4Q 2015 EARNINGS CALL - FINAL TRANSCRIPT **MARCH 2016**

CORPORATE PARTICIPANTS

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Barry Lefkowitz, Interim Chief Financial Officer
Michael Hyun, Chief Investment Officer
Michael Cathers, Interim Chief Accounting Officer
Brian Finnegan, EVP, Leasing
Stacy Slater, SVP, Investor Relations

PRESENTATION

Stacy Slater

Thank you, operator, and thank you all for joining Brixmor's fourth quarter conference call. With me on the call today are Daniel Hurwitz, Interim Chief Executive Officer; and Barry Lefkowitz, Interim Chief Financial Officer, as well as other key executives including Michael Hyun, Chief Investment Officer; Brian Finnegan, Executive Vice President, Leasing; and Mike Cathers, Interim Chief Accounting Officer, who will be available for Q&A.

Before we begin, let me remind everyone that some of our comments today may contain forward-looking statements that are based on certain assumptions and are subject to inherent risks and uncertainties as described in our SEC filings, and actual future results may differ materially. We assume no obligation to update any forward-looking statements. Also, we will refer to certain non-GAAP financial measures. Further information regarding our use of these measures and reconciliations of these measures to our GAAP results are available in the earnings release and supplemental disclosure on the Investor Relations portion of our website. Lastly, we ask that you please be mindful of your fellow call participants and limit your questions to one per person. If you have additional questions regarding today's announcement, please re-queue.

At this time, it's my pleasure to introduce Dan Hurwitz.

Daniel Hurwitz

Thank you, Stacy. Good morning and thank you all for joining us on today. Let me start by recognizing all the individuals who worked diligently and with a great sense of urgency to ensure that we would reach the February 29th filing deadline without delay. It's been a difficult three weeks, but the teamwork and professionalism has been extraordinary. Before I discuss financial and operating results, I'd first like to describe the process behind our financial statements in response to the announcement on February 8th.

Immediately following the announcement that highlighted the smoothing of quarterly same property NOI growth, this Company has been under extensive review by the audit teams from Ernst & Young and Deloitte. And due to the nature of the situation, in addition to the audit review personnel, the forensic accounting teams of E&Y and Deloitte have also been involved in the process. Additionally, it is important to keep in mind that the issue surrounding same property NOI and the details set forth in the February 8th press release were the result of a separate third-party audit firm's analysis as retained by the audit committee of the Board of Directors. All of this work conducted by five independent review teams was also supervised by an outside law firm separate from our corporate counsel, who was obviously also involved. The bottom line is our fourth quarter and year-end financial statements have been reviewed and approved by two teams from E&Y, two teams from Deloitte, two law firms, one forensic accounting firm, and hundreds of hours of hard work from internal personnel.

The net result, while immaterial to GAAP financial statements overall, did impact same store NOI for Q4 2015. In regard to same property NOI for the fourth quarter, please understand that the focus of our work was to ensure that the closing balance sheet at December 31 was as clean as possible. This resulted in certain items being recorded in the fourth quarter that relate to prior quarters from prior years, which rendered fourth quarter 2015 non-comp and non-representative of portfolio performance. As a result, the fourth quarter same property NOI was negatively impacted by these cumulative accounting adjustments. Had these adjustments not been necessary, same property NOI would have been around 3.6% for the quarter. At the end of the day, these adjustments were more impactful to same property NOI than the GAAP financial statements overall, which is why it was unnecessary to record the adjustments in the year or quarter which they occurred. In total, and most importantly, the cumulative adjustments resulted in an immaterial impact of less than one half of 1% of NOI.

Given the extensive process just described and the end result, Barry and I were comfortable signing the rep letters and presenting to you today our fourth quarter and year-end results and the supporting operating metrics, in addition to our 2016 guidance. Barry will discuss this process further in a few minutes.

Before I move on to address operating results, I want to advise that subsequent to when we self-reported to the SEC, we were asked by the SEC to provide certain information, which we are currently doing. We obviously intend to fully cooperate with them. The SEC will proceed on a timeframe determined and controlled completely by them, and therefore, we have no visibility on the extent of that timeframe. Currently, this is all I can address in regard to the SEC, but we will endeavor to keep you posted as events warrant and as permitted by counsel.

In summary, from an internal perspective, the very unfortunate matter that led to this moment is now behind us, and operationally, we are now focused on running the business with an emphasis on leasing, driving rents, repositioning anchors, refinancing our debt, incentivizing our people, and competing effectively in a very fluid retail environment.

Now I'd like to speak about the operating results we released last night, which evolved from the extraordinary review process I just described. Our fourth quarter and year-end results reflect the effective execution of our business strategy to harvest organic growth opportunities embedded in the portfolio by driving rents in a supply constrained environment. Rental increases continue to be the primary driver of organic growth as the Company unlocks the inherent value of its below-market leases. Average starting base rent per square foot for new leases signed during the year was $15.86, an 18% increase from the $13.45 per square foot for new leases signed in 2014. Blended leasing spreads were approximately 15% for both the fourth quarter and full year, and going forward we expect blended spreads in the range of 10% to 15%. These expectations reflect a realistic run rate for leasing spreads based upon the Company's expiring in-place rents in the $12 range relative to where we see market rents at almost $16 today.

Leasing productivity for the year exceeded 13 million square feet, including 3 million square feet of new deals, reflecting the continued strong demand from retailers across our portfolio. I have said many times that not all grocery-anchored centers are created equally, and the quintessential element to success in this business is the market share and strategic positioning of the particular grocer. Eighty percent of the grocery-anchored assets in this portfolio are occupied by the number one or number two grocer in the market, and average grocer sales productivity across the portfolio is over $550 per square foot. The demand we are experiencing from small shop and junior anchor retailers validates their desire to be a co-tenant with the market-leading grocers that populate this portfolio. Otherwise, 13 million square feet of annual leasing would simply not be possible.

Against this background the Company continues to accretively deploy capital into repositioning and upgrading anchors. During 2015, we completed 39 anchor repositioning projects at an average NOI yield of 16%. The pipeline of additional anchor space repositioning projects is currently comprised of 32 projects with a total cost of $84 million and anticipated average NOI yields of 11%, as well as 12 outparcel developments for a total cost of $21 million with anticipated NOI yields of 13%. We continue to track development and redevelopment activity in our markets to anticipate potential threats to our planned projects and continue to see no meaningful competitive new supply coming online. Therefore, we are confident our anchor repositioning projects will continue to be accretive and our ability to drive rents will remain intact.

Aided by anchor lease transformations, small shop occupancy increased 170 basis points year-over-year and 30 basis points sequentially to 84.3%. Efforts here are driven by both our regional and local teams as well as our National Accounts program, which has been very effective in increasing the amount of business we are doing with credit worthy and merchandise enhancing franchise concepts. To that end, blended leasing spreads on small shop space were 17% for the quarter and 16% for the year, and we expect that trend to continue as we improve the quality of the anchors and co-tenants across the portfolio. It is important to note though that we are not satisfied with an 84.3% occupancy rate in small shop category, and will continue to emphasize improvement to this metric in 2016.

While we remain optimistic about the long-term occupancy gain opportunities across the portfolio, we are experiencing some short-term dislocation in our anchor occupancy resulting from repositioning efforts as well as the impact of the A&P bankruptcy. As a result, total anchor occupancy was flat sequentially and declined 20 basis points year-over-year to 92.6%. However, in 2016 we expect occupancy to increase 20 to 40 basis points, bringing our lease rate at year-end to 92.8% to 93.0%. We strongly believe that these short-term occupancy set backs are opportunistic as we focus on the long-term benefits and performance of our assets. We understand the importance of increasing the occupancy level of this portfolio and over the next several weeks we'll investigate all ways from processes and procedures to organizational structure and individual performance to ensure that we leave no occupancy opportunities on the table.

Before turning the call over to Barry to address the other key components of year-end results and 2016 guidance, I want to highlight additional priorities we expect to accomplish over the next few months. First, we will continue with the search for a permanent CEO to lead this Company forward and we have engaged Korn Ferry, who is in their initial stages of the search process. I want to reiterate that we will not jeopardize the long-term objectives of this enterprise or its shareholders for the sake of speediness. We will run a thorough and extensive process that will take as much time as necessary to reach the proper conclusion.

Also, we have reengaged with our lenders to address our $2.75 billion corporate credit facility well before its maturity, continuing the process to amend and extend the maturity of the $1.5 billion term loan component and the $1.25 billion line of credit component. And while we have adequate capacity to address our 2016 maturities, our objective is to balance and extend our debt maturity profile and further unencumber the portfolio by utilizing the unsecured bond market. Hand-in-hand with these objectives is resolving our current outlook with the rating agencies to position us for an investment-grade bond offering. We have an extensive calendar of lender meetings, which will take place over the next several weeks.

As it relates specifically to 2016 debt maturities, in the fourth quarter of 2015 we accelerated the payoff of $382 million of first quarter 2016 maturities with a weighted average interest rate of 5.6%. There are $856 million of scheduled maturities remaining in 2016 with a weighted average interest rate also of 5.6%. This debt is comprised entirely of property level loans with current loan to value in the mid 40% range, which should not be difficult to refinance. It is important to note that $687 million of these maturities are in the fourth quarter. The current balance on our revolver is $456 million, leaving us with a capacity of $794 million, plus we have a current cash balance of $40 million. Our 2016 guidance assumes approximately $900 million of refinancing, which potentially includes one or two bond offerings, markets permitting. Based upon current quotes, expected interest rate savings could be $0.04 to $0.06 per share versus 2015, which is included in our guidance range.

We, of course, will remain opportunistic and evaluate all available financing options should access to the bond market become limited due to market conditions.

In December, Michael Hyun was hired as our Chief Investment Officer and was immediately tasked with prudently reviewing new acquisition and disposition opportunities in order to optimize the composition of the portfolio by maximizing growth and mitigating potential risk. The Company's long-term intent is to become more opportunistically transactional, and while today's acquisitions market is challenging, it is prudent and attractive to pursue select asset dispositions. As a result, our guidance reflects disposition activity of $75 million to $175 million weighted toward the back half of the year. And lastly, of course, our continued high priority is to diligently operate our portfolio to maximize its inherent value. This is a portfolio where blocking and tackling will move the needle, and the entire team is focused on the basic fundamentals necessary to achieve our goals.

I look forward to reengaging with many of you over the next few weeks and thank you for your patience and support. At this time I want to introduce Barry Lefkowitz, whose financial expertise and contributions play a critical role in this transition.

Barry Lefkowitz

Thanks, Dan. Good morning, everyone. I also look forward to helping navigate the Company through this transition period. Let me start by saying that the Company's 10-K was filed on a timely basis, and as expected in the information provided on February 8th, given the immateriality of incorrect entries, we were not required to restate prior periods' financial results.

As Dan elaborated in his remarks, the level of systematic and independent review was substantial. In addition to the steps he outlined, we also undertook an in-depth assessment of balance sheet and income statement line items to define other potential risk areas. We then performed additional work to ensure that these other areas were not impacted. As a result of both our comprehensive internal reviews as well as the multiple external reviews, the Company has concluded that the errors did not mask a change in earnings or other trends, did not change a loss into income or vice-versa, did not affect compliance with regulatory requirements, including REIT status, did not affect compliance with loan covenants or other contractual requirements and lastly, did not involve the concealment of an unlawful transaction.

While we are certainly pleased with these conclusions, we did, however, report a material weakness in our internal controls over financial reporting. The weakness related specifically to the failure to demonstrate a commitment to integrity and ethical values and of senior-level management to set an appropriate tone at the top. We are currently working with our internal auditor, PwC, to assess this weakness and develop a remediation plan. These actions include increased communication and training to employees regarding ethical values of the Company, legal requirements and compliance with codes of conduct, and other policies. Additionally we are evaluating our organizational structure and assessing other internal controls to enhance compliance and to determine if other remediation efforts are required. Updates will be in future filings with the SEC, and shared with the investment community accordingly.

It is important not to lose sight that we reported solid results for the fourth quarter and for 2015. To recap, NAREIT FFO for the quarter was $0.51 a share. For 2015 it was $1.97 per share, which represents a 9% increase over 2014. 2015 FFO includes $2.5 million of expenses related to the audit committee review. Same-store NOI growth for the year was 3.2%.

During the quarter, we sold an 83,000 square foot shopping center as well as a land parcel, bringing our total dispositions for 2015 to $56 million. On the balance sheet side, we ended the year with net debt to adjusted EBITDA on a cash basis of 7.3 times, and our unencumbered NOI increased from 50% at year-end 2014 to 62% at the end of 2015. Our weighted average interest rate excluding bank debt at year-end 2015 was 5.2%. And I would like to point out that the 2016 scheduled maturities carry a rate of 5.6%. With rates being where they are today, we have the opportunity to lower our future interest costs.

Now, I would like to review 2016 guidance. NAREIT FFO for 2016 is expected to be $2.01 to $2.09 a share. Non-cash GAAP adjustments related to straight-line rent, above- and below-market rent amortization and debt premium and discount amortization are expected to decrease by $0.04 to $0.06 a share in 2016. Excluding these non-GAAP adjustments, our guidance would have been $2.07 to $2.13 a share, representing a growth of 5% to 8%. As we move further away from the mark-to-market purchase accounting done at the time of the Blackstone acquisition, we expect a normalized decline in the amortization of these items. This may seem counterintuitive, given that a decline did not occur in 2015. This was due to the impact of buying back KMart and A&P leases, which resulted in the above- and below-market rent amortization being accelerated and fully recognized in 2015. Please also note that NAREIT FFO guidance does not include expectations of one-time items including but not limited to costs related to the audit committee review and the CEO and CFO search. Same property NOI growth is expected in the range of 2.5% to 3.5% for 2016. Our assumption includes a 40 basis point negative impact due to proactive remerchandising activities, including a recapture of leases with A&P, KMart, office supply retailers, and others.

In summary, based on the recent evaluations, I can say with confidence that the Company has sound reporting processes and procedures. And while there was a material weakness reported with respect to the conduct of the few, we believe we are addressing these areas of internal weakness and are moving swiftly to build upon the strong foundation and core team that remains here today.

I would like to turn the call back to the operator to open up the line for questions. Thank you.

QUESTION AND ANSWER

Craig Schmidt – Bank of America Merrill Lynch

The percentage rents for same-store NOI was down. I just wondered if you could provide some color on what happened to that number.

Daniel Hurwitz

One of the adjustments that we booked at year-end was to reflect the change in methodology on the recognition of percentage rent. Essentially, we have gone from an accrual basis to a cash basis, and the effect of that entry was about a $3.1 million reduction of income in the fourth quarter.

Steve Sakwa – Evercore ISI

Dan, you addressed some of these issues, as did Barry, but I just want to get a better handle in terms of the kind of the material weakness and the things that you are pursuing and looking at in your processes and procedures. Have you built into the guidance any potential extra costs for hiring more people, for changing the systems? And then, as that relates to the SEC investigation, it sounds like you have obviously done a very thorough review internally. It sounds like their investigation is going to probably cover the same areas. I am just trying to understand the outcome, what they would be looking at, if it's any different than what you guys have already done, and ultimately does that come with monetary penalties potentially?

Daniel Hurwitz

Yes, it's a good question. We are having the same conversations with our counsel in regard to the SEC. At the present time, they are doing an informal investigation, and they have asked for a voluntary request for information that we have provided. That is all we really know at this point in time. They have the information that we have. They are looking at a lot of the exact information that Barry and I looked at, and the auditors have looked at over time, and where that goes is really on their timeframe. Cannot comment much more on that.

In regard to our internal processes, we have not assumed that we are going to have a material increase in our G&A or expenses as a result of the material weakness. We think that under the guidance and the assistance of Price Waterhouse, we are working on a remediation plan that we will have in place in the next few months, and then we will be able to execute over the next several months and test at this time next year for efficiency. So, we are confident that that will take place. There clearly has already begun a cultural shift under Barry's leadership and under the leadership of Mike Cathers, both of which have spent an enormous amount of time with our accounting personnel, so they understand where the weaknesses were, where the weakness may have been, and how we intend to fix it.

Alexander Goldfarb – Sandler O'Neil + Partners

Dan and Barry, can you guys talk a little bit about some of the preliminary conversations you have had with the banks, lenders, and perhaps maybe even some of the current senior-bond holders, if they all are comfortable with what has happened or if any of what has transpired has caused some to either pull back from maybe lending or a little cautious if they were going to participate in another bond offering?

Daniel Hurwitz

We have had a number of conversations with all the constituents that you just mentioned and none of them have indicated concern about their continued interest in doing business with this Company. In fact it's been quite gratifying how many have come to the table and said look, we understand that, particularly after we filed our necessary documents and the 10-K, but we understand that this is behind you, and we are with you and we are looking forward to helping you in any way we can. So, we expect that we will have full cooperation from those constituents, and that we will continue to work with them on the exact same strategy that was in place prior to February 8th.

Michael Mueller – J.P. Morgan

You talked a little bit about cost, and just kind of the ramp-up there. Can you talk a little bit about what you expect for ongoing costs related to the investigation, legal, the search, and what may occur if it's not embedded in guidance?

Daniel Hurwitz

In regard to the investigation from our perspective, the investigation is over. The internal investigation and the work that we had to do, and the millions of dollars that we spent to get to this point today is now behind us. So we do not anticipate additional cost in that regard. From a legal perspective, time will tell. It is premature to really comment on that, but obviously that will be public information at the time that it occurs and if it occurs, and we will deal with it at that stage. But we do not have significant expenses in our numbers for 2016 as a result of what we announced on February 8th, because we have concluded the investigation, as we mentioned it, has been determined to be immaterial. You see the information that's before you, and we are moving on.

Jason White – Green Street Advisors

Just a quick question on same property NOI growth around the "except for" number that you provided, the 3.6%. When you look at that, is that compared on the as-adjusted numbers based on the press release on February 8th, or are those based on the previously published numbers? And are there true-ups from basically three years in that adjusted number? Can you walk through what is in and out of annual 3.2%, and what may have been left out of that?

Daniel Hurwitz

Essentially the net adjustments that affected NOI in the fourth quarter that were booked post February 8th were about $2 million. Those are clearly immaterial. They are less than a third of a penny, two-thirds of a penny to earnings. So, they are clearly immaterial to the overall financial statements. But when you start to look at what the effect of those were on fourth quarter same property NOI, remembering that same property NOI is in the mid-$200 million range, they are fairly significant to that smaller subset population that you're looking at.

So, that is the effect, and that is one of the reasons why we did not necessarily publish a number, because it was going to be really apples and oranges in comparison to the other numbers as a result of that. And the comp was based on the comp for fourth quarter of the prior year that I just gave you, which had some ins and outs in it and some adjustments, and as you saw, as was previously provided in the supplemental and also in the information that was provided in the February 8th disclosure.

Rich Moore – RBC Capital Markets

It strikes me that you guys might be a little liquidity-constrained at this point. I mean, you mentioned that refinancing the mortgages due this year would be kind of a lifeline. I think you prefer to unencumber those, if you can. You can't really issue equity. Dispositions are later in the year, bond issuance, probably later in the year. So, are you sort of in cost-control mode at this point? I mean, no acquisitions, lower investment in properties, that kind of thing?

Barry Lefkowitz

Well, let's talk about the liquidity constraints. By no means do we feel that we are liquidity constrained at all. We have about $900 million of debt that we have got to roll over. Net debt today is all secured at 5.6% rate. When you look at that debt, you look at the underlying assets, it's about a 40% leverage rate on those, and there is significant demand for those kinds of assets in the secured market. That being said, our intention is to go unsecured with the refinancing there. Also, look at our credit facility, we have around $800 million of availability currently. So, in terms of available liquidity for us, we are not concerned at all.

Daniel Hurwitz

I think from an operational standpoint, I would be remiss if I didn't say we are always conscious of cost. So, cost control is important to us, but there is no situation that we are in currently that would inhibit us from executing our strategy, whether it be the repositioning strategy, the redevelopments of some of the assets, or just the high velocity of tenant leases that we are doing that requires tenant improvement dollars. So, we do not feel at all, as Barry mentioned, that we are inhibited in any way by the financial position of this Company to execute this strategy. And we think we are very favorably positioned to enter the market for the refinancings at the appropriate time.

Todd Thomas – KeyBanc Capital Markets

Dan, just curious if you could talk about your desire, if any, and whether or not you're having discussions with the Board about you taking on a more permanent role at Brixmor, and ultimately, what's the timeline look like to have a permanent executive team in place?

Daniel Hurwitz

The discussions we are having with the Board right now are to find my replacement and to execute on a search as efficiently as possible, as I mentioned, without rushing to judgment and making sure we do the right thing. So, we are all very committed to finding a permanent CEO, which is not me, and we have retained Korn Ferry, as I mentioned. They have commenced their work in the market. The timeframe is a little tough to pin down because, as you know, this is a large company, it's an important company in the sector, and we're going to be highly selective. And the applicant pool out there has been impressive so far. The reverse inquiry into this Company has been impressive.

But if I were a betting man, I would tell you it's going to be hard to execute this inside of three months, and it will be probably closer to six months I would think to do it properly, by the time you identify a series of candidates, you go through the interview process, and then you have a proper transition for that person to come in and assume the leadership role. So, I would say between three and six months would be my guess, and we're going to work real hard to get it done within that timeframe.

Michael Bilerman – Citi

Dan, I'm curious, in the internal control report in the 10-K, and I think you mentioned this also on the call, it says that senior management did not set an appropriate tone at the top. If you go back to the February call, the question that I had asked about what tone did Mike C. and/or Mike P. sort of set where people would have to make such small adjustments to a non-GAAP measure, and what did that tone on the top potentially influence across the organization. I wonder if you can sort of expand a little bit on that comment specifically, this tone at the top and what else did it create, and maybe elaborate on what effectively is trying to being implied by that comment in the 10-K?

Daniel Hurwitz

I think our answer to you now is going to be similar to our answer that it was on February 8th. While it is clear to us that there was conduct that was not appropriate that led to the point we're in now, I don't think it's constructive or necessary to go into the detail of what that was. I think the important thing is that we recognize what the problems were. We recognized that there was remediation that needed to occur. We put people in place who understand very clearly what our expectations are going forward, and they're in the process of executing on those expectations.

And I feel confident that the people under Barry's leadership, particularly on the accounting side of the business, and Mike's leadership in our Conshohocken office, understand that we have a very high ethical standard in how we are going to proceed and that certain things that may have been tolerated in the past will not be tolerated going forward.

This has been clearly a shock to the system. There are a lot of employees in this Company that have been impacted by it. We are moving on, and we are moving on in a constructive way recognizing what happened in the past but also emphasizing what we need to do in the future to do things properly. So, I feel very confident that we have a remediation plan that is in the process of being formulated and that will be executed. We will not compromise on that remediation plan. And under Barry and Mike's direction I have every confidence to believe that the tone at the top has already changed and will continue to change for the better over the time.

Vincent Chao – Deutsche Bank

I just wanted to go back to the disposition discussion here. You have heard many of your peers talk about increasing dispositions into a still-attractive market here. You guys have done the same. Just curious if there is any potential for an increase in that $75 million to $175 million, based on what you are seeing in the markets, and if there is any potential to pull up those dispositions? It sounds like those are back-half weighted. And then just curious if there is anything to read into in terms of your desire to sell assets today as it relates to future pricing?

Michael Hyun

With regard to the dispositions, in a portfolio of this size and scale it's prudent to constantly reevaluate the assets to identify properties where leasing potential has been maximized, or where we would expect slower growth going forward. So, our intention is to recycle that capital into higher growth and higher yielding opportunities. We think that that guidance is right. It is weighted towards the back half. We think it will be in the middle, but we have given ourselves some room to either side of it, depending on the outcomes, depending on where we see the capital markets' environment. But I don't see us going outside of that range, at least right now.

Jeff Donnelly – Wells Fargo

First, Barry, in 2016, do you expect to report any severance legal accounting costs related to this issue to be folded into reported FFO and, or will that be separated out as maybe a one-time item? And, as a follow-up, to address the tone at the top question, is there a chance you guys might look to bring your accounting out of Conshohocken back into New York City?

Barry Lefkowitz

In terms of any cost associated with the review, we would expect that we will disclose what those are as we incur them. As a technical matter, it has to be included in FFO but we will clearly separate it out, so everybody understands what the effects were on NAREIT FFO for those numbers. As it pertains to location of the accounting group, currently we are reviewing everything, but don't anticipate that a move back to New York is going to be appropriate.

Floris van Dijkum – Boenning & Scattergood

I want to follow up on the dispositions question that was posed earlier. Mike, you indicated that you could look to redeploy the, call it up to $175 million of dispositions this year back into new acquisitions. Would that occur this year, or is this a net dispositions number that we should expect for 2016?

Michael Hyun

We are looking at this as a net-dispositions number. I think, as we alluded to earlier, we think that the market is difficult today for acquisitions. Look, the markets can change, and so that perspective may change. We think that we have the right perspective right now with the $125 million net in the midpoint, but I think right now we will redeploy that money into the redevelopment pipeline that we have today. We think that is the most attractive and prudent use of our capital.

Ki Bin Kim – SunTrust Robinson Humphrey

So, if I heard you guys correctly, it sounds like you have investigated more than just the same store NOI issue, so just a two-part question. First, did you expand that investigation into the other non-GAAP measures, like development yields or lease spreads and how those are reported? And second, is there something that you changed in policy, not necessarily that you have to restate anything or a big deal, but something that you came on board and said, "This is probably not the best way to do it; let's just change to redo things slightly differently." Like you just mentioned about changing the percentage rent from accrual to cash-basis, things like that?

Daniel Hurwitz

We have looked at some of the other non-GAAP, non-financial-statement-type measures. We have reviewed the methodology there and we believe it is appropriate. As you would expect, as companies evolve and move forward and get involved in different things, we will continue to refine those measures to make them more relevant to the investment community as we move forward here.

In terms of other policies and procedures that we may have here that we looked at, principally the one I would say is the one you just described, which was percentage rent, where we moved away from the accrual method to more of a cash method in terms of recognition of that. Other than that, there really was not anything of substance that is noteworthy.

George Auerbach – Credit Suisse

Back to dispositions, can you characterize the kinds of assets you intend to sell, expected cap rates on those sales? And if you don't sell those assets, would there be any impact to the year-end lease rate, or same store guidance from those assets if they stay in the pool?

Michael Hyun

The assets that we are looking to sell are ones where again, we had maximized the outcome. The guys have done a great job over the past several years leasing up these assets to where we feel like they have stabilized and where we would expect less growth going forward. So, those are the type of assets that we are selling. We are projecting right now a higher cap rate on these assets, simply because they are in tertiary markets. They are assets where we have maximized the growth. So, people are buying a yield. So we are anticipating a 9% cap conservatively on these assets, but we will see how that works out over the course of the year.

Michael Mueller – J.P. Morgan

As you looked at 2017, how much more do you see the non-cash rents burning off relative to the $50 million to $53 million for this year?

Barry Lefkowitz

I don't have that number handy with me. I will follow up with you separately.

Jason White – Green Street Advisors

Just a quick follow-up on some of the adjustments in your same store NOI. On the February 8th press release, it looked like there were about $500,000 of net NOI adjustments over the course of the last, call it two and a half years. Why was a $2 million adjustment necessary in 4Q 2016 to kind a true-up prior improprieties?

And then, secondly as the Company looks down the road, in same store NOI growth, one of the selling points of the Company has been that it will post above average same store NOI growth versus the peer group, and it feels like that has moderated now. It is more of a peer performer looking forward into 2016. Is that something as the Company looks down the road that there is an expectation of kind of better-than-peer-performance NOI growth, or have we kind of reached the end of the road there?

Barry Lefkowitz

Well, in terms of the adjustments, as I mentioned before, it was net approximately $2 million adjustment relative to all the numbers that got booked in the fourth quarter. A substantial portion of that was related to the percentage rent change that we talked about previously. In terms of same store NOI growth, I will let Brian address.

Brian Finnegan

Look, we thought it was prudent to be somewhat conservative with potential upcoming tenant dislocation, particularly in the sporting goods category as well as office supply. So, if those things don't materialize, we have the ability to outperform, and we will see how that progresses through the year.

Michael Bilerman - Citi

Dan, in your opening comments you talked about the occupancy setbacks, and you talked about taking a very hard look at and investigation of your processes and procedures, taking a look at the organization structure and taking a look at the individual performance. I'm just wondering if you can go a little bit deeper into your review over the last month of the leasing platform that you see at Brixmor, and where there may be opportunity where the Company may not be firing on all its cylinders, and how much if it is reflective of perhaps your view of the portfolio and maybe that's triggering some dispositions versus things sort of left on the table.

And then the second question was just on interest expense. Barry, if you can just elaborate, I think you said in your opening comments $0.04 to $0.06 of refinancing savings. I'm wondering if you can just break that out how much of that was the recent refinancings that were done in the fourth quarter versus what is pending in 2015, just as your bonds right now and arguably their credit spreads are awfully wide. Your bonds are trading at high fives, low fives for six- to nine-year average duration. I'm just wondering what's baked into that $0.04 to $0.06. Thank you.

Daniel Hurwitz

I will start with the question on the leasing. As part of my homework here, obviously in order to give guidance, we had to spend a lot of time in the 2016 budget. And that is a ground of zero- based budget. I was extraordinarily impressed with the budgeting process here at Brixmor, because as a practical matter, it is incredibly detailed, and they were able to provide me with a lot of information. That being said, we need to lease more space; it's really quite that simple.

The occupancy rate at this portfolio from the small shop space and from the box space, which is over 10,000 square feet, needs to go up. And we are going to be looking at all different ways in which to do that, whether it's incentivizing our people, whether it's processes, whether it's tenant relationships, whether it's leverage, whatever it takes. The organic growth potential in this portfolio is in the leasing of the portfolio. When you have a grocery-anchored portfolio as solid as this is, where, like I mentioned, you have average grocery sales of over $550 per square foot and you have 80% with the top one or two grocers in the portfolio, the occupancy level of this portfolio needs to lift.

Now, I understand that there are inhibitors to that, particularly as it relates to boxes that come back to us through bankruptcy, etc. But Brian and Michael Moss, who runs the National Accounts program, are well aware that the expectation to fill those boxes swiftly, accretively, profitably, is there. And we're going to be looking to see how we can enhance the process, maybe streamline some of the internal approvals and get things done quicker. Because if you really look at what is holding us back a little bit from a same store NOI growth standpoint, it is our inability to grow the occupancy level of this portfolio, which I think we can improve upon, and we should improve upon it.

Barry Lefkowitz

As it pertains to interest rate savings, as you know, we paid off a little over $300 million towards the end of the year, and we have slated refinancings for 2016 of about $900 million. So, depending on what rate you think the refinancing gets done at, we looked at it and we assumed a 100 basis point spread between what the existing rate is on the debt versus what we are planning to refinance into. Those assumptions drive that $0.04 to $0.06 interest saving for the year. Some of it is booked, as we know, because we have already refinanced or paid off some of the early debt, and the rest of it is kind of back-ended towards the third, fourth quarter in terms of the refinancing. And that is how those numbers kind of work. Depending on where rates are, hopefully we can do better than 100 basis point spread to the existing rates. So, there is some upside there potentially.

Linda Tsai – Barclays Capital

Just a follow up on the office supply and sporting goods stores' comment in terms of some of those potentially going away. How much are you forecasting for these closures in 2016 and how does that compare to the amount in 2015?

Brian Finnegan

So, we backfilled, we lost seven office supply boxes in 2015. We leased six of them. Those will all come online in 2016. So, we did have some downtime and costs associated with those boxes. At this point, we are expecting to get two of our office supply boxes back in 2016. Those are good anchor repositioning opportunities in good markets to upgrade both the use and the ABR per square foot.

In terms of the sporting good category, our exposure is relatively low for the sporting good retailers that everybody is aware of that are in trouble. I would expect that we get a few of those boxes back. Those rents are under $10 a square foot on particular to one sporting goods operator, and we have the ability to upgrade those boxes. So, we don't expect much dislocation overall, and again, the boxes that we do get back, we have the ability to upgrade.

Vincent Chao – Deutsche Bank

I know the internal review is now done, and it has been a fairly positive outcome from your perspective. Just curious though from a morale perspective, has there been any change among the non-executive ranks, and have you observed any abnormal turnover, and do you anticipate any sort of increased level of perhaps poaching by some of your competitors, particularly of your leasing guys?

Daniel Hurwitz

Well, I will tell you that the overall morale of the Company has been very strong. I think once you get through the initial shock wave that obviously rippled through the entire organization, not just here and not in Philadelphia, but the regional offices, people settled down and went back to work. And they went back to work in a way that really is commendable and admirable, and I've been extremely impressed.

We have been tracking your very question about whether we are losing folks, and the short answer is: we haven't. That's the good news so far. I think it's natural that when companies get into a situation like this that some of your competitors will try to poach some of the people, because whenever there is internal dislocation, there tends to be opportunity. We have seen that elsewhere in the business. But the truth is, we haven't seen any movement yet. We are going to monitor it very carefully. We are trying to create an environment in which people can excel and are rewarded for their efforts, and hopefully that will be enough for us to keep all of our key people in place and execute on the strategy. I am confident that people are excited about Brixmor. This is a very strong Company, and this is a good place to work. I think people recognize that, and we're going to make sure that it continues to be a strong Company and a good place to work.

Daniel Hurwitz

Once again, I want to thank everyone for their time and patience this morning. We covered a lot of ground, and we all look forward to reporting on our continued progress in our various meetings and conversations that will occur over the next couple of months. Thank you again very much.

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