeting	1997	1994	Fee

Total income-producing properties

PROPERTY HELD FOR SALE

Coral Hills	Capitol Heights	2000	N/A	Fee

Totals

			Lowe's (2010/2019) (1)
Gilbertsville	85,748	100.00	Weis Markets (2009/2019)
MacArthur Road	50,856	96.09	Frank's Nursery (2012/2032)
New Holland Plaza	65,730	88.74	Amelia's Market (2010/2020),
Mount Carmel Plaza	14,504	94.14	Dollarland (2007/2017)
North Penn Marketplace	57,898	100.00	Weis Markets (14)
			Eckerd Drugs (2008/2018)
Park Hills Plaza	279,856	99.30	Weis Market (2022/2037), Dunham's Sporting Goods (2005/2015), Toys R Us (2015/2035), Staples (2010/2025), Superpetz (2005/2015)
Pilgrim Gardens	83,358	96.94	Loehmann's (2008/2013) (13)
Street Road	67,056	62.72	Subzi Mandi Cash and Carry (2011/2016)
The Shoppes at Valley Forge	178,326	89.28	French Creek Outfitters (2005/2020), Staples (2011/2026), Redners Supermarket (2023/2030)
Valley Fair	110,300	94.96	Oskar Huber Furniture (2011/2026) Chuck E. Cheese (2010/2025)
Village at Newtown	177,032	97.74	Genuardi Markets (2008/2028), Zainy Brainy (2005/2015) (13)
Village West	133,611	98.50	Giant Supermarket (2019/2039), CVS (2019/2029)
Whitehall Square	298,023	80.21	Stop & Shop (2006/2024) (10), The Sports Authority (2006/2036), Kids R Us (2007/2027)
Whitemarsh	67,478	100.00	Clemens Markets (2022/2031)
Woodbourne Square	29,876	99.90	
RHODE ISLAND			
Wampanoag Plaza	242,162	74.98	Shaw's Drugstores (2006/2016) , Marshalls (2006/2006), Savers/TVI, Inc. (2010/2025)
SOUTH CAROLINA			
East Main Centre	190,686	84.42	Wal Mart (2009/2034) (1), Tractor Supply (2015/2030)
Park Centre	226,705	100.00	Wal Mart (2009/2039) (4), Piggly Wiggly (2012/2027), Steinmart (2010/2030)
TENNESSEE			
Meeting Square	92,968	100.00	Wal Mart (2009/2039) (1), Food Lion (2009/2039)
VIRGINIA			
Culpeper Town Mall	137,564	89.87	Tractor Supply (2012/2022), Food Lion (2019/2029)

Marumsco-Jefferson Plaza	319,521	73.90	Giant Food Store (2004/2024), Peebles (2004/2010), Consolidated Stores, Inc. (2007/2017)
Statler Crossing	166,944	94.49	Wal Mart (2009/2034) (5), Rack `N Sack (2013/2028) (1)
OFFICE BUILDINGS			
NEW JERSEY			
Springfield Office Building	14,304	100.00	Village Supermarkets, Inc. (2025/2055)
PENNSYLVANIA			
Plymouth Plaza	30,027	99.32	Kramont Realty Trust (2004)
Total income-producing properties	10,685,153	88.86	
PROPERTY HELD FOR SALE			
Coral Hills	82,550	90.01	Shoppers Food Warehouse (2009/2029), CVS (2008/2018) (8)
Totals	10,767,703	88.87%	

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Footnotes:

(1) Includes space for which rent is being paid but is not presently occupied.

(2) 84,695 square feet gross of leasable area is subject to a ground lease which expires in 2004. The Company is the lessee under this ground lease.

(3) Lease is with Woolco, Inc. Sublease is with Kimsworth, Inc.

(4) Lease is with Wal-Mart Stores, Inc. Sublease is with Resource Bancshares Mortgage Group

(5) Lease is with Wal-Mart Stores, Inc. Sublease is with Fisher Auto Parts, Inc.

(6) Lease is with Food Lion, Inc. Sublease is with Damaged Freight.

(7) Lease is with Wal-Mart Stores, Inc. Sublease is with Bealls, Inc.

(8) Lease is with CVS. Sublease is with Fashion Warehouse.

(9) Lease is with Food Lion. Sublease is with Carriage House Furniture.

(10) Lease is with Stop & Shop. Space is subdivided and there are subleases with Raymour and Flannigan Furniture and Ross Dress for Less.

(11) New lease will commence in 2004 as part of development of a new shopping center.

(12) Rent will commence in 2004 and is not included in occupancy rates as of December 31, 2003.

(13) Operating in bankruptcy.

(14) Tenant occupies space not owned by the Company and is not included in the gross leasable area of the shopping center.

ITEM 3. LEGAL PROCEEDINGS

The Company is not presently involved in any material litigation nor, to its knowledge, is any material litigation threatened against the Company or its properties.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matter was submitted to a vote of security holders during the fourth quarter of 2003.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED SHAREHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

The common shares of beneficial interest (the "Common Shares") are listed for trading on the New York Stock Exchange under the symbol "KRT". The following table sets forth the high and low sales prices per Common Share and the distributions per Common Share which were declared by Kramont for each quarter during the past two years.

	Kramont Market Price		
	High	Low	Distributions Declared
2003			
First Quarter	$ 15.87	$ 14.25	$ .325
Second Quarter	17.20	14.95	.325
Third Quarter	17.82	16.40	.325
Fourth Quarter	18.80	16.76	.325
			$ 1.30
2002			
First Quarter	$ 14.26	$ 12.35	$ .325
Second Quarter	16.25	13.24	.325
Third Quarter	15.94	11.10	.325

Fourth Quarter	15.75	12.51	.325
			$ 1.30

The Company has paid regular quarterly cash distributions on its common stock and common shares of beneficial interest since it commenced operations. Future distributions paid by the Company will be at the discretion of the Board of Trustees and will depend on the actual cash flow of the Company, its financial condition, capital requirements, the annual distribution requirements under the REIT provisions of the Code and such other factors as the Board of Trustees deem relevant.

As of March 1, 2004, there were 24,069,925 Common Shares outstanding, and the approximate number of holders of record of the Common Shares was 2,200. The Company owns 24,069,925 Common OP Units in Kramont OP representing the sole general partnership interest and 93.57% of the limited partnership interests in Kramont OP. The Company indirectly owns 9,416,754 units of limited partnership (also called "OP Units") in Montgomery OP representing a 99.87% partnership interest in Montgomery OP and owned 100% of its sole general partner. The holders of substantially all of the remaining OP Units have the right to require Kramont OP or Montgomery OP, as the case may be, to redeem their OP Units. However, upon a holder giving notice of the exercise of this right, the Company has the right to acquire such holder's OP Units in exchange for cash or, if certain conditions are satisfied, an equal number of Kramont Common Shares.

Securities Authorized For Issuance Under Equity Compensation Plans

The following table provides certain information regarding the securities authorized for issuance under the Company's equity compensation plans, as of December 31, 2003.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Numb Rema for U Compe
Equity compensation plans approved by shareholders (1)	389,528	$ 14.35	

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Numb Rema for U Compe

Equity compensation plans not approved by shareholders (2)	-	-	
Total	389,528	$ 14.35	

(1) The equity compensation plans which were approved by the Company's shareholders are the 1992 Employee Share Plan, the 1992 Trustee Share Option Plan, 1995 Incentive Plan, the Kramont Realty Trust Executive Stock Option Plan, the Kramont Realty Trust 1997 Stock Option Plan, the Kramont Realty Trust Non-Employee Director 1998 Stock Option Plan, and the Kramont Realty Trust 2000 Incentive Plan.

(2) There are no equity compensation plans which were not approved by the Company's shareholders.

(3) Excludes securities reflected in column (a).

ITEM 6. SELECTED FINANCIAL DATA

The financial information included in the following table has been selected by the Company and has been derived from the consolidated financial statements for the periods indicated.

Under generally accepted accounting principals, the Merger was accounted for as a purchase by CV Reit of Kranzco. Therefore, all of the financial information prior to June 16, 2000, is for CV Reit. All of the financial information included in the following table for periods on and after June 16, 2000 relates to the Company as a combined entity.

	Years Ended December 31, (dollars in millions, except share data)			
	2003	2002	2001	2000 (a
Revenues				
Rent	$ 108.5	$ 101.8	$ 98.8	$
Interest and Other	4.4	5.4	6.0	
Total Revenues	$ 112.9	$ 107.2	$ 104.8	$
Income from continuing operations	$ 18.3	$ 17.0	$ 17.2	$
Income from discontinued operations	$ 5.0	$ 1.0	$ 8.6	$
Income before preferred distribution	$ 23.3	$ 18.0	$ 25.8	$
Income to common shareholders	$ 16.5	$ 11.0	$ 18.3	$

Funds From Operations (FFO) (b)	$ 32.5	$ 27.0	$ 28.5	$
Per common share:				
Income to common shareholders, basic	$ .70	$ .54	$ .97	$
Income to common shareholders, diluted	$ .69	$ .54	$ .97	$
Dividends declared	$ 1.30	$ 1.30	$ 1.30	$
Weighted average common shares outstanding, basic	23,757,692	20,380,949	18,803,535	13,857
Weighted average common shares outstanding, diluted	23,811,799	20,401,095	18,815,657	13,858
At Year End: Total assets	$ 810.7	$ 779.3	$ 769.2	$ 7
Borrowings	$ 451.1	$ 480.5	$ 510.2	$ 5
Beneficiaries equity: Total	$ 313.8	$ 253.9	$ 219.0	$ 2
Net cash provided by operating activities	$ 38.2	$ 38.3	$ 30.6	$
Net cash provided by (used in) investing activities	$ (17.2)	$ (14.1)	$ 5.7	$
Net cash used in financing activities	$ (29.2)	$ (16.9)	$ (37.5)	$ (

(a) On June 16, 2000, Kramont acquired its assets through the merger of CV Reit and Kranzco into Kramont. See Item 7. Management's Discussion and Analysis of Results of Operation and Financial Condition and Note 1 to the consolidated financial statements in Item 8. Financial Statements and Supplementary Data.

(b) Funds From Operations ("FFO"), as defined by the National Association of Real Estate Investment Trusts (NAREIT), consists of net income (computed in accordance with generally accepted accounting principles) before depreciation and amortization of real property, extraordinary items and gains and losses on sales of real estate. Please refer to Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations for the calculation of FFO.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the consolidated financial statements of the Company and the notes thereto in Item 8. Financial Statements and Supplementary Data (collectively, the "financial statements").

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RESULTS OF OPERATIONS

NET INCOME

2003 Compared to 2002

For the year ended December 31, 2003, net income to holders of Common Shares was $16.5 million or $.69 per diluted weighted average common share compared to $11 million or $.54 per diluted weighted average common share for the year ended December 31, 2002. The discussion below highlights the major components which caused the increase in net income.

For the year ended December 31, 2003, rent and other revenue and operating expenses increased by $6.1 million and $4.4 million, respectively (a net rental income increase of $ 1.7 million). The rent revenue increase is primarily due to increased rentals in the existing portfolio in the amount of $4 million and $3.1 million in rents from the acquisition of six income-producing properties, one on April 26, 2002, three on April 3, 2003, one on July 24, 2003 and one on July 25, 2003, offset by the loss of rent from tenant bankruptcies in the amount of $1 million. Operating expenses increased during the twelve months ended December 31, 2003, primarily due to an increase in snow removal costs in 2003 in the amount of $2.3 million, an increase in general maintenance expense in the amount of $360,000, an increase in insurance expense in the amount of $480,000, an increase in utility expense in the amount of $420,000, an increase in real estate taxes in the amount of $300,000, and additional operating expense of $560,000 as a result of the purchase of the six income-producing properties.

Management fees increased by $72,000 in 2003 as a result of the Company entering into an exclusive management and leasing agreement (through its wholly owned management company) with the Tower joint venture on July 25, 2003.

Interest income decreased by $425,000 during 2003, $270,000 of which is attributable to a reduction on the balance of the Company's mortgage notes receivable due to scheduled repayments of principal and a decrease in interest income on the Company's cash deposits in the amount of $155,000 due to lower interest rates. The Company's mortgage notes receivables are long term and require self-amortizing payments through 2012.

Interest expense decreased by $3 million during 2003, primarily as a result of a decrease in interest paid on the Company's variable rate debt of $1.1 million, a decrease in interest expense in the amount of $1.8 million as a result of the refinancing of the Company's $181.7 million fixed rate real estate mortgage loan that matured on June 20, 2003, and a decrease of $600,000 due to lower debt balances, offset by an increase in interest expense of $500,000 due to the assumption of debt in the acquisition of two income-producing properties on July 24, 2003 and July 25, 2003.

Depreciation and amortization increased by $1.8 million, primarily due to additional expense of $1.3 million as a result of capital expenditures in the current year and a full year of depreciation on 2002 capital expenditures, and the additional expense of $525,000 as a result of the acquisition of six income-producing properties.

General and administrative expenses increased by $1.4 million, principally due to higher payroll related expenses in the amount of $950,000 as a result of additional personnel, increased salaries, higher performance related bonuses, and higher expense for the amortization of restricted share compensation. In addition, the Company incurred increased expenses of $300,000 due to the implementation of a corporate marketing program, an increase in information technology expense of $90,000, and an increase in legal fees in the amount of $90,000.

Income from discontinued operations was $5 million for 2003 compared to $1 million for 2002. The 2003 amount consisted of a gain from the sale of real estate in the amount of $4.3 million and income from the operations of properties sold and properties held for sale of $1.1 million. The 2003 amount includes the income from properties sold in 2003 as well as properties held for sale. The 2002 amount consisted of a loss from the sale of real estate in the amount of $45,000 and income from the operations of properties sold and properties held for sale of $1.1 million. The 2002 amount includes the income from properties sold in 2002 and 2003, as well as the properties held for sale.

Preferred share distributions decreased by $272,000 due to the Company's purchase of all 11,155 outstanding Series A-1 Increasing Rate Cumulative Convertible Preferred Shares on May 15, 2002.

2002 Compared to 2001

For the year ended December 31, 2002, net income to holders of Common Shares was $11 million or $.54 per diluted weighted average common share compared to $18.3 million or $.97 per diluted weighted average common share for the year ended December 31, 2001. The discussion below highlights the major components which caused the decrease in net income.

For the year ended December 31, 2002, rent and other revenue and operating expenses increased by $2.7 million and $2 million, respectively (a net rental income increase of $700,000). The rent revenue increase is primarily due to increased rentals in the existing portfolio in the amount of $1 million and $3.3 million in rents from the acquisition of two shopping centers on December 27, 2001 and April 26, 2002, offset by the loss of rent from tenant bankruptcies in the amount of $1.6 million. Operating expenses increased during the twelve months ended December 31, 2002, primarily due to the purchase of two shopping centers which amounted to $600,000, an increase in real estate tax expense in the amount of $800,000, and an increase in on-site management expense in the amount of $600,000.

Interest income decreased by $430,000 during 2002, of which $240,000 was attributable to a reduction on the balance of the Company's mortgage notes receivable due to scheduled repayments of principal and a decrease in interest income on the Company's cash deposits in the amount of $190,000 due to lower interest rates. The Company's mortgage notes receivables are long term and require self-amortizing payments through 2012.

Interest expense decreased by $772,000 during 2002, primarily as a result of a decrease in interest paid on the Company's variable rate debt of $920,000, $1.2 million resulting from the repayment of borrowings, offset by an increase in interest of $960,000 due to the assumption of debt in the acquisition of a shopping center on December 27, 2001 and $335,000 expense due to the write-off of deferred finance costs due to the prepayment of a credit facility in December, 2002.

Depreciation and amortization increased by $1.5 million, primarily due to additional expense of $1 million as a result of capital expenditures in 2002 and a full year of depreciation on 2001 capital expenditures, and the additional expense of $500,000 as a result of the acquisition of two shopping centers on December 27, 2001 and April 26, 2002.

General and administrative expenses decreased by $353,000, principally due to a decrease in performance related bonuses offset by an increase in the amortization of restricted shares.

Income from discontinued operations was $1 million for 2002 compared to of $8.6 million for 2001. The 2002 amount consisted of a loss from the sale of real estate in the amount of $45,000 and income from the operations of properties sold and properties held for sale of $1.1 million. The 2002 amount includes the income from properties sold in 2002 as well as properties held for sale. The 2001 amount consisted of a gain from the sale of real estate in the amount of $5.1 million and income from the operations of properties sold and properties held for sale of $4.1 million. The 2001 amount includes the income from properties sold in 2001 and 2002, as well as the properties held for sale.

Preferred share distributions decreased by $444,000 due to the Company's purchase of all 11,155 outstanding Series A-1 Increasing Rate Cumulative Convertible Preferred Shares on May 15, 2002.

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FUNDS FROM OPERATIONS

The following schedule reconciles FFO to net income for the years presented (in thousands):

	2003	2002	2001
Income to common shareholders	$ 16,538	$ 10,951	$ 18,260
Depreciation and amortization of real property (including unconsolidated affiliates) (1) (2)	17,794	16,036	14,998
(Gain) loss on sale of real estate (3)	(1,879)	42	(4,754)
FFO	$ 32,453	$ 27,029	$ 28,504

(1) Net of minority interests of $1,255, $1,313, and $1,042, respectively.

(2) Depreciation related to unconsolidated affiliates of $338, $192, and $170, respectively.

(3) Net of amounts attributable to minority interests of ($132), $3 and ($337),

respectively.

The Company believes that FFO should be considered in conjunction with net income, as presented in the statements of operations. The Company believes that FFO is an appropriate measure of operating performance because real estate depreciation and amortization charges are not meaningful in evaluating the operating results of the Company's properties and extraordinary items and the gain on the sale of real estate would distort the comparative measurement of performance and may not be relevant to ongoing operations. However, FFO does not represent cash generated from operating activities in accordance with generally accepted accounting principles and should not be considered as an alternative to either net income as a measure of the Company's operating performance or to cash flows from operating activities as an indicator of liquidity or cash available to fund all cash flow needs. Since all companies do not calculate FFO in a similar fashion, the Company's calculation, presented above, may not be comparable to similarly titled measures reported by other companies. Please refer to Item 6, Selected Financial Data, Note b.

LIQUIDITY AND CAPITAL RESOURCES

Consolidated Statements of Cash Flows

Unrestricted cash and cash equivalents were $8.3 million, $16.5 million, and $9.2 million at December 31, 2003, 2002, and 2001, respectively.

Net cash provided by operating activities, as reported in the consolidated statements of cash flows decreased to $38.2 million in 2003 from $38.3 million in 2002 and increased from $30.6 million in 2001. The decrease in cash flows from operating activities from 2002 to 2003 is primarily due to an decrease in accounts payable and other liabilities of $500,000 in 2003 compared to a increase in accounts payable and other liabilities of $4.8 million in 2002, offset by an increase in accounts receivable and other assets of $200,000 in 2003 compared to an increase in accounts receivable and other assets of $3.9 million in 2002.

Net cash used in investing activities amounted to $17.2 million in 2003, which increased from net cash used in investing activities of $14.1 million in 2002, and net cash provided by investing activities of $5.7 million in 2001. The 2003 amounts reflect $14.1 million used in the acquisitions of a shopping center and an office building in Springfield, New Jersey, a shopping center and sixteen acres of land in Somers Point, New Jersey, a shopping center in Orange, Connecticut, and a shopping center in Vestal, New York. The 2003 amounts also reflect $18.3 million used for capital improvements and $6 million used in the investment in the Tower joint venture offset by $2.3 million of collections on mortgage notes receivable and $17.4 million of proceeds from the sales of an out-parcel in Bensalem, Pennsylvania, twenty-eight acres of unimproved land in Miramar, Florida, nine acres of unimproved land in Dania, Florida, an office building in West Palm Beach, Florida, a shopping center in Phillipsburg, New Jersey, a leasehold interest in a free-standing building in Orange, Connecticut, and a free standing building in Woodbridge, Virginia. The 2002 amounts reflect $9.8 million used for the acquisition of a shopping center in Killingly, Connecticut and a free-standing building in Plymouth Meeting, Pennsylvania, and $9.7 million used for capital improvements, offset by $2 million of collections on mortgage notes receivable and $2.6 million of proceeds from the sale of a free-standing building in Frederick, Maryland and a shopping center in Columbus, Mississippi. The

2001 amounts reflect $1.9 million of collections of mortgage notes receivable and $17.3 million of proceeds from the sale of three shopping centers in Baltimore, Maryland, Brookhaven, Mississippi, and Frederick, Maryland, partially offset by $13.9 million of capital improvements and $234,000 used for the purchase of a shopping center in Allentown, Pennsylvania.

Net cash used in financing activities amounted to $29.2 million in 2003, $16.9 million in 2002, and $37.5 million in 2001. The 2003 amounts consist of cash distributions of $37.5 million to shareholders, cash distributions of $2.2 million to minority interests, $50.4 million of net repayment of borrowings, and $2.9 million of deferred finance costs, partially offset by $62.4 million of proceeds from the issuance of new common shares of beneficial interest under its Shelf Registration and $1.3 million of proceeds from the issuance of common shares of beneficial interest as a result of the exercising of options. The 2002 amounts consist of cash distributions of $33.4 million to shareholders, cash distributions of $2.1 million to minority interests, $29.7 million of net repayment of borrowings, $6.1 million used for the purchase of 11,155 shares of Preferred Series A-1 shares of beneficial interest, and $3 million of deferred finance costs, partially offset by $56.7 million of proceeds from the issuance of new common shares of beneficial interest under its Shelf Registration and $635,000 of proceeds from the issuance of common shares of beneficial interest as a result of the exercising of options. The 2001 amounts consist of cash distributions of $32 million to shareholders, cash distributions of $1.7 million to minority interests, $4.1 million of net repayment of borrowings, and $561,000 of deferred finance costs, partially offset by $862,000 of proceeds from the issuance of common shares of beneficial interest as a result of the exercising of options.

Contractual Obligations and Commitments

At December 31, 2003, the Company's contractual obligations and commitments are as follows:

	Payments Due by Period (in thousands)				
	Total	Less than 1 year	1-3 years	3-5 years	More than
Long-Term Debt Obligations	$451.1	$58.6	$37.2	$103.9	$251
Purchase of Shopping Center Obligation	19.8	19.8	-	-	
Interest on Long-Term Debt Obligations	176.9	26.7	48.7	40.9	60

Borrowings

At December 31, 2003, the Company's ability to borrow under lines of credit is as follows:

	Commitment expiration per period (in thousands)	
Total amounts available	1 year	2 to 3 years
$ 74.9	$ 6.7	$ 68.2

Borrowings consist of $444.7 million of fixed rate indebtedness, with a weighted average interest rate of 6.75% at December 31, 2003, and $6.4 million of variable rate indebtedness with a weighted average interest rate of 3.11% at December 31, 2003. The borrowings are collateralized by a substantial portion of the Company's real estate and the Recreation Notes. The Company expects to refinance certain of these borrowings, at or prior to maturity, through new mortgage loans on real estate. The ability to do so, however, is dependent upon various factors, including the income level of the properties, interest rates and credit conditions within the commercial real estate market. Accordingly, there can be no assurance that such refinancing can be achieved.

Effective June 16, 2003, the Company entered into a ten year, fixed rate loan agreement with Metropolitan Life Insurance Company (the "Metlife Loan") for a loan in the amount of $190 million to replace a $181.7 million fixed rate real estate mortgage loan that matured on June 20, 2003. The Metlife Loan is secured by fifteen shopping center properties (the "Mortgaged Properties") and the remaining principal balance of the Metlife Loan is due in June 2013. The Metlife Loan bears a fixed interest rate of 6.12% per annum and requires monthly payments of interest

only for the first two years of the ten year term and monthly payments of interest and principal based on a 30-year amortization for the remaining term.

Effective December 20, 2002, the Company entered into a loan agreement (the "Loan Agreement") with Fleet National Bank, N.A. on its own behalf and as agent for certain other banks providing for a credit facility (the "Credit Facility"). As of December 30, 2002, the date of the initial funding, the maximum amount of the Credit Facility was then $100 million and the maximum amount the Company could borrow was $68 million based on the current collateral. The maximum amount of the Credit Facility was increased to $125 million on March 19, 2003, under the terms and conditions of the Loan Agreement. The Borrowing Base available to Kramont OP under the Credit Facility is subject to increase or decrease from its current amount pursuant to the terms of the Loan Agreement. The Credit Facility is a revolving line of credit with a term of three years and is secured by guarantees by the Company and those of its subsidiaries who have provided mortgages to the lenders, sixteen first mortgages on shopping centers and a first priority security interest in the membership interests and partnership interests of the subsidiary entities. The Credit Facility contains various financial covenants that must be observed. The Company was in compliance with these covenants at December 31, 2003. Credit Facility borrowings bear interest at the Borrower's election of (a) at the prime rate or the prime rate plus 25 basis points based on the leverage ratio of the Company's and Kramont OP's total debt and liabilities to its total asset value, or (b) London InterBank Offered Rate ("LIBOR") plus 175 to 225 basis points based on such ratio. Interest rates may be set for one, three or six-month periods. Advances under the Credit Facility may be used for general corporate purposes and, among other purposes, to fund acquisitions, repayment of all or part of outstanding indebtedness, expansions, renovations, financing and refinancing of real estate, closing costs and for other lawful purposes. Additional provisions include arrangement and commitment fees of up to $1.1 million, and a fee applicable on the unused portion of the maximum Credit Facility amount. The $68 million received on December 30, 2002 was used to pay outstanding debt, including a portion of the amount outstanding under the Company's credit facility with GMAC Commercial Mortgage which matured in August, 2003. The outstanding balance on the Credit Facility was approximately $2 million as of December 31, 2003. Based on the current collateral the Company can borrow an additional $68.2 million as of December 31, 2003.

In 1998, the Company obtained a $65.9 million fixed rate mortgage from Salomon Brothers Realty Corp. This loan is secured by a first mortgage on nine properties acquired by the Company in September 1998. The mortgage loan bears a fixed interest rate of 7% per annum and requires monthly payments of interest and principal based on a 30-year amortization. The loan matures on October 1, 2008. The outstanding balance on the mortgage was approximately $62.3 million as of December 31, 2003. Pursuant to the mortgage loan, the Company is required to make monthly escrow payments for the payment of tenant improvements and repair reserves.

In addition, the Company has twenty-six mortgage loans outstanding as of December 31, 2003 which were primarily assumed in connection with various acquisitions of certain shopping centers. These mortgage loans have maturity dates ranging from 2004 through 2028. Twenty-three of the twenty-six mortgage loans have fixed interest rates ranging from 5.15% to 9.38%. The outstanding principal balance on these mortgage loans at December 31, 2003 was approximately $177.7 million. The remaining three mortgage loans, in the aggregate amount of $4.4 million at December 31, 2003, have variable rates ranging from 2.72% to 6.88%.

The Company has $14.6 million of borrowings consisting of Collateralized Mortgage Obligations, net of unamortized discount, with a fixed effective interest rate of 8.84% which are collateralized by the Recreation Notes and require self-amortizing principal and interest payments through March 2007.

On July 12, 2001, the Company established a secured line of credit in the amount of $3.2 million with Wachovia Bank, N.A. This line is secured by a shopping center and has an interest rate payable at a rate adjusted monthly to the sum of 30 day LIBOR plus 1.8%. The line of credit matures on October 31, 2004. No amounts were outstanding at December 31, 2003 on this line of credit.

The Company has a line of credit with Wilmington Trust of Pennsylvania in the amount of $3.5 million secured by two shopping centers with an interest rate payable at a rate adjusted monthly to the sum of 30 day LIBOR plus 1.8%. The line of credit matures on June 30, 2004. At December 31, 2003, there was no outstanding balance on this line of credit.

Capital Resources

The Company's operating funds are generated from rent revenue net of operating expense from income-producing properties and, to a much lesser extent, interest income on the mortgage notes receivable. The Company believes that the operating funds will be sufficient in the foreseeable future to fund operating and administrative expenses, interest expense, recurring capital expenditures and distributions to shareholders in accordance with REIT requirements. Sources of capital for non-recurring capital expenditures and scheduled principal payments, including balloon payments, on outstanding borrowings are expected to be obtained from property refinancings, scheduled principal repayments on the mortgage notes receivable, sales of non-strategic real estate, the Company's lines of credit and/or potential debt or equity financing in the public or private markets.

On April 3, 2002, the Company filed a Shelf Registration Statement on Form S-3 ("Shelf Registration") to register $150 million in common and preferred shares of beneficial interest, depository shares, warrants and debt securities. The Shelf Registration Statement became effective April 17, 2002.

On May 15, 2002, the Company purchased all 11,155 outstanding Series A-1 Increasing Rate Cumulative Convertible Preferred Shares for $6.1 million plus costs.

On May 16, 2002, under the Shelf Registration, the Company sold 2.3 million of its common shares of beneficial interest to certain investment advisory clients of Cohen & Steers Capital Management, Inc. for net proceeds of $31.3 million. The Company used $6.1 million for the purchase of Series A-1 Preferred Shares, $8.4 million for the purchase of a shopping center in Killingly, Connecticut, $1.1 million for the purchase of a free standing building in Plymouth Meeting, Pennsylvania, and paid down debt in the amount of $8 million. The Company used the balance of the proceeds for acquisitions, debt reductions, and other corporate purposes.

On December 31, 2002, under the Shelf Registration, the Company sold 1.8 million of its common shares of beneficial interest to Teachers Insurance and Annuity Association of America and certain investment advisory clients of Kensington Investment Group, Inc. and Teachers Advisors, Inc. for net proceeds of $25.5 million. The Company used $25 million to pay down the Credit Facility. The Company used the balance of the proceeds for general corporate purposes.

On January 2, 2003, under the Shelf Registration, the Company sold 280,000 of its common shares of beneficial interest to Teachers Insurance and Annuity Association of America for net proceeds of $4 million. The Company used $4 million to pay down the Credit Facility.

On December 30, 2003, under the Shelf Registration, the Company sold 2,400,000 of its 8.25% Series E Cumulative Redeemable Preferred Shares to a number of mutual funds and other purchasers for net proceeds of approximately $58.5 million. The Company used approximately $41.3 million to redeem the Company's 9.5% Series D Cumulative Redeemable Preferred shares of beneficial interest on January 30, 2004 and the balance will be used for general corporate purposes.

Subsequent Events

On January 30, 2004, the Company redeemed all of its outstanding 9.5% Series D Cumulative Redeemable Preferred Shares of beneficial interest for $25.00 per share plus accrued and unpaid distributions though January 30, 2004 of $0.066 per share.

In connection with the redemption of the 9.5% Series D Cumulative Redeemable Preferred Shares of beneficial interest, the Company's first quarter 2004 results will reflect a non-recurring reduction in Income to common shareholders of approximately $17.7 million or $0.69 per common share. This reduction will be taken in accordance with the July 31, 2003 Securities and Exchange Commission interpretation of FASB-EITF Topic D-42 ("The Effect on the Calculation of Earnings per Share for the Redemption or Induced Conversion of Preferred Stock"). Under this interpretation, the difference between the carrying amount of the shares and the redemption price must be recorded as a reduction in Net Income Attributable to Common Shareholders and, therefore, will impact Earnings Per Share and Funds From Operations per share

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On February 27, 2004 under the Shelf Registration, the Company sold 400,000 of its 8.25% Series E Cumulative Redeemable Preferred Shares to certain investment advisory clients of Cohen & Steers Capital Management, Inc. for net proceeds of $10.1 million. The Company will use the $10.1 million for general corporate purposes.

Acquisitions

On April 3, 2003, the Company completed the acquisition of two shopping centers, an office building and sixteen acres of land for development for approximately $13.2 million including transaction costs. The purchase included a 31,500 square foot Shop Rite Supermarket and a fully occupied 14,000 square foot office building in Springfield, New Jersey, a 54,000 square foot Shop Rite Supermarket, and an adjacent sixteen acres of land approved for development in Somers Point, New Jersey. The sixteen acres of land are currently under development. The properties were purchased using cash and the issuance of 386,153 common shares of beneficial interest. The Company has a future obligation to issue an additional 228,939 common shares of beneficial interest upon the satisfaction of certain conditions. The liability for these shares have been accrued in accounts payable and other liabilities.

On July 24, 2003, the Company completed the acquisition of a 136,000 square foot shopping center in Orange, Connecticut for a purchase price of $18.4 million including transaction costs. The center is fully occupied and is anchored by a 50,000 square foot Christmas Tree Shop store. The shopping center was purchased using cash and the assumption of approximately $11 million in non-recourse debt.

On July 25, 2003, the Company completed the acquisition of a 161,000 square foot shopping center in Vestal, New York for a purchase price of $13.1 million including transaction costs. The center is 94% occupied and anchored by an 82,500 square foot furniture and appliance store. The shopping center was purchased using a combination of cash, 185,018 common shares of beneficial interest and the assumption of $7.8 million in non-recourse debt.

Dispositions

The Company has determined that certain properties do not fit the Company's core portfolio. As a result, these properties have been sold, are under contract of sale, or are held for sale. The Company sold one office building, one shopping center, and vacant land in 2003. The Company also assigned its leasehold interest in a shopping center. On January 21, 2003, the Company sold a three acre out-parcel at its Bensalem Square shopping center in Bensalem, Pennsylvania. The Company received net cash proceeds of $670,000 and recognized a gain of approximately $600,000. On March 6, 2003, the Company sold a 28 acre parcel of unimproved land located in Miramar, Florida. The sale price for the land was $3.6 million with net proceeds of approximately $3.5 million and the Company recognized a gain of approximately $1.1 million. On May 2, 2003, the Company sold a nine acre parcel of unimproved land in Dania, Florida. The sale price for the land was $4.1 million with net proceeds of approximately $3.7 million and the Company recognized a gain of approximately $665,000. On September 2, 2003, the Company sold a 22,800 square foot office building in West Palm Beach, Florida. The sale price of the building was $1.5 million with net proceeds of approximately $1.2 million. The Company recognized a gain of approximately $675,000. On September 5, 2003, the Company sold a 221,000 square foot shopping center in Phillipsburg, New Jersey. The sale price of the shopping center was $7.8 million with net proceeds of approximately $7.6 million and the Company recognized a gain of approximately $1.1 million. On October 16, 2003, the Company sold a free standing building located in the Marumsco-Jefferson Plaza in Woodbridge, Virginia. The Company received net cash proceeds of $660,000 and recognized a gain of approximately $336,000. On October 16, 2003, the Company assigned its leasehold interest in a free standing building in Orange, Connecticut for net cash proceeds of $100,000 and recognized a loss of approximately $112,000.

Subsequent Events

On December 30, 2003, the Company signed a definitive agreement to acquire a shopping center for approximately $19.8 million in cash plus transaction costs. The shopping center is approximately 203,000 square feet and includes a 67,000 square foot Super Stop & Shop Supermarket. The transaction was completed on February 17, 2004.

TRANSACTIONS WITH RELATED PARTIES

Included in Mortgage Notes Receivable is a note due from Mr. Irwin Levy, in the amount of $8.5 million at December 31, 2003. This note bears interest at 13.25% and $1.2 million in interest income was recognized during 2003. The note was issued prior to the prohibitions on related party loans as stated in the Sarbanes-Oxley Act of 2002.

Since 1990, companies owned by Mr. Levy, a Trustee, and/or members of his family have leased, managed and operated the recreation facilities at the Century Villages in West Palm Beach, Deerfield Beach, and Boca Raton, which are collateral for certain notes the Company holds with an outstanding balance of $31.1 million (including the $8.5 million discussed above) at December 31, 2003. During 2003, through and including September 1, 2003, the Company leased approximately 4,600 square feet of office space to those companies and other companies controlled by Mr. Levy on a month-to-month basis and received approximately $35,000 for payment of rent, utilities, and operating expenses. On September 2, 2003, the office building containing the leased space was sold.

Mr. Louis P. Meshon, Sr., President, Chief Executive Officer and Trustee, and Patricia Meshon, his wife, in the aggregate, own 99% of the voting stock (a 5% equity interest) in Drexel Realty, Inc. ("Drexel"), the management company in which Montgomery CV Realty L.P. owns a 95% equity interest. Drexel manages three properties in which Mr. Meshon has ownership interests. These properties paid Drexel $259,300 for management and leasing services during 2003.

Mr. Milton S. Schneider, a Trustee, is the Chief Executive Officer of The Glenville Group ("Glenville"), a company involved in the development, ownership, and management of commercial and residential properties. The Company leases approximately 2,300 square feet of office space to Glenville in accordance with a five-year lease effective June 1, 1999 and expiring on May 31, 2004. Glenville paid the Company approximately $57,900 for payment of rent, electric and other operating expenses in 2003.

Related party transactions are more fully described in Note 6 to the consolidated financial statements in Item 8. Financial Statements and Supplementary Data.

CRITICAL ACCOUNTING POLICIES

We prepare our financial statements in accordance with accounting principles generally accepted in the United States of America. Preparing our financial statements in accordance with generally accepted accounting principles requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The following paragraphs include a discussion of critical accounting policies. You should also review Note 1 to the consolidated financial statements (See Item 8. Financial Statements and Supplementary Data) for further discussion of significant accounting policies.

Real Estate - Income-Producing

Real estate - income-producing ("Real Estate") is stated at cost less accumulated depreciation. Costs directly related to the acquisition, development, and construction of Real Estate are capitalized. Ordinary repairs and maintenance are expensed as incurred, major replacements and betterments, which improve or extend the life of the assets, are capitalized and depreciated over their estimated lives.

On a periodic basis, management assesses whether there are any indicators that the value of the Company's Real Estate may be impaired. A property's value may be impaired only if management's estimate of the aggregate future cash flows, on an undiscounted basis to be generated by the property are less than the carrying value of the property. If impairment has occurred, the loss shall be measured as the excess of the carrying amount of the property over the fair value of the property. The Company's estimates of aggregate future cash flows expected to be generated by each property are based on a number of assumptions that are subject to economic and market uncertainties, including, among others, demand for space, competition for tenants, changes in market rental rates, and costs to operate each property. As these factors are difficult to predict and are subject to future events that may alter management's assumptions, the future cash flows estimated by management in their impairment analyses may not be achieved.

Properties Held for Sale

Effective January 1, 2002, the Company adopted the provisions of Statement of Financial Accounting Standards No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets ("SFAS 144"). SFAS 144 requires that long-lived assets that are to be disposed of by sale be measured at the lower of its carrying amount or fair value less cost to sell. SFAS 144 broadens the presentation of discontinued operations to include a component of a company. Under SFAS 144, an individual income-producing property is considered a component of the company. As a result, when assets are identified by the management and a plan for sale, as defined by SFAS 144, has been adopted, the Company estimates the fair value, net of selling costs, of such assets. Fair value is estimated using estimated selling price of each property based on various factors including discussions with potential buyers. If, in management's opinion, the fair value less costs to sell of the assets, which have been identified for sale, is less than the net carrying amount of the assets, the assets are written down. The Company's estimate of fair value of each property is based on economic and market conditions which are subject to change. Carrying amounts and subsequent declines or gains in fair value are recorded in results of operations in discontinued operations. If circumstances arise that the Company decides not to sell a property previously classified as held for sale, the property is reclassified as held and used. A property that is reclassified shall be measured at the lower of its carrying amount before the asset was classified as held for sale, adjusted for any depreciation expense that would have been recognized had the asset been continuously classified as held and used or fair value at the date of the decision not to sell.

Revenue Recognition

We recognize revenue from rentals on a straight-line basis over the terms of the leases. Percentage rent is recognized in the period when sales breakpoints are reached. The majority of our leases provide for reimbursement from tenants of their share of common area maintenance costs, insurance and real estate taxes, which are recorded on the accrual basis.

Allowance for Doubtful Accounts

Management periodically performs a detailed review of amounts due from tenants to determine if accounts receivable balances are impaired based on factors affecting the collectibility of those balances. Management's estimates of the allowance for doubtful accounts requires management to exercise significant judgment about the timing, frequency and severity of collection losses, which affects the allowance and net income.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In January 2003, the Financial Accounting Standards Board ("FASB") issued FASB Interpretation No. 46, Consolidation of Variable Interest Entities ("FIN 46"). FIN 46 addresses the consolidation by business enterprises of variable interest entities, as defined in the Interpretation. FIN 46 expands existing accounting guidance regarding when a company should include in its financial statements the assets, liabilities, and activities of another entity. Many variable interest entities have commonly been referred to as special-purpose entities or off-balance sheet structures. In December 2003, the FASB issued Interpretation No. 46R ("FIN 46R"), a revision to FIN 46. FIN 46R clarifies some of the provisions of FIN 46 and exempts certain entities from its requirements. FIN 46R is effective at the end of the first interim period ending after March 15, 2004. The Company believes that the adoption of FIN 46 will not have a material impact on the Company's financial position, results of operations or cash flows.

In July 2003, the FASB issued Statement of Financial Accounting Standards No. 150, Accounting for Certain Financial Instruments With Characteristics of Both Liabilities and Equity ("SFAS 150"). SFAS 150 requires the shares that are mandatorily redeemable for cash or other assets at a specified or determinable date or upon an event certain to occur to be classified as liabilities, not as part of shareholders' equity. This pronouncement does not currently impact the Company's financial position, results of operations or cash flows.

INFLATION

During recent years, the rate of inflation has remained at a low level and has had minimal impact on the Company's operating results. Most of the tenant leases contain provisions designed to lessen the impact of inflation. These provisions include escalation clauses in certain leases which generally increase rental rates periodically based on

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stated rental increases which are currently higher than recent cost of living increases, and percentage rentals based on tenant's gross sales, which generally increase as prices rise. Many of the leases are for terms of less than ten years which increases the Company's ability to replace those leases which are below market rates with new leases at higher base and/or percentage rentals. In addition, most of the leases require the tenants to pay their proportionate share of increases in operating expenses, including common area maintenance, real estate taxes and insurance.

However, in the event of significant inflation, the Company's operating results could be adversely affected if general and administrative expenses and interest expense increases at a rate higher than rent income or if the increase in inflation exceeds rent increases for certain tenant leases which provide for stated rent increases.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company's primary exposure to market risk is to changes in interest rates. The Company has both fixed and variable rate debt. The Company has $451.1 million of debt outstanding as of December 31, 2003, of which $444.7 million, or 98.6%, has been borrowed at fixed rates ranging from 5.15% to 9.38% with maturities through 2028. As these debt instruments mature, the Company typically refinances such debt at their existing market interest rates which may be more or less than interest rates on the maturing debt. Changes in interest rates have different impacts on the fixed and variable rate portions of the Company's debt portfolio. A change in interest rates impacts the net market value of the Company's fixed rate debt, but has no impact on interest incurred or cash flows on the Company's fixed rate debt. Interest rate changes on variable debt impacts the interest incurred and cash flows but does not impact the net market value of the debt instrument. Based on the variable rate debt of the Company as of December 31, 2003, a 100 basis point increase in interest rates would result in an additional $179,000 in interest incurred per year and a 100 basis point decline would lower interest incurred by $179,000 per year. To ameliorate the risk of interest rate increases, the Company has entered into interest rate swap agreements in the notional amounts of $32.5 million. A 100 basis point increase in interest rates would result in a $28 million decrease in the fair value of the fixed rate debt and a 100 basis point decline would result in a $32.1 million increase in the fair value.

The Company also has $31.1 million of fixed rate mortgage notes receivable. Changes in interest rates impacts the market value of the mortgage notes receivable, but has no impact on interest earned or cash flows. A 100 basis point increase in interest rates would result in a $1 million decrease in the fair value of the mortgage notes receivable and a 100 basis point decline would result in a $1 million increase in the fair value.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

TABLE OF CONTENTS TO CONSOLIDATED FINANCIAL STATEMENTS

Schedules, other than those listed above, are omitted because they are not required, or because the information required is included in the consolidated financial statements or the notes thereto.

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Trustees of
Kramont Realty Trust
Plymouth Meeting, PA

We have audited the accompanying consolidated balance sheets of Kramont Realty Trust and subsidiaries as of December 31, 2003 and 2002 and the related consolidated statements of income, other comprehensive income, beneficiaries' equity, and cash flows for each of the three years in the period ended December 31, 2003. We have also audited the schedules listed in the accompanying index. These financial statements and the schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and the schedules based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and schedules 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Kramont Realty Trust and subsidiaries at December 31, 2003 and 2002, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2003, in conformity with accounting principles generally accepted in the United States of America.

Also, in our opinion, the schedules present fairly, in all material respects, the information set forth therein.

As explained in Note 1 to the consolidated financial statements, effective January 1, 2002, Kramont Realty Trust and subsidiaries adopted the provisions of Statement of Financial Accounting Standards No. 144, Accounting for Impairment or Disposal of Long-Lived Assets. Also, as explained in Note 1 to the consolidated financial statements, effective January 1, 2001, Kramont Realty Trust and subsidiaries adopted the provisions of Statement of Financial Accounting Standards No. 133, Accounting for Derivative Instruments and Hedging Activities.

BDO SEIDMAN, LLP
New York, New York
February 13, 2004

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KRAMONT REALTY TRUST AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(dollars in thousands, except per share data)

	December 2003
ASSETS	
Real estate - income-producing, net of accumulated depreciation	$ 724,668
Properties held for sale	6,271

Mortgage notes receivable	31,070
Investments in unconsolidated affiliates	8,880
Cash and cash equivalents (includes $903 and $1,687 restricted)	9,196
Other assets	30,626
Total assets	$ 810,711
LIABILITIES AND BENEFICIARIES' EQUITY	
LIABILITIES:	
Mortgages and notes payable	$ 451,071
Accounts payable and other liabilities	17,002
Distributions payable	9,989
Total liabilities	478,062
Minority interests in Operating Partnerships	18,802
BENEFICIARIES' EQUITY:	
Convertible preferred shares of beneficial interest, Series A-1, $0.01 par value; authorized and issued 11,155 shares as of December 31, 2003 and 2002	1
Convertible preferred shares of beneficial interest, Series B-1, $0.01 par value; authorized 1,235,000 shares; issued and outstanding 1,183,240 shares as of December 31, 2003 and 2002	11
Redeemable preferred shares of beneficial interest, Series D, $0.01 par value; authorized 2,070,000 shares; issued 1,800,000 shares as of December 31, 2003 and 2002	18
Redeemable preferred shares of beneficial interest, Series E, $0.01 par value; authorized and issued 2,400,000 shares as of December 31, 2003	24
Common shares of beneficial interest, $0.01 par value; authorized 94,283,845 shares; outstanding, 24,054,925 and 23,075,985 as of December 31, 2003 and 2002, respectively	241
Additional paid-in capital	308,426
Retained earnings	14,595
Accumulated other comprehensive loss	(477)
Treasury stock, cumulative preferred shares of beneficial interest Series A-1 11,155 shares as of December 31, 2003 and 2002, at cost	(6,070)
Treasury stock, Redeemable preferred shares of beneficial interest Series D, 146,800 shares as of December 31, 2003 and 2002, at cost	(2,349)
	314,420
Unearned compensation on restricted shares of beneficial interest	(573)
Total beneficiaries' equity	313,847
Total liabilities and beneficiaries' equity	$ 810,711

See accompanying notes to consolidated financial statements.

KRAMONT REALTY TRUST AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(dollars in thousands, except share and per share data)

	Years Ended Decembe	
	2003	2002
Revenues:		
Rent	$ 108,527	$ 101,835
Interest, principally from mortgage notes	4,341	4,766
Management fees	72	-
Other	-	555
	112,940	107,156
Expenses:		
Interest	33,512	36,512
Operating	33,897	29,482
Depreciation and amortization	18,606	16,827
General and administrative	8,589	7,202
	94,604	90,023
	18,336	17,133
Equity in income of unconsolidated affiliates	785	722
Minority interests in income of Operating Partnerships	(797)	(822)
Income from continuing operations	18,324	17,033
Results from discontinued operations:		
Income from operations of properties sold or held for sale	1,066	1,129
Gain (loss) on sale of properties	4,347	(45)
Minority interests in discontinued operations	(388)	(83)
Income from discontinued operations	5,025	1,001
Net income	23,349	18,034
Preferred share distributions	(6,811)	(7,083)
Income to common shareholders	$ 16,538	$ 10,951
Per common share:		
Income from continuing operations, basic	$ .48	$ .49
Income from discontinued operations, basic	$ .22	$ .05
Total net income per share, basic	$ .70	$ .54
Income from continuing operations, diluted	$ .48	$ .49
Income from discontinued operations, diluted	$ .21	$ .05
Total net income per share, diluted	$ .69	$ .54

Dividends declared	$ 1.30	$ 1.30
Average common shares outstanding:		
Basic	23,757,692	20,380,949
Diluted	23,811,799	20,401,095

CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME
(dollars in thousands)

	Years Ended December 31,	
	2003	2002
Net income	$ 23,349	$ 18,034
Change in fair value of cash flow hedges	(131)	(1,519)
Reclassification adjustment for hedge losses included in net income	1,267	1,120
Comprehensive income	$ 24,485	$ 17,635

See accompanying notes to consolidated financial statements.

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KRAMONT REALTY TRUST AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF BENEFICIARIES' EQUITY
(in thousands)

	Common Shares of Beneficial Interest	Par Value	Preferred Shares of Beneficial Interest
BALANCE, JANUARY 1, 2001	18,753	$ 188	2,994
Net Income	--	--	--
Issuance of Common Shares - options exercised	83	1	--
Amortization of unearned compensation	--	--	--
Restricted stock awards	36	--	--
Cumulative effect of adoption of SFAS 133	--	--	--
Net loss in fair value of cash flow hedges	--	--	--
Distributions on Common Shares	--	--	--

Distributions on Preferred Shares	--	--	--
BALANCE, DECEMBER 31, 2001	18,872	189	2,994
Net Income	--	--	--
Issuance of Common Shares	4,110	41	--
Issuance of Common Shares - options exercised	55	1	--
Repurchase of Series A Preferred Shares	--	--	--
Amortization of unearned compensation	--	--	--
Restricted stock awards	39	--	--
Net loss in fair value of cash flow hedges	--	--	--
Distributions on Common Shares	--	--	--
Distributions on Preferred Shares	--	--	--
BALANCE, DECEMBER 31, 2002	23,076	231	2,994
Net Income	--	--	--
Issuance of Common Shares	851	9	--
Issuance of Common Shares - options exercised	96	1	--
Issuance of Series E Preferred Shares			2,400
Amortization of unearned compensation	--	--	--
Restricted stock awards	32	--	--
Net loss in fair value of cash flow hedges	--	--	--
Distributions on Common Shares	--	--	--
Distributions on Preferred Shares	--	--	--
BALANCE, DECEMBER 31, 2003	24,055	$ 241	5,394

	Retained Earnings	Accumulated Other Comprehensive Income	Treasury Stock
BALANCE, JANUARY 1, 2001	$ 51,785	$ --	$ (2,349
Net Income	25,787	--	--
Issuance of Common Shares - options exercised	--	--	--
Amortization of unearned compensation	--	--	--
Restricted stock awards	--	--	--

Cumulative effect of adoption of SFAS 133	--	273	--
Net loss in fair value of cash flow hedges	--	(1,487)	--
Distributions on Common Shares	(24,471)	--	--
Distributions on Preferred Shares	(7,527)	--	--
BALANCE, DECEMBER 31, 2001	45,574	(1,214)	(2,349
Net Income	18,034	--	--
Issuance of Common Shares	--	--	--
Issuance of Common Shares - options exercised	--	--	--
Repurchase of Series A Preferred Shares	--	--	(6,070
Amortization of unearned compensation	--	--	--
Restricted stock awards	--	--	--
Net loss in fair value of cash flow hedges	--	(399)	--
Distributions on Common Shares	(27,537)	--	--
Distributions on Preferred Shares	(7,083)	--	--
BALANCE, DECEMBER 31, 2002	28,988	(1,613)	(8,419
Net Income	23,349	--	--
Issuance of Common Shares	--	--	--
Issuance of Common Shares - options exercised	--	--	--
Issuance of Series E Preferred Shares	--	--	--
Amortization of unearned compensation	--	--	--
Restricted stock awards	--	--	--
Net loss in fair value of cash flow hedges	--	1,136	--
Distributions on Common Shares	(30,931)	--	--
Distributions on Preferred Shares	(6,811)	--	--
BALANCE, DECEMBER 31, 2003	$ 14,595	$ (477)	$ (8,419

See accompanying notes to consolidated financial statements

KRAMONT REALTY TRUST AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Yea
	2003
CASH FLOWS FROM OPERATING ACTIVITIES:	
Net income	$ 23,349
Adjustments to reconcile net income to net cash provided by operating activities	
Depreciation and amortization	18,909
Amortization of unearned compensation on restricted shares of beneficial interest	690
Equity in income of unconsolidated affiliates	(785)
Minority interests in income of Operating Partnership	1,185
Loss (Gain) on sale of assets	(4,347)
Changes in assets and liabilities:	
Increase in receivables, accrued income, prepaid expenses and other assets	(240)
Increase (decrease) in accounts payable and other liabilities	(544)
Net cash provided by operating activities	38,217
CASH FLOWS FROM INVESTING ACTIVITIES:	
Collections on mortgage notes receivable	2,270
Acquisition of real estate - income producing	(14,115)
Capital improvements including development costs	(18,348)
Net proceeds from sale of real estate	17,397
Change in restricted cash	784
Distributions from unconsolidated affiliates	826
Investment in unconsolidated affiliates	(5,998)
Other	-
Net cash provided by (used in) investing activities	(17,184)
CASH FLOWS FROM FINANCING ACTIVITIES:	
Proceeds from borrowings, net of fair market premium	192,466
Repayments of borrowings	(201,817)
Net proceeds (repayments) from line of credit	(41,000)
Cash distributions paid on common shares	(30,706)
Cash distributions paid on preferred shares	(6,811)
Cash received from share issuance	62,414
Cash received from stock options exercised	1,313
Distributions to minority interests	(2,164)
Purchase of preferred shares	-
Deferred financing costs	(2,921)
Net cash used in financing activities	(29,226)
Net (decrease) increase in unrestricted cash and cash equivalents	(8,193)
Unrestricted cash and cash equivalents at the beginning of the year	16,486
Unrestricted cash and cash equivalents at the end of the year	$ 8,293
Supplemental disclosure of cash flow information:	
Cash paid for interest	$ 34,687
Acquisitions:	
Fair value of assets acquired	$ (47,192)
Liabilities assumed	24,282

Operating Partnership units issued	-
Common shares of beneficial interest issued	8,795
Cash (paid) for acquisitions, net of cash acquired	$ (14,115)
Supplemental disclosure of non-cash transactions	
Restricted shares awarded	$ 527
Common shares issued for acquisitions	$ 8,795

See accompanying notes to consolidated financial statements.

KRAMONT REALTY TRUST AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Business

Kramont Realty Trust, a Maryland real estate investment trust ("Kramont") is a self-administered, self-managed equity real estate investment trust ("REIT") which is engaged in the ownership, acquisition, development, redevelopment, management and leasing of primarily community and neighborhood shopping centers. Kramont does not directly own any assets other than its interest in Kramont Operating Partnership, L.P. ("Kramont OP") and conducts its business through Kramont OP and its affiliated entities, including Montgomery CV Realty, L.P. ("Montgomery OP", together with Kramont OP and their wholly-owned subsidiaries, hereinafter collectively referred to as the "OPs", which together with Kramont are hereinafter referred to as the "Company"). The OPs, directly or indirectly, own all of the Company's assets, including its interests in shopping centers. Accordingly, the Company conducts its operations through an Umbrella Partnership REIT ("UPREIT") structure. As of December 31, 2003, Kramont owned 93.57% of Kramont OP and is its sole general partner. As of December 31, 2003, Kramont OP indirectly owned 99.87% of the limited partnership interest of Montgomery OP and owned 100% of its sole general partner. As of December 31, 2003, the OPs owned and operated eighty-two shopping centers (one of which is held for sale) and two office buildings, managed four shopping centers for third parties and four shopping centers in connection with a joint venture, located in 15 states aggregating approximately 12.1 million leasable square feet.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company. The Company owns an approximately 95% economic interest in Drexel Realty, Inc. ("Drexel"), a real estate management and leasing company, owns 45%-50% interests in certain real estate partnerships, and owns a 20% economic interest in a shopping center venture, which are accounted for on the equity method. Significant inter-company accounts and transactions have been eliminated in consolidation.

Interest Rate Risk Management

The Company accounts for its interest rate contracts in accordance with Statement of Financial Accounting Standards No. 133, Accounting for Derivative Instruments and Hedging Activities, ("SFAS 133") as amended and interpreted. SFAS 133 requires that all derivative instruments, such as interest rate swap and cap contracts, be recognized in the financial statements and measured at their fair market value. Changes in the fair market value of derivative instruments are recognized each period in current operations or beneficiaries' equity (as a component of accumulated other comprehensive loss). For a derivative designated as part of a hedge transaction, where it is recorded is dependent on whether it is a fair value hedge or a cash flow hedge. For a derivative designated as a fair value hedge, the gain or loss of the derivative in the period of change and the offsetting loss or gain of the hedged item attributed to the hedged risk are recognized in results of operations. For a derivative designated as a cash flow hedge, the effective portion of the derivative's gain or loss is initially reported as a component of other comprehensive income (loss) and subsequently reclassified into results of operations when the hedged exposure affects results of operations. The ineffective portion of the gain or loss of a cash flow hedge is recognized currently in results of operations. For a derivative not designated as a hedging instrument, the gain or loss is recognized currently in results of operations. The adoption of SFAS 133 on January 1, 2001, did not have a material impact on the results of operations, but resulted in a cumulative effect of an accounting charge of $273,000 being recognized in other comprehensive income.

In the normal course of business, Kramont is exposed to changes in interest rates. The objective in managing its exposure to interest rates is to decrease the volatility that changes in interest rates might have on operations and cash flows. To achieve this objective, Kramont uses interest rate swaps to hedge a portion of total long-term debt that is subject to variable interest rates and designates these instruments as cash flow hedges. Under these swaps, Kramont agrees to pay fixed rates of interest (see Note 4d). These contracts are considered to be a hedge against changes in

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the amount of future cash flows associated with the interest payments on variable-rate debt obligations. These interest rate swap agreements are entered into with a major financial institution.

Accordingly, the interest rate swaps are reflected at fair value in the consolidated balance sheet and the related gains or losses on these contracts are recorded as a component of accumulated other comprehensive loss. The Company does not enter into such contracts for speculative purposes. The fair value of interest rate swap contracts are determined based on the fair market value as determined by the counterparty.

As of January 1, 2003, Kramont had interest rate swap contracts to pay fixed rates of interest (ranging from 6.088% to 6.78%) and receive variable rates of interest based on LIBOR on an aggregate of $32.5 million notional amount of indebtedness with maturity dates ranging from March 2004 through May 2004. These hedges are highly effective and there is no ineffective portion. The aggregate fair market value of all interest rate swap agreements was ($477,000) and ($1,613,000) on December 31, 2003 and 2002, respectively, and is included in accounts payable and other liabilities on the consolidated balance sheet.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported statements of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Real Estate - Income-Producing

Real estate - income-producing ("Real Estate") is stated at cost, less accumulated depreciation. Costs directly related to the acquisition, development, and construction of Real Estate are capitalized. Ordinary repairs and maintenance are expensed as incurred, major replacements, and betterments, which improve or extend the life of the assets, are capitalized and depreciated over their estimated useful lives. Depreciation is provided over the estimated useful lives of the assets (7 to 40 years) on the straight-line method.

On a periodic basis, management assesses whether there are any indicators that the value of the Company's Real Estate may be impaired. A property's value may be impaired if management's estimate of the aggregate future cash flows, on an undiscounted basis to be generated by the property are less than the carrying value of the property. If impairment has occurred, the loss shall be measured as the excess of the carrying amount of the property over the fair value of the property. The Company's estimates of aggregate future cash flows expected to be generated by each property are based on a number of assumptions that are subject to economic and market uncertainties, including, among others, demand for space, competition for tenants, changes in market rental rates, and costs to operate each property. As these factors are difficult to predict and are subject to future events that may alter management's assumptions, the future cash flows estimated by management in their impairment analyses may not be achieved.

Properties Held for Sale

Effective January 1, 2002, the Company adopted the provisions of Statement of Financial Accounting Standards No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets ("SFAS 144"). SFAS 144 requires that long-lived assets that are to be disposed of by sale be measured at the lower of its carrying amount or fair value less cost to sell. SFAS 144 broadens the presentation of discontinued operations to include a component of a company. Under SFAS 144, an individual income-producing property is considered a component of the company. As a result, when assets are identified by the management and a plan for sale, as defined by SFAS 144, has been adopted, the Company estimates the fair value, net of selling costs, of such assets. Fair value is estimated using estimated selling price of each property based on various factors including discussions with potential buyers. If, in management's opinion, the fair value less costs to sell of the assets, which have been identified for sale, is less than the net carrying amount of the assets, the assets are written down. The Company's estimate of fair value of each property is based on economic and market conditions which are subject to change. Carrying amounts and subsequent declines or gains in fair value are recorded in results of operations in discontinued operations. If circumstances arise that the Company decides not to sell a property previously classified as held for sale, the property is reclassified as held and used. A property that is reclassified shall be measured at the lower of its carrying amount before the asset was classified as

held for sale, adjusted for any depreciation expense that would have been recognized had the asset been continuously classified as held and used or fair value at the date of the decision not to sell.

The property held for sale at December 31, 2003 consists of a shopping center in Capitol Heights, Maryland (Note 2). Properties sold and held for sale in prior periods have been reclassified to Properties Held for Sale and Discontinued Operations in all periods presented.

Revenue Recognition

Rental revenue is recognized on a straight-line basis over the terms of the leases. Percentage rent is recognized in the period when the sales breakpoints are reached. The majority of leases provide for reimbursement to the Company of the tenants' share of common area maintenance costs, insurance, and real estate taxes, which are recorded on the accrual basis.

Allowance for Doubtful Accounts

Management periodically performs a detailed review of amounts due from tenants to determine if accounts receivable balances are impaired based on factors affecting the collectibility of those balances. Management's estimates of the allowance for doubtful accounts requires management to exercise significant judgment about the timing, frequency and severity of collection losses, which affects the allowance and net income.

Mortgage Notes Receivable

Mortgage notes receivable are carried at cost. Accrual of interest is discontinued when management believes, after considering economic and business conditions and collection efforts, that timely collection is doubtful.

In evaluating possible losses, management takes into consideration appropriate information which may include the borrower's cash flow projections, historical operating results and financial strength, pending sales, adverse conditions that may affect the borrower's ability to repay, appraisals, and current economic conditions.

Stock Options

The Company applies APB Opinion No. 25, Accounting for Stock Issued to Employees, and related interpretations in accounting for its stock option plans. Statement of Financial Accounting Standards No. 123, Accounting for Stock-Based Compensation ("SFAS 123") requires the Company to provide pro forma information regarding net income and net income per common share as if compensation cost for stock options granted under the plans, if applicable, had been determined in accordance with the fair value based method prescribed in SFAS 123. The Company does not plan to adopt the fair value based method prescribed by SFAS 123.

Solely for the purposes of providing the pro forma information required by SFAS 123, the Company estimates the fair value of each stock option grant by using the Black-Scholes option-pricing model with the following weighted average assumptions used for grants: expected lives of ten years; dividend yield of 7.74%, volatility at 24%, risk free interest rate of 3.33% for 2003; dividend yield of 8.70%, volatility at 30%, risk free interest rate of 4.53% for 2002; and dividend yield of 12.00%, volatility at 25%, risk free interest rate of 6.14% for 2001.

Under accounting provisions of SFAS 123, the Company's income to common shareholders and net income per common share, would have been reduced to the pro forma amounts indicated below (in thousands, except per share data):

	Years Ended De	
	2003	2002
Income to common shareholders		
Income, as reported	$ 16,538	$ 10,
Stock-based employee compensation expense included in reported income	691	

Fair value of stock options and restricted stock awards	(762)	(
Pro forma	$ 16,467	$ 10,

Income per common share, basic:		
As reported	$ .70	$
Pro forma	$ .69	$
Income per common share, diluted:		
As reported	$ .69	$
Pro forma	$ .69	$

Dividends and Income Taxes

The Company expects to continue to qualify as a REIT under the provisions of Sections 856-860 of the Internal Revenue Code of 1986, as amended (the "Code"). As a REIT, the Company was required to distribute at least 90% of its ordinary taxable income to shareholders and was permitted to deduct such distributions from taxable income. A REIT is not required to distribute capital gain income, but to the extent it does not, it is required pay the applicable capital gain income tax unless it has ordinary losses to offset such capital gain income.

The Company does not expect to be subject to Federal income taxes in the future as it intends to distribute ordinary and capital gain income.

As of December 31, 2003, the Company has aggregate net operating loss carryforwards for Federal tax purposes of approximately $13.5 million, of which $6.4 million expires in 2006 and $7.1 million expires in 2007.

Net Income Per Common Share

Basic income per share is computed using income to common shareholders divided by the weighted average number of common shares outstanding. Diluted earnings per share include the dilutive effect of outstanding options computed using the treasury stock method. The convertible preferred shares were not dilutive and were therefore not included in the computation of dilutive earnings per share.

Statements of Cash Flows

For financial statement purposes, the Company considers all highly liquid investments with initial maturities of three months or less to be cash equivalents. In addition, the Company classifies cash flows from derivatives with the hedged item.

Reclassifications

Certain items have been reclassified to conform to the current year's presentation.

New Pronouncements

In January 2003, the Financial Accounting Standards Board ("FASB") issued FASB Interpretation No. 46, Consolidation of Variable Interest Entities ("FIN 46"). FIN 46 addresses the consolidation by business enterprises of variable interest entities, as defined in the Interpretation. FIN 46 expands existing accounting guidance regarding when a company should include in its financial statements the assets, liabilities, and activities of another entity. Many variable interest entities have commonly been referred to as special-purpose entities or off-balance sheet structures. In December 2003, the FASB issued Interpretation No. 46R ("FIN 46R"), a revision to FIN 46. FIN 46R clarifies some of the provisions of FIN 46 and exempts certain entities from its requirements. FIN 46R is effective at the end of the first interim period ending after March 15, 2004. The Company believes that the adoption of FIN 46 will not have a material impact on the Company's financial position, results of operations or cash flows.

In July 2003, the FASB issued Statement of Financial Accounting Standards No. 150 ("SFAS 150"), Accounting for Certain Financial Instruments With Characteristics of Both Liabilities and Equity. SFAS 150 requires the shares that are mandatorily redeemable for cash or other assets at a specified or determinable date or upon an event certain

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to occur to be classified as liabilities, not as part of shareholders' equity. This pronouncement does not currently impact the Company's financial position, results of operations or cash flows.

(2) REAL ESTATE

(a) Real Estate is located in 15 states and consists of (in thousands):

	December 31, 2003	December 31, 2002
Income-producing:		
Land	$ 134,928	$ 119,976
Shopping centers	648,183	598,943
Office buildings	6,873	5,086
Total	789,984	724,005
Less accumulated depreciation	(65,316)	(48,608)
Real Estate - income-producing, net	$ 724,668	$ 675,397
Properties held for sale:		
Land	$ 1,371	$ 3,123
Shopping centers	4,900	12,348
Undeveloped land	-	5,458
Properties held for sale	$ 6,271	$ 20,929

(b) Real Estate is leased to tenants under leases expiring at various dates through 2034, some of which contain renewal options of up to 60 years. Most of the leases require base rentals payable monthly in advance; additional rentals based on reimbursements of common area maintenance, insurance and real estate taxes and in some leases, based on a percentage of tenants' sales; and rent increases based on cost-of-living indices.

During 2003, 2002, and 2001, the Company recognized income from reimbursements of common area maintenance, insurance, real estate taxes and percentage rent of $25.5 million, $23.5 million, and $22.8 million, respectively. As of December 31, 2003, future minimum rental income under non-cancelable operating leases, excluding rentals from the exercise of renewal options, is as follows:

Years ending December 31, (in thousands)

2004	$ 83,790
2005	76,148
2006	69,392
2007	58,431
2008	48,943
Thereafter	199,112
Total	$ 535,816

(c) Real Estate with a net book value of $651.7 million, at December 31, 2003, is pledged as collateral for borrowings (Note 4).

(d) Acquisitions:

Acquisitions have been recorded as purchases in accordance with SFAS 141. Assets and liabilities were recorded at fair market value. The acquisitions were not material individually or in the aggregate.

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- On April 3, 2003, the Company completed the acquisition of two shopping centers, an office building and sixteen acres of land for development for approximately $13.2 million including transaction costs. The purchase included a 31,500 square foot Shop Rite Supermarket and a fully occupied 14,000 square foot office building in Springfield, New Jersey, a 54,000 square foot Shop Rite Supermarket, and an adjacent sixteen acres of land approved for development in Somers Point, New Jersey. The sixteen acres of land are currently under development. The properties were purchased using cash and the issuance of 386,153 common shares of beneficial interest. The Company has a future obligation to issue an additional 228,939 common shares of beneficial interest upon the satisfaction of certain conditions. The liability for these shares have been accrued in accounts payable and other liabilities.

- On July 24, 2003, the Company completed the acquisition of a 136,000 square foot shopping center in Orange, Connecticut for a purchase price of $18.4 million including transaction costs. The center is fully occupied and is anchored by a 50,000 square foot Christmas Tree

Shop store. The shopping center was purchased using cash and the assumption of approximately $11 million in non-recourse debt.

- On July 25, 2003, the Company completed the acquisition of a 161,000 square foot shopping center in Vestal, New York for a purchase price of $13.1 million including transaction costs. The center is 94% occupied and anchored by an 82,500 square foot furniture and appliance store. The shopping center was purchased using a combination of cash, 185,018 common shares of beneficial interest and the assumption of $7.8 million in non-recourse debt.

- On April 26, 2002, the Company completed the acquisition of a 75,400 square foot shopping center located in Killingly, Connecticut for a purchase price of $8.4 million, including transaction costs. The purchase was initially made using cash and the property was subsequently pledged as collateral in the new Credit Facility. A 50,000 square foot supermarket anchors the center.

- On August 22, 2002, the Company completed the acquisition of a vacant 2,650 square foot free-standing building in Plymouth Meeting, Pennsylvania for a purchase price of $1.1 million including transaction costs. A lease was executed on July 31, 2003, and rent will commence in 2004.

(d) Dispositions:

- On January 21, 2003, the Company sold a three acre out-parcel at its Bensalem Square shopping center in Bensalem, Pennsylvania for net cash proceeds of $700,000 and recognized a gain of approximately $600,000.

- On March 6, 2003, the Company sold a 28 acre parcel of unimproved land located in Miramar, Florida for net cash proceeds of approximately $3.5 million and recognized a gain of approximately $1.1 million.

- On May 2, 2003, the Company sold a nine acre parcel of unimproved land in Dania, Florida for net cash proceeds of approximately $3.7 million and a gain of approximately $665,000.

- On September 2, 2003, the Company sold a 22,800 square foot office building in West Palm Beach, Florida for net cash proceeds of approximately $1.2 million and recognized a gain of approximately $675,000.

- On September 5, 2003, the Company sold a 221,000 square foot shopping center in Phillipsburg, New Jersey for net cash proceeds of approximately $7.6 million and recognized a gain of approximately $1.1 million.

- On October 16, 2003, the Company sold a free standing building in the Marumsco-Jefferson Plaza in Woodbridge, Virginia for net cash proceeds of $677,000 and recognized a gain of approximately $336,000.

- On October 16, 2003, the Company assigned its leasehold interest in a free standing building in Orange, Connecticut for net cash proceeds of $100,000 and recognized a loss of approximately $112,000.

- On March 11, 2002, the Company sold a free-standing building in Frederick, Maryland, for net cash proceeds of $722,000 and recognized a gain of $211,000.

- On December 31, 2002, the Company sold a shopping center in Columbus, Mississippi, for net cash proceeds of $1.6 million and recognized a loss of $257,000.

- On April 13, 2001, the Company sold a 176,000 square foot shopping center in Baltimore, Maryland for net cash proceeds of $9 million and recognized a gain of $1.6 million.

- On August 30, 2001, the Company sold a 48,000 square foot shopping center in Brookhaven, Mississippi for net cash proceeds of $1 million and recognized a loss of $119,000.

- On October 12, 2001, the Company sold a 109,000 square foot shopping center in Frederick, Maryland for net cash proceeds of $7 million and recognized gain of $3.6 million.

(e) Shopping Center Venture:

In July 2003, the Company formed a joint venture with Tower Fund ("Tower"), for the purpose of acquiring real estate assets. Tower is a commingled separate account available through annuity contracts of Metropolitan Life Insurance Company (New York, New York) and managed by SSR Realty Advisors. The Company will administer the day-to-day affairs of the joint venture which is owned 80% by Tower and 20% by the Company. The joint venture owns four shopping centers comprising 553,000 square feet in Vestal, New York. The joint venture properties are all 100% occupied and were purchased by the joint venture for $69.7 million plus transaction costs. The Company's equity contribution to the joint venture is approximately $6 million including transaction costs.

Subsequent Events

On February 17, 2004, the Company completed the acquisition of a 203,000 square foot shopping center in Worcester, Massachusetts for a purchase price of $19.8 million plus transaction costs. The purchase was initially made using cash and the property was subsequently pledged as collateral under the Credit Facility (as defined in Note 4a). The shopping center is 99% occupied and is anchored by a 67,000 square foot supermarket.

(3) MORTGAGE NOTES RECEIVABLE

At December 31, 2003, the Company's mortgage notes receivable consisted of $31.1 million collateralized by first mortgages on the recreation facilities at three Century Village adult condominium communities in southeast Florida (collectively, the "Recreation Notes"). The Recreation Notes provide for self-amortizing equal monthly principal and interest payments due through 2012 per annum, bear interest ranging from 8.84% to 13.5% and contain certain prepayment prohibitions. One note matures in 2007 and two notes are prepayable in 2007. The Recreation Notes are pledged as collateral for certain borrowings (see Note 4).

The mortgage notes receivable at December 31, 2003, mature as follows (in thousands):

One year or less	$ 2,576
After one year through five years	17,835
After five years	10,659

Totals	$ 31,070

(4) BORROWINGS

Borrowings consist of (in thousands):

	December 31 2003
Mortgage notes payable through June 2013, interest fixed at a rate of 6.12% per annum, collateralized by mortgages on fifteen shopping centers (see Notes 2 and 4a)	$ 190,00

Mortgage notes payable through June 2003, interest only fixed payments at an average rate of 7.96% per annum, collateralized by mortgages on twenty-seven shopping centers (see Note 2)	
Mortgage notes payable through August 2028, interest ranging from 2.72% to 9.38% per annum, collateralized by mortgages on twenty-four shopping centers (see Note 2)	182,10
Mortgage notes payable through October 2008, interest fixed at 7.00% per annum, collateralized by mortgages on nine shopping centers (see Notes 2 and 4b)	62,33
Mortgage notes payable through December 2005, interest at borrowers election of prime plus .25% or one month LIBOR plus a minimum of 1.75% to a maximum of 2.25% (3.50% at December 31, 2003), collateralized by mortgages on sixteen shopping centers (see Notes 2 and 4c)	1,98
Mortgage notes payable through August 2003 under a $155 million credit facility, interest at one month LIBOR plus 2.45%, collateralized by a mortgage on one shopping center (see Note 2)	
Collateralized Mortgage Obligations, net of unamortized discount of $102,000 and $167,000 based on a fixed effective interest rate of 8.84% per annum, collateralized by certain of the Recreation Notes (see Note 3), with quarterly self-amortizing principal and interest payment required through March 2007	14,63
Totals	$ 451,07

(a) Effective June 16, 2003, the Company entered into a ten year, fixed rate loan agreement with Metropolitan Life Insurance Company (the "Metlife Loan") for a loan in the amount of $190 million to replace a $181.7 million fixed rate real estate mortgage loan that matured on June 20, 2003. The Metlife Loan is secured by fifteen shopping center properties (the "Mortgaged Properties") and the remaining principal balance of the Metlife Loan is due in June 2013. The Metlife Loan bears a fixed interest rate of 6.12% per annum and requires monthly payments of interest only for the first two years of the ten year term and monthly payments of interest and principal based on a 30-year amortization for the remaining term.

(b) In 1998, the Company obtained a $65.9 million fixed rate mortgage from Salomon Brothers Realty Corp. This loan is secured by a first mortgage on nine properties acquired by the Company in September 1998. The mortgage loan bears a fixed interest rate of 7% per annum and requires monthly payments of interest and principal based on a 30-year amortization. The loan matures on October 1, 2008.

(c) Effective December 20, 2002, the Company entered into a Loan Agreement (the "Loan Agreement") with Fleet National Bank, N.A. on its own behalf and as agent for certain other banks providing for a credit facility (the "Credit Facility"). On March 19, 2003 the Credit Facility was amended to increase the maximum amount of the Credit Facility to $125 million, under the terms and conditions of the Loan Agreement. The Borrowing Base available to Kramont OP under the Credit Facility is subject to increase or decrease from its current amount pursuant to the terms of the Loan Agreement. The Credit Facility is a revolving line of credit with a term of three years and is secured by guarantees by the Company and those of its subsidiaries who have provided mortgages to the lenders, sixteen first mortgages on shopping centers and a first priority security interest in the membership interests and partnership interests of the subsidiary entities. The Credit Facility contains various financial covenants that must be observed. The Company was in compliance with these covenants at December 31, 2003. Credit Facility borrowings bear interest at the Borrower's election of (a) at the prime rate or the prime rate plus 25 basis points based on the leverage ratio of the Company's and Kramont OP's total debt and liabilities to its total asset value, or (b) London InterBank Offered Rate ("LIBOR") plus 175 to 225 basis points based on such ratio. Interest rates may be set for

one, three or six-month periods. Advances under the Credit Facility may be used for general corporate purposes and, among other purposes, to fund acquisitions, repayment of all or part of outstanding indebtedness, expansions, renovations, financing and refinancing of real estate, closing costs and for other lawful purposes. Additional provisions include arrangement and commitment fees of up to $1.1 million and a fee applicable to the unused portion of the maximum Credit Facility amount. Based on the current collateral the Company can borrow an additional $68.2 million as of December 31, 2003.

(d) Certain loans require the Company to establish a capital and tenant improvement ("TI") reserve account. Funds in the capital and TI reserve accounts may be used to fund capital improvements, repairs, alterations, tenant improvements and leasing commissions at the mortgaged properties.

(e) Maturities of borrowings are as follows (in thousands):

Years ending December 31,	
2004	$ 58,572
2005	13,370
2006	23,791
2007	13,316
2008	90,641
Thereafter	251,381
Total	$ 451,071

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(f) In March and May 1999, the Company entered into three interest rate swap contracts with an aggregate notional amount of $32.5 million, which expire in 2004. The interest rate swaps have an effective interest rate of 6.19% on $32.5 million of the Company's debt.

(5) CONTINGENCIES

The Company is subject to various claims and complaints relative to its business activities. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Company's financial position.

(6) RELATED PARTY TRANSACTIONS

H. Irwin Levy ("Mr. Levy")

In 1981, CV Reit sold the recreation facilities at the Century Village in Boca Raton to Mr. Levy, a Trustee, for $18 million, subject to a lease to a corporation currently owned by Mr. Levy. (The annual net rental to Mr. Levy on that lease is $2.2 million.) At closing, Mr. Levy issued a 30-year non-recourse promissory note to CV Reit in the principal amount of $12.5 million which bears interest at 13.25% per annum. At December 31, 2003, the outstanding balance on this note was $8.5 million. During each of 2003, 2002, and 2001, the Company recognized $1.2 million, $1.2 million, and $1.3 million, respectively, in interest income on this note.

Since 1990, companies owned by Mr. Levy and/or certain members of his family have leased, managed and operated the recreation facilities at the Century Villages in West Palm Beach, Deerfield Beach, and Boca Raton, which are collateral for certain notes held by the Company with an outstanding balance of $31.1 million (including the $8.5 million discussed above) at December 31, 2003. During 2003, 2002, and 2001, the Company leased approximately 4,600 square feet of office space to those companies and other companies controlled by Mr. Levy on a month-to-month basis and received approximately $35,000, $55,000, and $60,500, respectively, for payment of rent, utilities and operating expenses.

Louis P. Meshon, Sr. ("Mr. Meshon")

On June 16, 2000, the Company sold to Mr. Meshon, Sr., President, Chief Executive Officer, and a Trustee, 75,000 restricted Common Shares at the then current market price per Common Share of $10.16 for a total of $762,000,

evidenced by a full recourse promissory note that matures on June 15, 2005. The note and its collateral consisting of the restricted Common Shares, and Mr. Meshon's obligations under the note, will terminate on the earlier to occur of: (i) the note's full satisfaction, (ii) the note's fifth anniversary (if Mr. Meshon is still employed by the Company), or (iii) the termination of Mr. Meshon's employment following a change of control, termination of the employment of Mr. Meshon without cause or by Mr. Meshon for good reason, or because of Mr. Meshon's death or disability. The Company will pay to him an amount equal to any taxes payable by him, on a full gross-up basis, at the time his obligations under the note terminate. The note has been reflected as unearned compensation in the statement of beneficiaries' equity and is being amortized over five years to compensation expense. The note was issued prior to the prohibitions on related party loans as stated in the Sarbanes-Oxley Act of 2002.

Louis P. Meshon, Sr. and Patricia Meshon, his wife, in the aggregate, own 99% of the voting stock (a 5% equity interest) in Drexel Realty, Inc. ("Drexel"), the management company in which Montgomery CV Realty L.P. owns 1% of the voting stock and 100% of the non-voting stock (a 95% equity interest). In 2003, 2002, and 2001 Drexel did not make any payments to Mr. Meshon.

In addition, Drexel manages the following third-party owned properties in which Louis P. Meshon, Sr. has the following partnership interests:

Properties	Meshon Partnership Interest Percentage
Renaissance Plaza	20.75%
Montgomery A.C., Inc. (owns 1% general partnership interest in Renaissance Plaza)	50.00%
Laurel Mall (indirect ownership through MTGY Associates) (Louis P. Meshon, Sr., directly and indirectly owns 95.93% of the corporate general partner of Laurel Mall Associates)	29.00%

In 2003, 2002, and 2001, the owners of these properties paid Drexel $259,300, $279,500, and $292,000, respectively, for management and leasing services.

Milton S. Schneider ("Mr. Schneider")

Mr. Schneider, a Trustee, is the Chief Executive Officer of The Glenville Group, a company involved in the development, ownership, and management of commercial and residential properties. The Company leases approximately 2,300 square feet of office space to The Glenville Group in accordance with a five-year lease effective June 1, 1999 and expiring on May 31, 2004. During 2003, 2002, and 2001 The Glenville Group paid the Company approximately $57,900, $58,100, and $55,200, respectively, for payment of rent, electric and other operating expenses.

(7) FAIR VALUE OF FINANCIAL INSTRUMENTS

The estimated fair values of the Company's financial instruments are as follows (in thousands):

	As of December 31, 2003		2002	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Real estate mortgage notes receivable	$ 31,070	$ 39,351	$ 33,340	$ 42,544
Cash and cash equivalents	9,196	9,196	18,173	18,173

Borrowings	(451,071)	(465,220)	(480,489)	(490,940)
Interest rate swaps	(477)	(477)	(1,613)	(1,613)

Real estate mortgage notes receivable - The fair value of the fixed rate, Recreation Notes (Note 3) is estimated by discounting the future cash flows using the current rates at which similar loans would be made with similar credit ratings and for the same remaining maturities.

Borrowing rates currently available to the Company for debt with similar terms and remaining maturities are used to estimate the fair value of the Company's borrowings.

(8) BENEFICIARIES' EQUITY

Shelf Registration

On April 3, 2002, the Company filed a Shelf Registration Statement on Form S-3 ("Shelf Registration") to register $150 million in common and preferred shares of beneficial interest, depository shares, warrants and debt securities. The Shelf Registration Statement became effective April 17, 2002.

Common Shares of Beneficial Interest

On May 16, 2002, under the Shelf Registration, the Company sold 2.3 million of its common shares of beneficial interest to certain investment advisory clients of Cohen & Steers Capital Management, Inc. for net proceeds of $31.3 million. The Company used $6.1 million for the purchase of Series A-1 Preferred Shares, $8.4 million for the purchase of a shopping center in Killingly, Connecticut, $1.1 million for the purchase of a free standing building in Plymouth Meeting, Pennsylvania, and paid down debt in the amount of $8 million. The Company used the balance of the proceeds for acquisitions, debt reductions, and other corporate purposes.

On December 31, 2002, under the Shelf Registration, the Company sold 1.8 million of its common shares of beneficial interest to Teachers Insurance and Annuity Association of America and certain investment advisory clients of Kensington Investment Group, Inc. and Teachers Advisors, Inc. for net proceeds of $25.5 million. The Company used $25 million to pay down debt. The Company used the balance of the proceeds for general corporate purposes.

On January 2, 2003, under the Shelf Registration, the Company sold 280,000 of its common shares of beneficial interest to Teachers Insurance and Annuity Association of America and certain investment advisory clients of Kensington Investment Group, Inc. and Teachers Advisors, Inc. for net proceeds of $4 million. The Company used the $4 million to pay down debt.

On April 3, 2003 the Company issued 386,153 common shares of beneficial interest in conjunction with the purchase of two shopping centers, an office building and sixteen acres of land in New Jersey. The Company has a future obligation to issue an additional 228,939 common shares of beneficial interest upon the satisfaction of certain conditions.

On July 25, 2003 the Company issued 185,018 common shares of beneficial interest in conjunction with the purchase of a shopping center in Vestal, New York.

Preferred Shares of Beneficial Interest

On December 30, 2003, under the Shelf Registration, the Company issued 2,400,000 shares of Series E Cumulative Convertible Preferred Shares of Beneficial Interest ("Preferred E") with a face amount of $25.00 per share. The Preferred E's have a distribution rate of 8.25% of the liquidation preference ($2.0625 per share) per annum, paid quarterly. The net proceeds to the Company, after fees and expenses, were approximately $58.5 million. A portion of the proceeds were used by the Company to redeem the Company's 9.5% Series D Cumulative Redeemable

Preferred Shares of Beneficial Interest, and the remainder of the proceeds will be used for general corporate purposes.

On May 15, 2002, the Company purchased all 11,155 Series A-1 Increasing Rate Cumulative Convertible Shares of Beneficial Interest ("Preferred A") for $6.1 million, including costs. The purchase was recorded using the cost method. The Preferred A's, with a face amount of $1,000 per share, had a distribution rate of 6.50% of the redemption price during 2001 and thereafter.

The Series B-1 Cumulative Convertible Preferred Shares of Beneficial Interest ("Preferred B") with a face amount of $25.00 per share, have a liquidation preference of $25.00 per share and a distribution rate of 9.75% of the liquidation preference ($2.4375 per share) per annum, paid quarterly. The Preferred Bs are convertible into Common Shares at $17.71 per share and are redeemable at the option of the Company after February 27, 2002 at $25.00 per share, if the aggregate liquidation preference of all outstanding Series B's are less than $3 million.

The Series D Cumulative Redeemable Preferred Shares of Beneficial Interest ("Preferred D") with a face amount of $25.00 per share, have a $25.00 per share liquidation preference and a distribution rate of 9.50% of the liquidation preference ($2.375 per share) per annum, paid quarterly. The Preferred Ds are redeemable for cash after December 11, 2002 at the option of the Company for a redemption price of $ 25.00 per share. On December 15, 2000, the Company purchased 146,800 shares of Preferred D for $2,348,800 including costs. The purchase was recorded using the cost method.

Operating Partnership Units

The owners of the minority interests hold operating partnership units ("OP Units") which are convertible into common shares of beneficial interest on a one to one basis. The Company has the option to issue the common shares of beneficial interest or redeem them for cash equal to the then fair market value of the common shares at the time of the conversion. At December 31, 2003, there were 1,666,152 outstanding OP Units in the OPs.

Subsequent Events

On January 30, 2004, the Company redeemed all 1,653,000 of its outstanding shares of Preferred D's for $25.00 per share plus accrued and unpaid distributions though January 30, 2004 of $0.066 per share.

In connection with the redemption of the 9.5% Series D Cumulative Redeemable Preferred Shares of beneficial interest, the Company's first quarter 2004 results will reflect a non-recurring reduction in Income to common shareholders of approximately $17.7 million or $0.69 per common share. This reduction will be taken in accordance with the July 31, 2003 Securities and Exchange Commission interpretation of FASB-EITF Topic D-42 ("The Effect on the Calculation of Earnings per Share for the Redemption or Induced Conversion of Preferred Stock"). Under this interpretation, the difference between the carrying amount of the shares and the redemption price must be recorded as a reduction in Net Income Attributable to Common Shareholders and, therefore, will impact Earnings Per Share and Funds From Operations per share.

On February 27, 2004, under the Shelf Registration, the Company sold 400,000 of its Preferred E's to certain investment advisory clients of Cohen & Steers Capital Management, Inc for net proceeds of $10.1 million. The Company will use the $10.1 million for general corporate purposes.

Stock Options

The Company maintains stock option plans for the granting of options to certain executives, employees and non-employee directors. Under these plans, qualified and nonqualified stock options to purchase up to 3,700,000 Common Shares of the Company's common shares may be granted. Options become exercisable as determined by the compensation committee of the Board of Trustees at the date of grant. The maximum term of the options granted under each of the plans is ten years.

Changes in options outstanding are summarized as follows:

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	Shares	Weighted Average Exercise Price Per Share	Weighted Average Fair Value Per Share Of Options Granted
Stock options outstanding at January 1, 2001	1,164,900	$ 11.04	$ 2.88
2001:			
Granted - equal to market value	25,000	$ 13.00	$ .51
Exercised:	(83,700)	$ 10.21	$ .53
Expired:	(36,000)	$ 15.42	$ 1.75
	1,070,200		
2002:			
Granted - equal to market value	111,500	$ 14.69	$ 1.51
Exercised:	(54,800)	$ 11.58	$ 1.21
Expired:	(664,150)	$ 19.97	$ .06
	462,750		
2003:			
Granted - equal to market value	25,000	$ 16.80	$ 2.27
Exercised:	(96,222)	$ 13.64	$ 2.54
Expired:	(2,000)	$ 14.65	$ .57
Stock options outstanding at December 31, 2003:	389,528		

Total stock options available for future grants are 3,075,750 as of December 31, 2003.

The following table summarizes information about stock options outstanding at December 31, 2003:

	Options Outstanding			Options E
Range of Exercise Prices ($)	Number of Options Outstanding at 12/31/03	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price ($)	Number Exercisable at 12/31/03
$ 10.16 - 10.44	27,800	6.56 years	$ 10.21	19,000
$ 12.50 - 17.13	345,228	5.86 years	$ 14.43	328,561
$ 19.06 - 21.50	16,500	3.53 years	$ 19.55	16,500
$ 10.16 - 21.50	389,528	5.81 years	$ 14.35	364,061

At December 31, 2002 and 2001, 423,050 and 1,004,100 options were exercisable at average exercise prices of $14.23 and $17.68, respectively.

Restricted Shares

On September 1, 2001, the Company awarded to certain executives and employees 35,683 restricted common shares of beneficial interest at the then current market price per Common Share of $13.06 for a total value of $465,842. One-third of the restricted common shares vested immediately. The remaining two-thirds vested equally on July 1, 2002 and on July 1, 2003 if the executive is an employee of the Company on the respective dates. On April 1, 2002, the Company awarded an executive 10,000 restricted shares of beneficial interest at the then current market price of $13.55 for a total value of $135,500. One-third of the restricted common shares vested immediately. The remaining two-thirds will vest equally on March 31, 2003, and on March 31, 2004, if the executive is an employee of the Company on the respective dates. On July 1, 2002, the Company awarded to certain executives and employees

28,890 restricted shares of beneficial interest at the then current market price per Common Share of $15.75 for a total value of $455,018. One-third of the restricted common shares vested immediately. The remaining two-thirds will vest equally on July 1, 2003, and on July 1, 2004, if the executive is an employee of the Company on the respective dates. On July 1, 2003, the Company awarded to certain executives and employees 31,547 restricted shares of beneficial interest at the then current market price per Common Share of $16.72 for a total value of $527,466. One-third of the restricted common shares vested immediately. The remaining two-thirds will vest equally on July 1, 2004, and on July 1, 2005, if the executive is an employee of the Company on the respective dates. The awarded shares entitle the executive to exercise all voting and/or consensual powers pertaining to such shares and to receive any and all dividends or other distributions on such shares. Any unvested shares shall immediately vest in the event of a change in control of the Company, the death or permanent disability of the executive or the termination of the executive without cause.

(9) EARNINGS PER SHARE

Basic and diluted earnings per share for the years ended December 31, 2003, 2002, and 2001 is calculated as follows (in thousands, except per share data):

	Income to Common Shareholders (Numerator)	Weighted Average Sha (Denominato
For the year ended December 31, 2003		
Basic earnings per share	$ 16,538	23,757,
Effect of assumed conversion of employee stock options	-	54,
Diluted earnings per share	$ 16,538	23,811,
For the year ended December 31, 2002		
Basic earnings per share	$ 10,951	20,380,
Effect of assumed conversion of employee stock options	-	20,
Diluted earnings per share	$ 10,951	20,401,
For the year ended December 31, 2001		
Basic earnings per share	$ 18,260	18,803,
Effect of assumed conversion of employee stock options	-	12,
Diluted earnings per share	$ 18,260	18,815,

The Preferred B shares, OP Units and 44,500, 197,583, and 1,009,067 stock options have been excluded in 2003, 2002, and 2001, respectively, from above calculation since they are antidilutive.

(10) BENEFIT PLAN

The Company has a defined contribution plan covering all full time employees qualified under Section 401(k) of the Code in which the Company matches a portion of an employee's salary deferral. The Company had two defined contribution plans through June 30, 2001, which were combined effective July 1, 2001. The Company's contributions to these plans were $163,400, $151,000, and $112,500 for the years ended December 31, 2003, 2002, and 2001, respectively.

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(11) SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)

Selected quarterly financial data follows (in thousands, except per share data):

	Quarters Ended March 31	June 30	September 30
2003:			
Revenues	$ 28,114	$ 27,064	$ 28,670
Income from continuing operations	2,258	2,259	3,776
Income (loss) from discontinued operations	1,627	684	10,100
Net income	5,505	4,646	7,380
Income to common shareholders	3,803	2,943	5,677
Per common share, basic and diluted	.16	.12	.24
2002:			
Revenues	$ 26,074	$ 26,590	$ 26,482
Income from continuing operations	4,171	4,613	4,175
Income (loss) from discontinued operations	427	(68)	226
Net income	4,598	4,545	4,401
Income to common shareholders	2,714	2,752	2,698
Per common share, basic and diluted	.14	.14	.13
2001:			
Revenues	$ 27,264	$ 25,627	$ 25,666
Income from continuing operations	4,722	3,999	4,196
Income (loss) from discontinued operations	361	4,538	129
Net income	5,083	8,537	4,325
Income to common shareholders	3,206	6,655	2,441
Per common share, basic and diluted	.17	.35	.13

KRAMONT REALTY TRUST AND SUBSIDIARIES
Schedule III - Real Estate and Accumulated Depreciation
December 31, 2003
(in thousands)

Description	Encumbrances	Initial Cost to Company	Costs Capitalized Subsequent to Acquisition
SHOPPING CENTERS			
PENNSYLVANIA			
555 Scott Street Center	$ --	$ 736	--
550 West Germantown Pike	--	1,079	11
69th Street Plaza	--	3,620	21
Barn Plaza	18,200	22,918	7,383
Bensalem Square	4,900	6,282	79
Bethlehem Square	19,300	28,014	209
Bradford Mall	--	3,825	150
Bristol Commerce Park	14,800	13,955	2,427
Chalfont Village Shopping Center	--	1,574	135
Cherry Square Shopping Center (2)	--	6,831	202
Chesterbrook Village Center	10,458	13,359	767

Collegeville Shopping Center	4,446	7,179	1,008
County Line Plaza	4,663	5,391	2,548
Danville Plaza	502	1,556	55
Dickson City	--	4,294	46
Franklin Center (2)	--	7,534	(2)
Gilbertsville Shopping Center	2,375	3,827	362
MacArthur Road	--	3,059	36
Mount Carmel Plaza	664	2,102	37
New Holland Plaza	848	1,168	606
North Penn Marketplace	4,189	4,751	218
Park Hills Plaza	13,100	15,085	483
Pilgrim Gardens (2)	--	4,501	523
Shoppes at Valley Forge	6,400	5,254	9,087
Street Road	4,700	6,165	58
Valley Fair	10,500	14,355	991
Village at Newtown	20,657	27,657	151
Village West	13,666	18,911	923
Whitehall Square	17,500	23,239	342
Whitemarsh Shopping Center	6,801	10,771	429
Woodbourne Square	--	4,267	307
GEORGIA			
Bainbridge Town Center (2)	--	6,800	164
Douglasville Crossing	14,347	13,284	20
Holcomb Bridge	--	7,066	64
Northpark (2)	--	12,255	132
Park Plaza (2)	--	3,137	59
Snellville Oaks	11,703	11,220	16
Summerville Wal Mart Center	2,180	2,391	--
Tifton Corners	8,231	8,923	147
Tower Plaza (2)	--	4,300	78
Vidalia Wal Mart Center	4,082	4,452	--
Village at Mableton	9,974	12,680	137
CONNECTICUT			
Christmas Tree Plaza	12,361	20,166	--
Groton Square	14,800	21,708	2,066
Killingly Plaza (2)	--	8,368	--
Manchester K Mart Plaza	--	4,529	141
Milford	--	2,572	7
Parkway Plaza I	--	3,612	16
Parkway Plaza II	--	4,033	174
Stratford Square	5,149	10,500	1,063

Description	Date Constructed or Acquired	Depreciable Life (Years)	
SHOPPING CENTERS			
PENNSYLVANIA			
555 Scott Street Center	1997	7 - 40	(1)
550 West Germantown Pike	2002	7 - 40	(1)
69th Street Plaza	2000	7 - 40	(1)
Barn Plaza	2000	7 - 40	(1)
Bensalem Square	2000	7 - 40	(1)
Bethlehem Square	2000	7 - 40	(1)
Bradford Mall	2000	7 - 40	(1)
Bristol Commerce Park	2000	7 - 40	(1)
Chalfont Village Shopping Center	1999	7 - 40	(1)

Cherry Square Shopping Center (2)	1999	7 - 40	(1)
Chesterbrook Village Center	1997	7 - 40	(1)
Collegeville Shopping Center	1998	7 - 40	(1)
County Line Plaza	1997	7 - 40	(1)
Danville Plaza	1997	7 - 40	(1)
Dickson City	1997	7 - 40	(1)
Franklin Center (2)	2000	7 - 40	(1)
Gilbertsville Shopping Center	1998	7 - 40	(1)
MacArthur Road	2000	7 - 40	(1)
Mount Carmel Plaza	1997	7 - 40	(1)
New Holland Plaza	1998	7 - 40	(1)
North Penn Marketplace	1998	7 - 40	(1)
Park Hills Plaza	2000	7 - 40	(1)
Pilgrim Gardens (2)	2000	7 - 40	(1)
Shoppes at Valley Forge	2000	7 - 40	(1)
Street Road	2000	7 - 40	(1)
Valley Fair	2000	7 - 40	(1)
Village at Newtown	1998	7 - 40	(1)
Village West	2001	7 - 40	(1)
Whitehall Square	2000	7 - 40	(1)
Whitemarsh Shopping Center	1997	7 - 40	(1)
Woodbourne Square	1997	7 - 40	(1)
GEORGIA			
Bainbridge Town Center (2)	2000	7 - 40	(1)
Douglasville Crossing	2000	7 - 40	(1)
Holcomb Bridge	2000	7 - 40	(1)
Northpark (2)	2000	7 - 40	(1)
Park Plaza (2)	2000	7 - 40	(1)
Snellville Oaks	2000	7 - 40	(1)
Summerville Wal Mart Center	2000	7 - 40	(1)
Tifton Corners	2000	7 - 40	(1)
Tower Plaza (2)	2000	7 - 40	(1)
Vidalia Wal Mart Center	2000	7 - 40	(1)
Village at Mableton	2000	7 - 40	(1)
CONNECTICUT			
Christmas Tree Plaza	2003	7 - 40	
Groton Square	2000	7 - 40	(1)
Killingly Plaza (2)	2002	7 - 40	(1)
Manchester K Mart Plaza	2000	7 - 40	(1)
Milford	2000	7 - 40	(1)
Parkway Plaza I	2000	7 - 40	(1)
Parkway Plaza II	2000	7 - 40	(1)
Stratford Square	2000	7 - 40	(1)

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KRAMONT REALTY TRUST AND SUBSIDIARIES
Schedule III - Real Estate and Accumulated Depreciation
December 31, 2003
(in thousands)

Description	Encumbrances	Initial Cost to Company	Costs Capitalized Subsequent to Acquisition

NEW JERSEY			
Collegetown	8,500	10,693	1,019
Lakewood Plaza Shopping Center	20,576	24,593	993
Marlton Shopping Center - Phase II	9,500	12,524	448
Marlton Shopping Center - Phase I	11,578	16,580	3,808
Ocean Heights	--	9,832	--
Rio Grande Plaza	7,500	14,417	96
Springfield Supermarket	--	3,483	--
Suburban Plaza	--	16,544	39
NEW YORK			
A&P Mamaroneck	--	1,598	--
Campus Plaza-Vestal	8,295	13,718	--
The Mall at Cross County	30,500	41,161	1,627
Highridge	8,800	11,746	106
North Ridge	5,600	6,886	589
Port Washington	--	495	--
Village Square	2,100	2,935	148
MARYLAND			
Campus Village	--	3,377	172
Coral Hills	5,200	6,087	184
Fox Run	16,700	19,752	673
FLORIDA			
Century Plaza (2)	--	7,402	1,170
Village Oaks	7,556	9,770	(65)
KENTUCKY			
Harrodsburg Marketplace (2)	--	3,650	--
MICHIGAN			
Musicland	--	3,700	--
NORTH CAROLINA			
Cary Plaza	842	3,065	53
Magnolia Plaza (2)	--	4,900	7
OHIO			
Pickaway Crossing	5,924	6,654	14
RHODE ISLAND			
Wamapnoag Plaza (2)	--	7,500	--
SOUTH CAROLINA			
East Main Centre (2)	--	5,682	867
Park Centre (2)	--	9,728	332
TENNESSEE			
Meeting Square	2,300	2,467	208
VIRGINIA			
Culpepper Town Mall (2)	--	7,200	264
Marumsco-Jefferson Plaza	13,344	13,000	254
Statler Crossing	6,015	6,054	46
OFFICE BUILDINGS			
Springfield Office, New Jersey	--	2,311	--
Plymouth Plaza, Pennsylvania	2,118	4,379	189
Totals	$ 434,444(3)	$ 749,138	$ 47,117

Description	Date Constructed or Acquired	Depreciable Life (Years)
NEW JERSEY		

Collegetown	2000	7 - 40	(1)
Lakewood Plaza Shopping Center	1999	7 - 40	(1)
Marlton Shopping Center - Phase II	1998	7 - 40	(1)
Marlton Shopping Center - Phase I	1998	7 - 40	(1)
Ocean Heights	2003	7 - 40	
Rio Grande Plaza	1997	7 - 40	(1)
Springfield Supermarket	2003	7 - 40	
Suburban Plaza	2000	7 - 40	(1)
NEW YORK			
A&P Mamaroneck	2000	7 - 40	(1)
Campus Plaza-Vestal	2003	7 - 40	
The Mall at Cross County	2000	7 - 40	(1)
Highridge	2000	7 - 40	(1)
North Ridge	2000	7 - 40	(1)
Port Washington	2000	7 - 40	(1)
Village Square	2000	7 - 40	(1)
MARYLAND			
Campus Village	2000	7 - 40	(1)
Coral Hills	2000	7 - 40	(1)
Fox Run	2000	7 - 40	(1)
FLORIDA			
Century Plaza (2)	1976	15 - 39	(1)
Village Oaks	2000	7 - 40	(1)
KENTUCKY			
Harrodsburg Marketplace (2)	2000	7 - 40	(1)
MICHIGAN			
Musicland	2000	7 - 40	(1)
NORTH CAROLINA			
Cary Plaza	2000	7 - 40	(1)
Magnolia Plaza (2)	2000	7 - 40	(1)
OHIO			
Pickaway Crossing	2000	7 - 40	(1)
RHODE ISLAND			
Wamapnoag Plaza (2)	2000	7 - 40	(1)
SOUTH CAROLINA			
East Main Centre (2)	2000	7 - 40	(1)
Park Centre (2)	2000	7 - 40	(1)
TENNESSEE			
Meeting Square	2000	7 - 40	(1)
VIRGINIA			
Culpepper Town Mall (2)	2000	7 - 40	(1)
Marumsco-Jefferson Plaza	2000	7 - 40	(1)
Statler Crossing	2000	7 - 40	(1)
OFFICE BUILDINGS			
Springfield Office, New Jersey	2003	7 - 40	(1)
Plymouth Plaza, Pennsylvania	1997	7 - 40	(1)

(1) - Real Estate is depreciated over the estimated useful lives of the assets (7 to 40 years) on the straight-line method.

(2) - Real estate pledged as collateral for the Credit Facility. As of December 31, 2003, the outstanding balance on the Credit Facility was $1,988,000.

(3) - Total encumbrances does not include the $1,988,000 balance of the Credit Facility.

Schedule III - Real Estate and Accumulated Depreciation
December 31, 2003
(in thousands)

The changes in total real estate for the three years ended December 31, 2003, are as follows:

	2003	2002	2001
Balance, beginning of year	$ 739,679	$ 723,247	$ 702,447
New property acquisitions	38,397	9,447	15,129
Capital improvements	18,027	9,712	13,681
Reclass for property held for sale	(475)	--	--
Sale of real estate	627	(2,727)	(8,010)
Balance, end of period	$ 796,255	$ 739,679	$ 723,247

The changes in accumulated depreciation for the three years ended December 31, 2003, are as follows:

	2003	2002	2001
Balance, beginning of year	$ 48,811	$ 32,349	$ 17,166
Depreciation for the year	17,960	16,579	15,311
Reclass for property held for sale	(475)	--	--
Sale of real estate	(980)	(117)	(128)
Balance, end of period	$ 65,316	$ 48,811	$ 32,349

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KRAMONT REALTY TRUST AND SUBSIDIARIES
Schedule IV - Mortgage Loans on Real Estate
December 31, 2003
(in thousands)

Description	Interest Rate	Final Maturity Date	Periodic Payment Terms	Face Amount Mortga
Permanent -				
Recreation Facilities				
Century Village at:				

Boca Raton, FL	13.25%	12/31/2011	Level P&I due monthly	$ 12,5
West Palm Beach, FL	13.25%	1/15/2012	Level P&I due monthly	18,3
Deerfield Beach, FL (2nd mortgage)	13.50%	1/15/2012	Level P&I due monthly	13,2
Deerfield Beach, FL	8.84%	3/1/2007	Level P&I due monthly	3,4

Note: All loans are first mortgages except where noted, there are no prior liens and no delinquent principal or interest.

(a) The changes in the carrying amounts are summarized as follows:

	2003	2002	2001
Balance, beginning of period	$ 33,340	$ 35,340	$ 37,240
Advances on new mortgage loans	--	--	--
Collections of principal	(2,270)	(2,000)	(1,900)
Balance, end of period	$ 31,070	$ 33,340	$ 35,340

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ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURES

None

ITEM 9A. CONTROLS AND PROCEDURES

The Company's management, including the Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the Company's "disclosure controls and procedures," as that term is defined in Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as of December 31, 2003. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the disclosure controls and procedures are effective to ensure that information required to be disclosed by the Company in the reports that the Company files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms, and to ensure that such information is accumulated and communicated to the Company's management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

There were no changes in the Company's internal control over financial reporting during the quarter ended December 31, 2003 identified in connection with the evaluation thereof by the Company's management, including the Chief Executive Officer and Chief Financial Officer, that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART III

ITEM 10. TRUSTEES AND EXECUTIVE OFFICERS OF THE REGISTRANT

Incorporated herein by reference to the "Election of Trustees", "Executive Officers", and "Section 16(a) Beneficial Ownership Reporting Compliance" sections of the Company's Proxy Statement in connection with its annual meeting of shareholders to be held on June 10, 2004.

ITEM 11. EXECUTIVE COMPENSATION

Incorporated herein by reference to the "Executive Compensation" section of the Company's Proxy Statement in connection with its annual meeting of shareholders to be held on June 10, 2004.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED SHAREHOLDER MATTERS

Incorporated herein by reference to the "Security Ownership of Certain Beneficial Owners and Management" section of the Company's Proxy Statement in connection with its annual meeting of shareholders to be held on June 10, 2004, and by reference to the "Securities Authorized for Issuance Under Equity Compensation Plans" section of Item 5.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Incorporated herein by reference to the "Certain Relationships and Related Transactions" section of the Company's Proxy Statement in connection with its annual meeting of shareholders to be held on June 10, 2004.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Incorporated herein by reference to the "Principal Accountant Fees and Services" section of the Company's Proxy Statement in connection with its annual meeting of shareholders to be held on June 10, 2004.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) (1) List of Consolidated Financial Statements:

Report of Independent Certified Public Accountants

Consolidated Balance Sheets - December 31, 2003 and 2002

Consolidated Statements of Income - Years Ended December 31, 2003, 2002, and 2001

Consolidated Statements of Other Comprehensive Income - Years Ended December 31, 2003, 2002, and 2001

Consolidated Statements of Beneficiaries' Equity - Years Ended December 31, 2003, 2002, and 2001

Consolidated Statements of Cash Flows - Years Ended December 31, 2003, 2002, and 2001

Notes to Consolidated Financial Statements

(2) List of Consolidated Financial Statements Schedules:

Schedule III - Real Estate and Accumulated Depreciation

Schedule IV - Mortgage Loans on Real Estate

(3) See Exhibit Index at section (c) of this Item 15.

(b) Reports on Form 8-K:

On November 13, 2003, the Company furnished a Current Report on Form 8-K, reporting under Item 12 - "Results of Operations and Financial Condition" that the Company announced its consolidated financial results for the quarter ended September 30, 2003.

On December 29, 2003, the Company filed a Current Report on Form 8-K, reporting under Item 5 - "Other Events" that the Company filed a Supplemental Prospectus pursuant to Rule 424(b) of the Securities Act of 1933. The Supplemental Prospectus describes the issuance and sale to the public of 2,400,000 of the Company's 8.25% Series E Cumulative Preferred Shares of Beneficial Interest in a public offering at $25.00 per share.

On December 30, 2003, the Company filed a Current Report on Form 8-K, reporting under Item 5 - "Other Events" that the Company entered into a Purchase Agreement with various Purchasers, Investment Advisers and Broker-Dealers named in the Purchase Agreement, pursuant to which the Company agreed to issue and sell 2,400,000 of the Company's 8.25% Series E Cumulative Preferred Shares of Beneficial Interest in a public offering at $25.00 per share, for an aggregate purchase price of $60,000,000.

On December 31, 2003, the Company filed a Current Report on Form 8-K, reporting under Item 5 - "Other Events" that the Company announced the redemption of all of the Company's 9.5% Series D Cumulative Redeemable Preferred Shares of beneficial interest, effective January 30, 2004, for $25.00 per share plus accrued and unpaid distributions through such date of $0.066 per share.

Information in any of our Current Reports on Form 8-K furnished under Item 12, "Results of Operations and Financial Condition," shall not be deemed to be "filed" for the purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities of that section, nor shall it be incorporated by reference into a filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

(c) The following exhibits are filed as part of, or incorporated by reference into, this report:

Exhibit Number	Description
2.1	Agreement and Plan of Reorganization and Merger among Kranzco, KRT Trust, CV Reit, and Kramont, dated as of December 10,

	1999. (Incorporated by reference to Exhibit 2.1 to the Company's Registration Statement on Form S-4, filed with the Commission on April 10, 2000 (File No. 333-34482)).
2.2	Amendment No. 1 to the Agreement and Plan of Reorganization and Merger among Kranzco, KRT Trust, CV Reit, and the Company, dated as of December 10, 1999. (Incorporated by reference to Exhibit 2.2 to the Company's Registration Statement on Form S-4, filed with the Commission on April 10, 2000 (File No. 333-34482)).
3.1	Articles of Amendment and Restatement of Kramont Realty Trust. (Incorporated by reference to Appendix D to the Company's Registration Statement on Form S-4, filed with the Commission on April 10, 2002 (File No. 333-34482))
3.2	Amended and Restated Bylaws of Kramont Realty Trust. (Incorporated by reference to Exhibit B to Appendix A to the Company's Registration Statement on Form S-4, filed with the Commission on April 10, 2002 (File No. 333-34482))
3.3	Articles Supplementary of Kramont Realty Trust. (Incorporated by reference to Exhibit 3.3 of the Company's Registration Statement on Form 8-A, filed with the Commission on December 29, 2003.)
3.4	Articles Supplementary of Kramont Realty Trust. (Incorporated by reference to Exhibit 99.2 of the Company's Current Report on Form 8-K, filed with the Commission on February 23, 2004.)
4.1	Specimen certificate for Common Shares of Beneficial Interest, par value $0.01 per share. (Incorporated by reference to Exhibit 4.1 of Kranzco's Registration Statement on Form S-1 No. 33-49434.)
4.2	Specimen certificate for 9.75% Series B-1 Cumulative Convertible Preferred Shares of Beneficial Interest, par value $0.01 per share. (Incorporated by reference to Exhibit 3.4 of Kranzco's Registration Statement on Form 8-A, filed with the Commission on March 7, 1997.)
4.3	Specimen certificate for 8.25% Series E Cumulative Redeemable Preferred Shares of Beneficial Interest, par value $0.01 per share. (Incorporated by reference to Exhibit 4.1 of the Company's Registration Statement on Form 8-A, filed with the Commission on December 29, 2003.)
10.1	Agreement between Cenvill Investors, Inc. and H. Irwin Levy, dated December 31, 1981. (Incorporated by reference to Exhibit (2) (i) to the current report on Form 8-K filed by CV Reit to report event of December 31, 1981.)
10.2	Agreement of Lease between Cenvill Investors, Inc. and B.R.F., Inc., dated December 30, 1981. (Incorporated by reference to Exhibit (2) (ii) to the current report on Form 8-K filed by CV Reit to report event of December 31, 1981.)
10.3	Agreement dated January 15, 1982, between Century Village, Inc. and Benenson Capital Company. (Incorporated by reference to Exhibit (2)(i) to the current report on Form 8-K filed by Cenvill Investors, Inc. (File No. 0-03427) to report event of January 15, 1982.)

10.4	Agreement dated January 15, 1982, between Century Village East, Inc. and CVRF Deerfield Limited. (Incorporated by reference to exhibit (2) (ii) to the current report on Form 8-K filed by Cenvill Investors, Inc. (File No. 0-03427) to report event of January 15, 1982.)
10.5	Indenture for Collateralized Mortgage Obligations, dated as of December 30, 1991 between Recreation Mortgages, Inc. (Issuer) and Bankers Trust Company (Trustee). (Incorporated by reference to Exhibit (10)(xvi) to the Annual Report on Form 10-K of CV Reit for the fiscal year ended December 31, 1991.)
10.6	Restated Loan Agreement, dated July 31, 1992, between CV Reit, Inc. and Cenvill Development Corp. and certain subsidiaries and affiliates thereof. (Incorporated by reference to Exhibit (10)(xi) to the Annual Report on Form 10-K of CV Reit for the fiscal year ended December 31, 1992.)
10.7	Proposal for the Acquisition of Certain Assets, dated June 19, 1992, by and among CV Reit Cenvill Development Corp. and certain subsidiaries and affiliates thereof. (Incorporated by reference to Exhibit (10)(xiv) to the Annual Report on Form 10-K of the CV Reit for the fiscal year ended December 31, 1992.)
10.8	Order granting Motion of Debtor's [sic] for Approval of Sale of Assets dated July 17, 1992. (Incorporated by reference to Exhibit (10)(xv) to the Annual Report on Form 10-K of CV Reit for the fiscal year ended December 31, 1992.)
10.9	Consulting and Advisory Agreement, dated July 31, 1992, between CV Reit and Hilcoast Development Corp. (Incorporated by reference to Exhibit (10)(xviii) to the Annual Report on Form 10-K of CV Reit for the fiscal year ended December 31, 1992.)
10.10	Letter Agreements, dated July 11, 1994 and August 3, 1995, between CV Reit and Hilcoast Advisory Services, Inc. extending the Consulting and Advisory Agreement to July 31, 1995 and July 31, 1996, respectively. (Incorporated by reference to Exhibit 10(vi) to the Quarterly Report on Form 10-Q of CV Reit for the quarter ended September 30, 1995.)
10.11	Letter Agreement, dated July 12, 1996, between CV Reit and Hilcoast Advisory Services, Inc. extending the Consulting and Advisory Agreement to July 31, 1997. (Incorporated by reference to Exhibit 10(i) to the Quarterly Report on Form 10-Q of CV Reit for the quarter ended September 30, 1996.)
10.12	Letter agreement, dated June 10, 1997, between CV Reit and Hilcoast Advisory Services, Inc. extending the Consulting and Advisory Agreement to December 31, 1997. (Incorporated by reference to Exhibit 10(i) to the Quarterly Report on Form 10-Q of CV Reit for the quarter ended June 30,1997.)
10.13	Definitive Master Agreement, dated September 19, 1997, among CV Reit, Montgomery CV Realty Trust, and Drexel Realty, Inc.,

	Royce Realty, Inc., Louis P. Meshon, Sr. and certain of the Meshon Parties named therein and the Levy Parties named therein. (Incorporated by reference to Appendix A to CV Reit's proxy statement filed on November 11, 1997.)
10.14	Supplemental Indenture No. 2 for Collateralized Mortgage Obligations, dated as of December 30, 1997 between Recreation Mortgages, L.P., (Issuer) and Bankers Trust Company (Trustee). (Incorporated by reference to the Annual Report on Form 10-K of CV Reit for fiscal year ended December 31, 1997.)
10.15	Real Estate Purchase Agreement dated September 29, 1997 by and between Newtown Village Partnership and RCEK, Inc., or its nominee or assignee. (Incorporated by reference to Exhibit 2.1 to the current report on Form 8-K filed by CV Reit on April 14, 1998.)

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10.16	Letter Amendment to Real Estate Purchase Agreement dated December 15, 1997 by and between Newtown Village Partnership and RCEK, Inc. (Incorporated by reference to Exhibit 2.2 to the current report on Form 8-K filed by CV Reit on April 14, 1998.)
10.17	Assignment of Real Estate Purchase Agreement dated January 26, 1998 from RCEK, Inc. to Newtown Village Plaza Associates, L.P. (Incorporated by reference to Exhibit 2.3 to the current report on Form 8-K filed by CV Reit on April 14, 1998.)
10.18	Second Amendment to Real Estate Purchase Agreement dated February 5, 1998 by and between Newtown Village Partnership and Newtown Village Plaza Associates, L.P. (Incorporated by reference to Exhibit 2.4 to the current report on Form 8-K filed by CV Reit on April 14, 1998.)
10.19	Third Amendment to Real Estate Purchase Agreement dated March 31, 1998 by and between Newtown Village Partnership and Newtown Village Plaza Associates, L.P. (Incorporated by reference to Exhibit 2.5 to the current report on Form 8-K filed by CV Reit on April 14, 1998.)
10.20	Loan and Credit Facility Agreement dated as of March 31, 1998 by and between Montgomery CV Realty L.P. as Borrower, Century Plaza Associates, L.P. and CV Reit, Inc., as guarantors, and GMAC Commercial Mortgage Corporation, as Lender. (Incorporated by reference to Exhibit 5.1 to the current report on Form 8-K filed by CV Reit on April 15, 1998.)
10.21	$7,650,000 Promissory Note dated as of April 9, 1998 from Montgomery CV Realty L.P. to GMAC Commercial Mortgage Corporation. (Incorporated by reference to Exhibit 5.2 to the current report on Form 8-K filed by CV Reit on April 15, 1998.)
10.22	Mortgage and Security Agreement dated as of April 9, 1998 by Century Plaza Associates, L.P. to GMAC Commercial Mortgage Corporation. (Incorporated by reference to Exhibit 5.3 to the current report on Form 8-K filed by CV Reit on April 15, 1998.)

10.23	Guaranty and Suretyship Agreement dated as of April 9, 1998 by CV Reit to GMAC Commercial Mortgage Corporation. (Incorporated by reference to Exhibit 5.4 to the current report on Form 8-K filed by CV Reit on April 15, 1998.)
10.24	Contribution Agreement dated May 29, 1998 by and between Marlton Crossing Shopping Center Limited Partnership and Montgomery CV Realty L.P. (Incorporated by reference to Exhibit 2.1 to the current report on Form 8-K dated June 24, 1998, filed by CV Reit on July 7, 1998.)
10.25	Assignment and Assumption of Contribution Agreement dated June 22, 1998 by and between Montgomery CV Realty L.P. and Marlton Plaza Associates II, L.P. (Incorporated by reference to Exhibit 2.2 to the current report on Form 8-K dated June 24, 1998 filed by CV Reit on July 7, 1998.)
10.26	Mortgage and Security Agreement dated as of June 24, 1998 by and between Marlton Plaza Associates II, L.P., as Borrower, and GMAC Commercial Mortgage Corporation, as Lender. (Incorporated by reference to Exhibit 2.3 to the current report on Form 8-K dated June 24, 1998, filed by CV Reit on July 7, 1998.)
10.27	$11,650,000 Promissory Note dated as of June 24, 1998 from Marlton Plaza Associates II, L.P. to GMAC Commercial Mortgage Corporation. (Incorporated by reference to Exhibit 2.4 to the current report on Form 8-K dated June 24, 1998, filed by CV Reit on July 7, 1998.)
10.28	Real Estate Purchase Agreement dated January 27, 1998 by and between Seller and Purchaser. (Incorporated by reference to Exhibit 2.1 to the current report on Form 8-K dated June 25, 1998, filed by CV Reit on July 7, 1998.)

10.29	Amendment to Real Estate Purchaser Agreement dated February 26, 1998 by and between Seller and Purchaser. (Incorporated by reference to Exhibit 2.2 to the current report on Form 8-K dated June 25, 1998, filed by CV Reit on July 7, 1998.)
10.30	Second Amendment to Real Estate Purchase Agreement dated March 31, 1998 by and between Seller and Purchaser. (Incorporated by reference to Exhibit 2.3 to the current report on Form 8-K dated June 25, 1998, filed by CV Reit on July 7, 1998.)
10.31	Mortgage and Security Agreement dated as of June 25, 1998 by and between Marlton Plaza Associates, L.P., as Borrower, and GMAC Commercial Mortgage Corporation, as Lender. (Incorporated by reference to Exhibit 2.4 to the current report on Form 8-K dated June 25, 1998, filed by CV Reit on July 7, 1998.)
10.32	$9,300,000 Promissory Note dated as of June 25, 1998 from Marlton Plaza Associates, L.P. to GMAC Commercial Mortgage Corporation. (Incorporated by reference to Exhibit 2.5 to the current report on Form 8-K dated June 25, 1998, filed by CV Reit on July 7, 1998.)

10.33	Guaranty and Suretyship Agreement dated as of June 25, 1998 by CV Reit to GMAC Commercial Mortgage Corporation. (Incorporated by reference to Exhibit 2.6 to the current report on Form 8-K dated June 25, 1998, filed by CV Reit on July 7, 1998.)
10.34	Guaranty and Suretyship Agreement dated as of June 25, 1998 by Montgomery CV Realty L.P. to GMAC Commercial Mortgage Corporation. (Incorporated by reference to Exhibit 2.7 to the current report on Form 8-K dated June 25, 1998, filed by CV Reit on July 7, 1998.)
10.35	Second Amendment to Loan and Credit Facility Agreement dated as of March 8, 1999, by and between Montgomery CV Realty, L.P. as Borrower, Century Plaza Associates, L.P. and CV Reit, as Guarantors, and GMAC Commercial Mortgage Corporation as Lender. (Incorporated by reference to Exhibit 10.36 Annual Report on Form 10-K dated December 31, 1998 by CV Reit on March 29, 1999.)
10.36	$18,500,000 Note dated March 8, 1999 between Montgomery CV Realty, L.P. as Borrower and GMAC Commercial Mortgage Corporation as Lender. (Incorporated by reference to Exhibit 10.37 Annual Report on Form 10-K dated December 31, 1998 by CV Reit on March 29, 1999.)
10.37	Collateral, Pledge, Assignment and Security Agreement, dated March 8, 1999 between Montgomery CV Realty, L.P. and GMAC Commercial Mortgage Corporation. (Incorporated by reference to Exhibit 10.38 Annual Report on Form 10-K dated December 31, 1998 by CV Reit on March 29, 1999.)
10.38	Agreement of Sale dated January 21, 1999 by and between Lakewood-9 Investors, L.P. and ARC-Lakewood 9, L.L.C Montgomery CV Realty L.P. (Incorporated by reference to Exhibit 10.38 Annual Report on Form 10-K of CV Reit for the fiscal year ended December 31, 1998.)
10.39	Reinstatement and Amendment Agreement of Sale dated February 5, 1999 by and between Lakewood-9 Investors, L.P. and ARC-Lakewood-9, L.L.C. Montgomery CV Realty L.P. (Incorporated by reference to Exhibit 2.2 to the current report on Form 8-K dated March 31, 1999, filed by CV Reit on April 7, 1999.)
10.40	Assignment of Agreement of Sale dated March 17, 1999 from Montgomery CV Realty L.P. to Lakewood Plaza 9 Associates, L.P. (Incorporated by reference to Exhibit 2.3 to the current report on Form 8-K dated March 31, 1999, filed by CV Reit on April 7, 1999.)
10.41 *	Kranzco Realty Trust 1992 Employees Share Option Plan, as amended. (Incorporated by reference to Exhibit 10.10 of Kranzco's Annual Report on Form 10-K for the fiscal year ended December 31, 1992.)
10.42 *	Kranzco Realty Trust 1992 Trustees Share Option Plan, as amended. (Incorporated by reference to Exhibit 10.11 of Kranzco's Annual Report on Form 10-K for the fiscal year ended December 31,1992.)

10.43 *	Kranzco Realty Trust 1995 Incentive Plan. (Incorporated by reference to Exhibit 4.4 of Kranzco's Registration Statement on Form S-8 No. 33-94294.)
10.44	Trust and Servicing Agreement, dated as of June 18, 1996, among KRT Origination Corp., GE Capital Management Corporation and State Street Bank and Trust Company. (Incorporated by reference to Exhibit 10.43 of Kranzco's Annual Report on Form 10-K for the fiscal year ended December 31, 1996.)
10.45	Cash Collateral Account, Security, Pledge and Assignment Agreement, dated as of June 18, 1996, among the Borrowers, State Street Bank and Trust Company, as Agent, and KRT Origination Corp., as Lender. (Incorporated by reference to Exhibit 10.44 to Kranzco's Annual Report on Form 10-K for the fiscal year ended December 31, 1996.)
10.46	Cash Collateral Agreement, dated June 18, 1996, among the Borrowers, and State Street Bank and Trust Company, as Agent. (Incorporated by reference to Exhibit 10.45 to Kranzco's Annual Report on Form 10-K for the fiscal year ended December 31, 1996)
10.47	$123,700,000.00 Class A Mortgage Note dated June 18, 1996 made by the Borrowers in favor of KRT Origination Corp., as Lender. (Incorporated by reference to Exhibit 10.46 to Kranzco's Annual Report on Form 10-K for the fiscal year ended December 31, 1996.)
10.48	$20,600,000.00 Class B Mortgage Note dated June 18, 1996 made by the Borrowers in favor of KRT Origination Corp., as Lender. (Incorporated by reference to Exhibit 10.47 to Kranzco's Annual Report on Form 10-K for the fiscal year ended December 31, 1996.)
10.49	$28,900,000.00 Class C Mortgage Note dated June 18, 1996 made by the Borrowers in favor of KRT Origination Corp., as Lender. (Incorporated by reference to Exhibit 10.48 to Kranzco's Annual Report on Form 10-K for the fiscal year ended December 31, 1996.)
10.50	$8,500,000.00 Class D Mortgage Note dated June 18, 1996 made by the Borrowers in favor of KRT Origination Corp., as Lender. (Incorporated by reference to Exhibit 10.49 to Kranzco's Annual Report on Form 10-K for the fiscal year ended December 31, 1996.)
10.51	Form of Indenture of Mortgage, Deed of Trust, Security Agreement, Financing Statement, Fixture Filing and Assignment of Leases, Rents and Security Deposits made by the Borrowers, as grantor, for the benefit of KRT Origination Corp., as mortgagee, and filed in Connecticut, Maryland, New Jersey, New York and Pennsylvania with respect to Groton Square in Groton, Connecticut, Manchester Kmart in Manchester, Connecticut, Milford in Milford, Connecticut, Orange in Orange, Connecticut, Fox Run in Prince Frederick, Maryland, Hillcrest Plaza in Frederick, Maryland, Anneslie in Baltimore, Maryland, Suburban Plaza in Hamilton, New Jersey, Collegetown in Glassboro, New Jersey, Hillcrest Mall in Phillipsburg, New Jersey, The Mall at Cross County in Yonkers, New York, Highridge Plaza in Yonkers, New York, North Ridge in New

Rochelle, New York, Village Square in Larchmont, New York, A&P Mamaroneck in Mamaroneck, New York, Port Washington in Port Washington, New York, Bethlehem in Bethlehem, Pennsylvania, Whitehall Square in Whitehall, , Pennsylvania, Bristol Commerce Park in Bristol, Pennsylvania, Park Hills Plaza in Altoona, Pennsylvania, Barn Plaza in Doylestown, Pennsylvania, Best Plaza in Tredyffrin, Pennsylvania, Bensalem Square in Bensalem, Pennsylvania, Street Road in Bensalem, Pennsylvania, Pilgrim Gardens in Drexel Hill, Pennsylvania, 69th Street Plaza in Upper Darby, Pennsylvania and MacArthur Road in Whitehall, Pennsylvania (the "Properties"). (Incorporated by reference to Exhibit 10.50 to Kranzco's Annual Report on Form 10-K for the fiscal year ended December 31, 1996.)

10.52 Form of Unrecorded Indenture of Mortgage, Deed of Trust, Security Agreement, Financing Statement, Fixture Filing and Assignment of Leases, Rents and Security Deposits made by the Borrowers, as grantor, for the benefit of KRT Origination Corp., and held in escrow with respect to the Properties located in Maryland and in New York. (Incorporated by reference to Exhibit 10.51 to Kranzco's Annual Report on Form 10-K for the fiscal year ended December 31, 1996.)

10.53 Escrow Agreement made among KRT Origination Corp., the Borrowers and Robinson Silverman Pearce Aronsohn & Berman LLP, as escrow agent, with respect to the unrecorded second

mortgages covering the Properties located in New York and Maryland. (Incorporated by reference to Exhibit 10.52 to Kranzco's Annual Report on Form 10-K for the fiscal year ended December 31, 1996.)

10.54 Agreement dated October 30, 1997 between Kranzco and GP Development Corporation. (Incorporated by reference to Exhibit 2.1 of Kranzco's current report on Form 8-K dated November 25, 1997.)

10.55 Agreement and Plan of Merger dated October 30, 1997 between Kranzco, GP Development Corporation, the shareholders of GP Development Corporation and KR Atlanta, Inc. (Incorporated by reference to Exhibit 2.2 of Kranzco's current report on Form 8-K dated November 25, 1997.)

10.56 Mortgage Note for $6,700,000.00, dated as of October 5, 1990, from Holcomb Bridge Partners, L.P., a Georgia limited partnership ("Holcomb"), in favor of Allstate Life Insurance Company ("Allstate") (relating to Holcomb Bridge Crossing). (Incorporated by reference to Exhibit 2.3 of Kranzco's current report on Form 8-K dated November 25, 1997.)

10.57 Modification of Mortgage Note, dated as of October 31, 1995, between Holcomb and Harris Trust and Savings Bank ("Harris Trust") (relating to Holcomb Bridge Crossing). (Incorporated by reference to Exhibit 2.4 of Kranzco's current report on Form 8-K dated November 25, 1997.)

10.58 Deed to Secure Debt, Assignment of Leases, Rents and Contracts, Security Agreement and Fixture Filing ("Deed to

	Secure Debt") from Holcomb to Allstate, dated as of October 5, 1990 (relating to Holcomb Bridge Crossing). (Incorporated by reference to Exhibit 2.5 of Kranzco's current report on Form 8-K dated November 25, 1997.)
10.59	Modification of Deed to Secure Debt between Holcomb and Harris Trust, dated as of October 31, 1995 (relating to Holcomb Bridge Crossing). (Incorporated by reference to Exhibit 2.6 of Kranzco's current report on Form 8-K dated November 25, 1997.)
10.60	Real Estate Note for $3,725,000.00, dated as of August 6, 1987, from West Stewarts Mill Associates, Ltd., a Georgia limited partnership ("West Stewarts"), in favor of Confederation Life Insurance Company, a mutual insurance company incorporated in Canada ("Confederation"), first amendment thereto dated as of November 27, 1987, second amendment thereto dated as of November 1, 1993, third amendment thereto dated as of November 1, 1993 and fourth amendment thereto dated as of February 21, 1995 (relating to Park Plaza). (Incorporated by reference to Exhibit 2.7 of Kranzco's current report on Form 8-K dated November 25, 1997.)
10.61	Deed to Secure Debt and Security Agreement between West Stewarts and Confederation, dated as of August 6, 1987, first amendment thereto dated as of November 27, 1987 and second amendment thereto dated as of November 1, 1993 (relating to Park Plaza). (Incorporated by reference to Exhibit 2.8 of Kranzco's current report on Form 8-K dated November 25, 1997.)
10.62	Escrow Agreement, dated as of November 1, 1993, between Confederation and West Stewarts. (Incorporated by reference to Exhibit 2.9 of Kranzco's current report on Form 8-K dated November 25, 1997.)
10.63	Promissory Note for $10,670,000.00, dated as of July 31, 1996, from Mableton Village Associates, L.L.C., a Georgia limited liability company ("Mableton Village"), in favor of Lehman Brothers Holdings, Inc. d/b/a Lehman Capital ("Lehman") (relating to The Village at Mableton). (Incorporated by reference to Exhibit 2.10 of Kranzco's current report on Form 8-K dated November 25, 1997.)
10.64	Deed to Secure Debt and Security Agreement, dated as of July 31, 1996, between Mableton Village and Lehman (relating to The Village at Mableton). (Incorporated by reference to Exhibit 2.11 of Kranzco's current report on Form 8-K dated November 25, 1997.)
10.65	Sales Contract dated June 26, 1998 by and among Kranzco and Europco Property Investors II, Ltd., a Georgia limited partnership; Europco Property Investors III, Ltd., a Georgia limited partnership; Europco Property Investors IV, Ltd., a Georgia limited partnership; Secured

	Properties Investors V, L.P., a Georgia limited partnership; Secured Properties Investors VIII, L.P., a Georgia limited partnership; Secured Properties Investors IX, L.P. a Georgia limited partnership; and Tifton Partners, L.P., a Georgia

	limited partnership. (Incorporated by reference to Exhibit 2.1 of Kranzco's current report on Form 8-K dated June 26, 1998, filed July 16, 1998.)
10.66	Fixed Rate Note, dated September 29, 1998, made by the Borrowers named therein in favor of Salomon Brothers Realty Corp. (Incorporated by reference to Exhibit 10.38 of Kranzco's Quarterly Report on Form 10-Q for the quarter ended September 30, 1998.)
10.67	Guaranty, dated as of September 29, 1998, made by Kranzco, for the benefit of Salomon Brothers Realty Corp. (Incorporated by reference to Exhibit 10.39 of Kranzco's Quarterly Report on Form 10-Q for the quarter ended September 30, 1998.)
10.68	Form of Mortgage/Deed of Trust/Deed to secure Debt and Security Agreement, dated September 29, 1998, made by the Borrowers named therein for the benefit of Salomon Brothers Realty Corp. and filed in Florida, Georgia, Ohio, Tennessee, and Virginia with respect to Village Oaks, Pensacola, Florida; Vidalia Wal-Mart Center, Vidalia, Georgia; Summerville Wal-Mart Center, Summerville, Georgia; Tifton Corners, Tifton, Georgia; Douglasville Crossing, Douglasville, Georgia; Snellville Oaks, Snellville, Georgia; Pickaway Crossing, Circleville, Ohio; Meeting Square, Jefferson City, Tennessee; and Statler Crossing, Staunton, Virginia. (Incorporated by reference to Exhibit 10.40 of Kranzco's Quarterly Report on Form 10-Q for the quarter ended September 30, 1998.)
10.69	Unit Contribution Agreement among Kramont, Montgomery CV Realty L.P., Kramont Operating Partnership, L.P., CV Partner Holdings, L.P. and CV GP LP, dated as of March 28, 2000. (Incorporated by reference to Exhibit 10.3 of the Company's Registration Statement on Form S-4 filed with the Commission on April 10, 2000 (File No. 333-34482)).
10.70 *	Kramont Realty Trust 2000 Incentive Plan. (Incorporated by reference from Appendix F to the Joint Proxy Statement/Prospectus contained in the Company's Registration Statement on Form S-4 filed with the Commission on April 10, 2000 (File No. 333-34482)).
10.71	Amended and Restated Agreement of Limited Partnership of Kramont Operating Partnership, L.P., dated as of June 16, 2000. (Incorporated by reference to Exhibit 10.1 of the Company's Registration Statement on Form S-4 filed with the Commission on April 10, 2000 (File No. 333-34482)).
10.72	Second Amended and Restated Agreement of Limited Partnership of Montgomery CV Realty L.P., dated as of June 16, 2000. (Incorporated by reference to Exhibit 10.2 of the Company's Registration Statement on Form S-4 filed with the Commission on April 10, 2000 (File No. 333-34482)).
10.73 *	Employment Agreement between the Company and Louis P. Meshon, Sr. dated as of June 16, 2000. (Incorporated by reference from Exhibit M to the Joint Proxy Statement/Prospectus contained in the Company's Registration Statement on Form S-4 filed with the Commission on April 10, 2000 (File No. 333-34482)).
10.74 *	Employment Agreement between the Company and Norman M. Kranzdorf dated as of June 16, 2000. (Incorporated by

	reference from Exhibit L to the Joint Proxy Statement/Prospectus contained in the Company's Registration Statement on Form S-4 filed with the Commission on April 10, 2000 (File No. 333-34482)).
10.74A *	Termination Agreement between the Company and Norman M. Kranzdorf dated as of July 14, 2003. (Incorporated by reference to Exhibit 99.1 of the Company's Current Report on Form 8-K, filed with the Commission on July 14, 2003.)
10.75	Amended and Restated Loan and Credit Facility Agreement dated as of August 1, 2000 by and between the Company, Kramont Operating Partnership, L.P., Montgomery CV Realty L.P., Century Plaza Associates, L.P., Marlton Plaza Associates, L.P., Lakewood Plaza 9 Associates, L.P., Cherry Square MCV Associates, L.P., KR Bainbridge LLC, KR Barn, L.P., KR Bradford

	Mall, L.P., Lilac DE LLC, Culpeper Shopping Center Joint Venture, KRT Union LLC, KR Harrodsburg LLC, KR Morganton LLC, KR Tower Plaza LLC, KR Development, L.P. and KR Wampanoag, as borrowers, and GMAC Commercial Mortgage Corporation, as lender (incorporated by reference to Exhibit 5.1 to the Company's Current Report on Form 8-K, dated August 10, 2001).
10.76	Form of Guaranty of Recourse Obligations of Borrower by the Company, Kramont Operating Partnership, L.P., Montgomery CV Realty L.P. (incorporated by reference to Exhibit 5.2 to the Company's Current Report on Form 8-K, dated August 10, 2001)
10.77 *	Employment Agreement between the Company and George S. Demuth dated as of June 16, 2000. (Incorporated by reference to Exhibit 10.77 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2002.)
10.78 *	Employment Agreement between the Company and Etta M. Strehle dated as of June 16, 2000. (Incorporated by reference to Exhibit 10.78 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2002.)
10.79 *	Employment Agreement between the Company and Carl. E. Kraus dated as of March 21, 2002. (Incorporated by reference to Exhibit 10.79 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2002.)
10.80	$190,000,000 Mortgage Loan Application dated October 22, 2002 by and between Kramont Operating Partnership, L.P., as applicant, and Metropolitan Life Insurance Company, as lender. (Incorporated by reference to Exhibit 10.80 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2002.)
10.81	Loan Agreement dated as of December 20, 2002 by and between Kramont Operating Partnership, L.P., as borrower, Fleet National Bank, Wilmington Trust of Pennsylvania, Wachovia Bank National Association, Compass Bank, Firstrust Bank, as lenders, and Fleet National Bank, as administrative agent (incorporated by reference to Exhibit 5.1 to the Company's

	Current Report on Form 8-K, dated December 30, 2002).
10.82	$190,000,000 Mortgage Loan Agreement dated June 16, 2003 between the Company and Metropolitan Life Insurance Company.
10.83*	Kramont Realty Trust Executive Officer Stock Option Plan (Formerly the Montgomery CV Trust Executive Officer Stock Option Plan).
10.84*	Kramont Realty Trust 1997 Stock Option Plan (Formerly the Drexel Realty Inc. 1997 Stock Option Plan).
10.85*	Kramont Realty Trust Non-Employee Director 1998 Stock Option Plan (Formerly the CV Reit, Inc. Non-Employee Director 1998 Stock Option Plan).
10.86*	Second Amendment to Employment Agreement between the Company and Carl. E. Kraus dated as of July 1, 2003.
10.87*	Second Amendment to Employment Agreement between the Company and George S. Demuth dated as of July 1, 2003.
10.88*	Third Amendment to Employment Agreement between the Company and Etta M. Strehle dated as of July 1, 2003.
11	Statement regarding computation of per share earnings. Omitted; computation can be clearly determined from material contained in the report.
21	Subsidiaries of the Company.
23.1	Consent of BDO Seidman, LLP.

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31.1	Certification by Chief Executive Officer pursuant to Exchange Act Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification by Chief Financial Officer pursuant to Exchange Act Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification by Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification by Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
*	Management contract or compensatory plan or arrangement.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange

Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

KRAMONT REALTY TRUST

March 15, 2004

/s/ Louis P. Meshon, Sr.
By: ____
Louis P. Meshon, Sr., President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

March 15, 2004	/s/ H. Irwin Levy H. Irwin Levy, Chairman of the Board and Trustee
March 15, 2004	/s/ Louis P. Meshon, Sr. Louis P. Meshon, Sr., President, Chief Executive Officer and Trustee (principal executive officer)
March 15, 2004	/s/ Carl E. Kraus Carl E. Kraus, Chief Financial Officer, Chief Investment Officer, and Treasurer (principal financial officer)
March 15, 2004	/s/ George S. Demuth George S. Demuth, Chief Operating Officer and Executive Vice President
March 15, 2004	/s/ Etta M. Strehle Etta M. Strehle, Chief Accounting Officer
March 15, 2004	/s/ Bernard J. Korman Bernard J. Korman, Trustee
March 15, 2004	/s/ Norman M. Kranzdorf Norman M. Kranzdorf, Trustee
March 15, 2004	/s/ Milton S. Schneider Milton S. Schneider, Trustee
March 15, 2004	/s/ E. Donald Shapiro E. Donald Shapiro, Trustee

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March 15, 2004	/s/ Alan L. Shulman Alan L. Shulman, Trustee

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