KRAMONT REALTY TRUST
Form 10-K
March 16, 2005

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, 2004

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 $386 million based on the closing price on the New York Stock Exchange for such shares on June 30, 2004.

The number of shares of the Registrant's Common Shares of Beneficial Interest outstanding was 24,443,723 as of March 11, 2005.

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 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 failure to consummate our proposed merger with an affiliate of Centro Properties Limited, which in certain circumstances would obligate us to pay a termination fee of $24.0 million;

- 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.

TABLE OF CONTENTS

Item No.		Form 10-K Report Page
	PART I	
1.	Business	4
2.	Properties	9
3.	Legal Proceedings	13
4.	Submission of Matters to a Vote of Security Holders	13
	PART II	
5.	Market for the Registrant's Common Equity and Related Shareholder Matters and Issuer Purchases of Equity Securities	13
6.	Selected Financial Data	15
7.	Management's Discussion and Analysis of Financial Condition and Results of Operations	16
7A.	Quantitative and Qualitative Disclosures About Market Risk	27
8.	Financial Statements and Supplementary Data	28

9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosures 54
9A. Controls and Procedures... 54
9B. Other Information... 54

PART III

10. Trustees and Executive Officers of the Registrant 54
11. Executive Compensation 58
12. Security Ownership of Certain Beneficial Owners and Management and Related Shareholder Matters........................... 64
13. Certain Relationships and Related Transactions........................ 66
14. Principal Accountant Fees and Services................................ 67

PART IV

15. Exhibits and Financial Statement Schedules........................... 68

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.

Proposed Merger

On December 19, 2004, the Company entered into an Agreement and Plan of Merger providing for the merger of the Company into an affiliate of Melbourne, Australia-based Centro Properties Limited (ASX:CNP), and for the merger of other affiliates of Centro into Kramont Operating Partnership, L.P. and Montgomery CV Realty L.P. On January 27, 2005, the parties amended the Agreement and Plan of Merger. A special meeting of our shareholders will be held April 14, 2005 to consider and vote on the proposed merger. If approved, the companies anticipate completing the merger as soon as practicable.

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, 2004, Kramont owned 93.6% of Kramont OP and is its sole general partner. As of December 31, 2004, 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, 2004, the OPs owned and operated eighty-three shopping centers and two office buildings, and managed three shopping centers for third parties and four shopping centers in connection with a joint venture, located in 16 states aggregating approximately 12.5 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, 2004, 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.

- The Company intends to finance acquisitions with the most appropriate sources of capital, as determined by the 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 source 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, 2004, the book value of the Company's assets amounted to $857.8 million, including $790.1 million in income-producing real estate and $20.7 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, 2004, Kramont's three mortgage notes receivable amounted to $20.7 million. The mortgage notes receivable are secured by first mortgages on the recreation facilities at the two Century Village adult condominium communities in southeast Florida. As of December 31, 2004, none of the mortgage notes were delinquent.

Two of the three notes provide for self-amortizing equal monthly principal and interest payments in the aggregate amount of $4.4 million per annum, through January 2012, and bear interest at annual rates ranging from 13.25% to 13.5%. The third note provides for self-amortizing equal monthly payments of principal and interest in the aggregate amount of $418,000 per annum through January 1, 2007 and bears interest at 8.84%. The notes are pledged as collateral for certain borrowings. The notes that mature in January 2012 are prepayable in 2007. On June 15, 2004, a mortgage note in the amount of $8.2 million due from H. Irwin Levy, a trustee, was sold to Bank of America for $10.4 million. 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, 2004, Drexel managed three 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 Blackrock Realty, Inc, (formerly 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 was approximately $6 million including transaction costs.

The Company accounts for its investments in unconsolidated affiliates using the equity method except for, effective January 1, 2004, Drexel is reported on a consolidated basis in accordance with FIN 46(R).

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 Ahold USA, Inc. ("Ahold"), Wal-Mart Stores, Inc. ("Wal-Mart"), TJX Companies, Inc. ("TJX"), and Kmart Corporation ("Kmart"). As of December 31, 2004, Ahold represented 5.87% of the Company's annualized minimum rents, Wal-Mart represented 5.79% of the Company's annualized minimum rents, TJX represented 3.15% of the Company's annualized minimum rents, and Kmart represented 2.23% of the Company's annualized minimum rents. As of December 31, 2004, no other tenant would have represented more than 2.0% of the aggregate annualized minimum rents of the Company's shopping centers.

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, 2004, the Company had 152 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.

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 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), its Corporate Governance Guidelines, its Code of Business Conduct and Ethics, 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, 2004, the Company, directly or indirectly, owned 83 income-producing neighborhood or community shopping centers and 2 office buildings, located in 16 states comprising 11.2 million square feet. The properties are diverse in size, ranging from 3,800 square feet to 389,450 square feet of gross leasable area with an average of 132,000 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, 2004, 88.08% of the gross leasable area of the Company's income-producing real estate was leased. The Company has pledged 90.78% of the book value of its income-producing real estate as collateral for borrowings.

PROPERTIES HELD FOR SALE

As of December 31, 2004, there were no properties held for sale.

The following table sets forth certain pertinent information, as of December 31, 2004, regarding the Company's properties:

PROPERTY	LOCATION	YEAR ACQUIRED	YEAR OF LATEST RENOVATION/ EXPANSION	OWNERSHIP INTEREST	GROSS LEASABLE SQUARE AREA (SQ. FT.)	LEA OCCUP RAT 12/3
SHOPPING CENTERS						
CONNECTICUT						
Burr Corners	Manchester	2004	N/A	Fee	301,565	95
Christmas Tree Plaza	Orange	2003	N/A	Fee	136,016	96
Groton Square	Groton	2000	2003	Fee	194,862	97
Killingly Plaza	Killingly	2002	N/A	Fee	75,376	98
Manchester Plaza	Manchester	2000	1998	Fee	183,377	45
Milford	Milford	2000	N/A	Leasehold (2020)	25,200	100

Parkway Plaza I & II	Hamden	2000	N/A	Fee	163,694	15
Stratford Square	Stratford	2000	N/A	Fee	161,539	100
FLORIDA						
Century Plaza	Deerfield Beach	1982	2002	Fee	90,669	89
Village Oaks	Pensacola	2000	2003	Fee	171,653	96
GEORGIA						
Bainbridge Town Center	Bainbridge	2000	N/A	Fee	143,729	97
Douglasville Crossing	Douglasville	2000	N/A	Fee	267,800	78
Holcomb Bridge	Roswell	2000	N/A	Fee	105,420	94
Northpark	Macon	2000	1998	Fee	195,355	100
Park Plaza	Douglasville	2000	N/A	Fee	46,494	86
Snellville Oaks	Snellville	2000	N/A	Fee	220,885	98
Summerville	Summerville	2000	N/A	Fee	67,809	19
Tifton Corners	Tifton	2000	N/A	Fee	186,629	89
Tower Plaza	Carrollton	2000	N/A	Fee	89,990	92
Vidalia	Vidalia	2000	N/A	Fee	93,696	100
Village at Mableton	Mableton	2000	1998	Fee	239,474	92
KENTUCKY						
Harrodsburg Marketplace	Harrodsburg	2000	N/A	Fee	60,048	100
MASSACHUSETTS						
Perkins Farm Marketplace	Worcester	2004	N/A	Fee	203,304	98
MARYLAND						
Campus Village	College Park	2000	N/A	Fee	25,529	100
Fox Run	Prince Frederick	2000	1997	Fee	293,423	98

MICHIGAN						
Musicland	Livonia	2000	N/A	Fee	80,000	100

NEW JERSEY						
Collegetown	Glassboro	2000	1995	Fee	251,015	97
Lakewood Plaza	Lakewood	1999	N/A	Fee	203,699	99
Marlton Shopping Center-Phase I	Evesham	1998	2001	Fee	157,228	100
Marlton Shopping Center-Phase II	Evesham	1998	2001	Fee	154,066	98
Ocean Heights	Somers Point	2004	N/A	Fee	104,963	100
Rio Grande Plaza	Rio Grande	1997	1997	Fee	138,747	93
Springfield Shoprite	Springfield	2003	N/A	Fee	32,209	100
Suburban Plaza	Hamilton	2000	1999	Fee	244,718	18
NEW YORK						
A & P Mamaroneck	Mamaroneck	2000	N/A	Fee	24,978	100
The Mall at Cross County	Yonkers	2000	2000	Fee	263,568	90
Campus Plaza	Vestal	2003	N/A	Fee	160,646	91
Highridge	Yonkers	2000	N/A	Fee	88,501	94
North Ridge	New Rochelle	2000	N/A	Fee	42,131	94
Port Washington	Port Washington	2000	N/A	Leasehold (2067)	19,600	100
Village Square	Larchmont	2000	N/A	Fee	17,028	100
NORTH CAROLINA						
Cary Plaza	Cary	2000	N/A	Fee	60,702	74
Magnolia Plaza	Morganton	2000	N/A	Fee	104,539	75
OHIO						
Pickaway Crossing	Circleville	2000	N/A	Fee	127,130	100
PENNSYLVANIA						
550 W. Germantown Pike	Plymouth Meeting	2002	2004	Fee	3,800	100
555 Scott Street	Wilkes-Barre	1997	N/A	Fee	8,400	100
69th Street Plaza	Upper Darby	2000	1994	Fee	42,500	100
Barn Plaza	Doylestown	2000	2002	Fee	237,688	99
Bensalem Square	Bensalem	2000	1983	Fee	72,148	100
Bethlehem Square	Bethlehem	2000	1994	Fee	389,450	100

Bradford Mall	Bradford	2000	N/A	Fee	205,593	36
Bristol Commerce	Bristol	2000	2003	Fee	278,771	92
Chesterbrook Village	Wayne	1997	1995	Fee	122,316	92
Collegeville	Collegeville	1998	1994	Fee	110,696	100
Chalfont Village	New Britain	1999	N/A	Fee	46,051	96
Cherry Square	Northampton	1999	N/A	Fee	75,005	98
County Line Plaza	Souderton	1997	1998	Fee	175,079	99

11

Danville Plaza	Danville	1997	1987	Fee	24,052	96
Dickson City	Dickson City	1997	1990	Fee	47,224	69
Franklin Center	Chambersburg	2000	N/A	Fee	174,892	69
Gilbertsville	Gilbertsville	1998	N/A	Fee	85,748	96
Kline Plaza	Harrisburg	2004	N/A	Fee	220,376	97
MacArthur Road	Whitehall	2000	N/A	Fee	50,856	89
New Holland Plaza	New Holland	1998	N/A	Fee	65,878	99
Mount Carmel Plaza	Glenside	1997	N/A	Fee	14,504	94
North Penn Marketplace	Upper Gwynedd	1998	N/A	Fee	57,898	100
Park Hills Plaza	Altoona	2000	1996	Fee	279,856	99
Pilgrim Gardens	Drexel Hill	2000	N/A	Fee	82,532	90
Street Road	Bensalem	2000	1995	Fee	67,056	62
The Shoppes at Valley Forge	Phoenixville	2000	2002	Fee	177,928	100
Valley Fair	Tredyffrin	2000	2001	Fee	110,300	100
Village at Newtown	Newtown	1998	N/A	Fee	177,862	90
Village West	Allentown	2001	N/A	Fee	133,611	100
Whitehall Square	Whitehall	2000	2004	Fee	298,023	87

Whitemarsh	Conshohocken	1997	2002	Fee	67,476	100
Woodbourne Square	Langhorne	1997	N/A	Fee	29,846	100
RHODE ISLAND						
Wampanoag Plaza	East Providence	2000	N/A	Fee	242,162	74
SOUTH CAROLINA						
East Main Centre	Spartanburg	2000	2000	Fee	56,792	52
Park Centre	Columbia	2000	2000	Fee	226,705	100
TENNESSEE						
Meeting Square	Jefferson City	2000	N/A	Fee	92,968	100
VIRGINIA						
Culpeper Town Mall	Culpeper	2000	1999	Fee	137,563	89
Marumsco-Jefferson Plaza	Woodbridge	2000	N/A	Fee	319,521	65
Statler Crossing	Staunton	2000	N/A	Fee	166,944	95
OFFICE BUILDINGS						
NEW JERSEY						
Springfield Office Building	Springfield	2003	N/A	Fee	14,304	100
PENNSYLVANIA						
Plymouth Plaza	Plymouth Meeting	1997	1994	Fee	30,027	100
					------	---

12

Total income-producing properties	11,239,405	88.08
	==========	=====

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

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

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

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

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

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

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

(8) Rent will commence in 2005 and is not included in occupancy rates as of December 31, 2004.

(9) Operating in bankruptcy.

(10) 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 2004.

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
2004			
First Quarter	$ 20.00	$ 17.87	$ .325
Second Quarter	19.13	14.40	.325
Third Quarter	19.19	15.21	.325
Fourth Quarter	23.65	17.85	.325
			$ 1.30

========

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

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 11, 2005, there were 24,443,723 Common Shares outstanding, and the approximate number of holders of record of the Common Shares was 1,881. The Company owns 24,443,723 Common OP Units in Kramont OP representing the sole general partnership interest and 93.7% 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.

The Company did not repurchase any of its securities during any month within the quarter ended December 31, 2004. No equity securities of the Company were sold during 2004 that were not registered under the Securities Act of 1933.

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, 2004.

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)	Number Remainin Future I Equity Pl
Equity compensation plans approved by shareholders (1)	273,845	$ 14.56	

Equity compensation plans not approved by shareholders (2)	- -	- -
Total	273,845	$ 14.56

(1) The equity compensation plans which were approved by the Company's shareholders are the 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)				
	2004	2003	2002	2001	2
Revenues from rental properties	$ 118.3	$ 108.5	$ 102.4	$ 99.6	$
Interest income	$ 3.5	$ 4.3	$ 4.8	$ 5.2	$
Income from continuing operations	$ 25.9	$ 18.3	$ 17.0	$ 17.2	$
Income from discontinued operations	$ -	$ 5.0	$ 1.0	$ 8.6	$
Income before preferred Distribution	$ 25.9	$ 23.3	$ 18.0	$ 25.8	$
Income (loss) to common Shareholders (c)	$ (.6)	$ 16.5	$ 11.0	$ 18.3	$
Funds From Operations (FFO) (b) (c)	$ 19.7	$ 32.5	$ 27.0	$ 28.5	$

Per common share:

Income (loss) from continuing operations, basic	$ (.03)	$ .48	$ .49	$ .52	$
Income (loss) from continuing operations, diluted	$ (.03)	$ .48	$ .49	$ .52	$
Income (loss) to common shareholders, basic	$ (.03)	$ .70	$ .54	$ .97	$
Income (loss) to common shareholders, diluted	$ (.03)	$ .69	$ .54	$ .97	$
Dividends declared	$ 1.30	$ 1.30	$ 1.30	$ 1.30	$
Weighted average common shares outstanding, basic	24,123,245	23,757,692	20,380,949	18,803,535	1
Weighted average common shares outstanding, diluted	24,123,245	23,811,799	20,401,095	18,815,657	1
At Year End:					
Total assets	$ 857.8	$ 810.7	$ 779.3	$ 769.2	$
Borrowings	$ 541.1	$ 451.1	$ 480.5	$ 510.2	$
Beneficiaries equity:					

Total	$ 271.0	$ 313.8	$ 253.9	$ 219.0	$
Net cash provided by operating activities	$ 47.8	$ 38.2	$ 38.3	$ 30.6	$
Net cash provided by (used in) investing activities	$ (51.2)	$ (17.2)	$ (14.1)	$ 5.7	$
Net cash provided by (used in) financing activities	$ 3.1	$ (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.

(c) 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. The total outstanding shares redeemed were 1,653,200 with a par value of $.01 per share. At that time, the Company retired all 1,800,000 shares of Series D preferred shares originally issued. In connection with the redemption of the Series D preferred shares, the Company's first quarter 2004 results reflect a non-recurring reduction in income to common shareholders of beneficial interest of approximately $17.7 million. This reduction was recorded in accordance with the July 31, 2003 Securities and Exchange Commission interpretation of FASB-EITF Abstract Topic No. D-42, "The Effect on the Calculation of Earnings per Share for the Redemption or Induced Conversion of Preferred Stock" ("Topic D-42"). Under Topic D-42, the difference between the carrying amount of the shares and the redemption price must be recorded as a reduction in income to common shareholders of beneficial interest and, therefore, impacts net income per share for the period in which the redemption is made.

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").

Proposed Merger

On December 19, 2004, the Company entered into an Agreement and Plan of Merger providing for the merger of the Company into an affiliate of Melbourne, Australia-based Centro Properties Limited (ASX:CNP), and for the merger of other affiliates of Centro into Kramont Operating Partnership, L.P. and Montgomery CV Realty L.P. On January 27, 2005, the parties amended the Agreement and Plan of Merger. A special meeting of our shareholders will be held April 14, 2005 to consider and vote on the proposed merger. If approved, the companies anticipate completing the merger as soon as practicable.

RESULTS OF OPERATIONS

NET INCOME

2004 Compared to 2003

For the year ended December 31, 2004, loss to holders of Common Shares was $605,000 or $.03 per weighted average common share, basic and diluted compared to $16.5 million or $.70 per weighted average common share, basic, and $.69 per weighted average common share, diluted, for the year ended December 31, 2003. 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. The total outstanding shares redeemed were 1,653,200 with a par value of $.01 per share. At that time, the Company retired all 1,800,000 shares of Series D preferred shares originally issued. In connection with the redemption of the Series D preferred shares, the Company's first quarter 2004 results reflect a non-recurring reduction in income to common shareholders of beneficial

interest of approximately $17.7 million. This reduction was recorded in accordance with the July 31, 2003 Securities and Exchange Commission interpretation of FASB-EITF Abstract Topic No. D-42, "The Effect on the Calculation of Earnings per Share for the Redemption or Induced Conversion of Preferred Stock" ("Topic D-42"). Under Topic D-42, the difference between the carrying amount of the shares and the redemption price must be recorded as a reduction in income to common shareholders of beneficial interest and, therefore, impacts net income per share for the period in which the redemption is made.

For the year ended December 31, 2004, rent and other revenue and operating expenses increased by $9.7 million and $1.9 million, respectively (a net rental income increase of $7.8 million). The rent revenue increase is primarily due to increased rentals in the existing portfolio in the amount of $1.3 million and $7.7 million in rents from the acquisition of eight income-producing properties, three on April 3, 2003, one on July 24, 2003, one on July 25, 2003, one on February 17, 2004, one on August 6, 2004 and one on August 17, 2004, offset by the loss of rent from tenant bankruptcies in the amount of $1.4 million. In addition, the Company received $2.1 million in termination fees from two major tenants. Operating expenses increased during the twelve months ended December 31, 2004, primarily due to an increase in real estate tax expense in the amount of $775,000, an increase in general maintenance expense in the amount of $306,000, an increase in professional fees in the amount of $80,000, an increase in utility expense in the amount of $44,000, and additional operating expense of $2.2 million as a result of the purchase of the eight income-producing properties, offset by a decrease in snow removal expense in the amount of $1.4 million and a decrease in insurance expense in the amount of $162,000.

Depreciation and amortization increased by $2.1 million, primarily due to additional expense of $835,000 as a result of capital expenditures in the current year and a full year of depreciation on 2003 capital expenditures, and the additional expense of $1.2 million as a result of the acquisition of eight income-producing properties.

General and administrative expenses increased by $1.8 million, principally due to higher payroll related expenses in the amount of $485,000 as a result of additional personnel, increased salaries, and higher performance related bonuses. In addition, the Company incurred an increase in accounting expenses of $266,000 as a result of costs associated with outsourcing the project to evaluate and test the Company's internal controls in compliance with Section 404 of the Sarbanes-Oxley Act of 2002, as well as the additional independent auditor fees to audit internal controls also required by the Sarbanes-Oxley Act of 2002, an increase in trustee fees in the amount of $180,000, an increase in computer related expenses in the amount of $49,000, an increase in discontinued project costs in the amount of $131,000, and an additional expense in the amount of $678,000 due to the consolidation of Drexel in accordance with FASB Interpretation No. 46.

Management and leasing fee income increased by $547,000 during 2004 due to income of $447,000 as a result of the consolidation of Drexel in accordance with FASB Interpretation No. 46, and an additional $100,000 as a result of the Company entering into an exclusive management and leasing agreement in conjunction with the Company's investment in a joint venture in Vestal, New York in July 2003.

Interest income and interest income from related parties decreased by $871,000 during 2004, due to a decrease of interest income from related parties in the amount of $657,000 as a result of the sale of the Boca Note on June 15, 2004, and a decrease of interest income in the amount of $228,000 as a result of scheduled repayments of mortgage notes receivable (see Note 5 to our consolidated financial statements) which are long term and require self-amortizing payments primarily through 2012.

Other income of $2.6 million in 2004 was due to a premium received in the amount of $2.2 million upon the sale of the Boca Note. The Boca Note, which had an outstanding balance of $8.2 million, was sold to Bank of America for $10.4 million on June 15, 2004. In addition other income also increased by $450,000 in 2004 due to the redemption by the issuer of stock owned by the Company (the "Stock Sale"). The book value of the investment was $50,000. The issuer paid the Company $250,000 in cash, with the balance due in equal installments on July 1, 2005 and July 1, 2006.

Interest expense decreased by $824,000 during 2004 due to a decrease in interest expense in the amount of $3.8 million as a result of a decrease in rates on the Company's variable and fixed rate debt, offset by a penalty incurred due to the early prepayment of the Collateralized Mortgage Obligation in the amount of $1.1 million, an increase in interest expense in the amount of $1.1 million as a result of the debt assumed for the purchase of three of the eight income-producing properties, additional interest expense in the amount of $662,000 due to higher debt balances, and an increase in amortization of deferred finance costs in the amount of $105,000.

Equity in income of unconsolidated affiliates increased by $367,000 primarily due the Company's 20% investment in a joint venture located in Vestal, NY in July 2003.

Loss on sale of properties of $737,000 in 2004 increased over 2003 due to the sale of a portion of the Company's shopping center in Spartanburg, South Carolina, that is not considered to be a component of an entity because the cash flows are not clearly distinguished. Therefore the income and loss on sale are included in income from continuing operations.

Income from discontinued operations was $17,000 for 2004 compared to $5 million for 2003. The 2004 amount consisted of a loss from the sale of real estate in the amount of $4,000 and income from the operations of a property sold in the amount of $22,000. 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.

Preferred share distributions increased by $2.1 million as a result of the issuance of 2.4 million shares of Series E preferred shares on December 30, 2003 and 400,000 shares of Series E preferred shares on February 27, 2004, offset by the redemption of Series D preferred shares on January 30, 2004.

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.

FUNDS FROM OPERATIONS

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

	2004	2003	2002
Income (loss) to common shareholders (1)	$ (605)	$ 16,538	$ 10,951
Depreciation and amortization of real property (including unconsolidated affiliates) (2) (3)	19,609	17,794	16,036
(Gain) loss on sale of real estate (4)	693	(1,879)	42
FFO available to common shareholders	$ 19,697	$ 32,453	$ 27,029

(1) Includes a reduction in income to common shareholders of beneficial interest of approximately $16.6 million, net of minority interest, in connection with the redemption of the Company's 9.5% Series D Cumulative Redeemable Preferred Shares of beneficial interest in accordance with Topic D-42.

(2) Net of minority interests of $1,351, $1,255, and $1,313, respectively.

(3) Depreciation related to unconsolidated affiliates of $473, $338, and $192, respectively.

(4) Net of amounts attributable to minority interests of $48, ($132) and $3, respectively.

The Company presents Funds from Operations (FFO), a non-GAAP financial measure, because it considers it an important supplemental measure of our operating performance and believes it is frequently used by securities analysts, investors and other interested parties in the evaluation of Real Estate Investment Trusts (REITs), many of which present FFO when reporting their results. FFO, as defined by the National Association of Real Estate Investment Trusts (NAREIT), an industry trade group, consists of net income available to common shareholders (computed in accordance with generally accepted accounting principles in the United States, or GAAP) before

depreciation and amortization of real estate assets, extraordinary items and gains and losses on sales of income producing real estate assets. FFO excludes GAAP depreciation and amortization of real estate assets, which reduces the book value of real estate assets ratably over time. Historically, however, real estate values have increased or decreased with market conditions. Because FFO excludes depreciation and amortization of real estate assets, gains and losses from property dispositions and extraordinary items, it provides a performance measure that, when compared year over year, reflects the impact to operations from trends in occupancy rates, rental rates, operating costs, acquisition and development activities and interest costs, providing a perspective not immediately apparent from net income. The Company uses FFO to provide this additional information and perspective. 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. Recognizing these limitations in the use of FFO as a financial measure, the Company considers FFO as only one in a group of measures, which, together, provide information about the Company's operations. 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.

LIQUIDITY AND CAPITAL RESOURCES

Consolidated Statements of Cash Flows

Unrestricted cash and cash equivalents were $8 million, $8.3 million, and $16.5 million at December 31, 2004, 2003, and 2002, respectively.

Net cash provided by operating activities, as reported in the consolidated statements of cash flows increased to $47.8 million in 2004 from $38.2 million in 2003 and increased from $38.3 million in 2002. The increase in cash flows from operating activities from 2003 to 2004 was primarily due to an increase in operating income as a result of the acquisition of eight income producing properties during 2003 and 2004. In addition, the Company experienced a decrease in accounts receivable and other assets of $3.2 million in 2004 compared to an increase of $240,000 in 2003, and a decrease in accounts payable and other liabilities of $154,000 in 2004 compared to a decrease of $544,000 in 2003.

Net cash used in investing activities amounted to $51.2 million in 2004, which increased from net cash used in investing activities of $17.2 million in 2003, and net cash used in investing activities of $14.1 million in 2002. The 2004 amounts reflect $53.2 million used in the acquisitions of three shopping centers in Worcester, Massachusetts, Harrisburg, Pennsylvania and Manchester, Connecticut. The 2004 amounts also reflect $22 million used for capital improvements and redevelopments offset by $2.1 million of collections on mortgage notes receivable, $10.4 in proceeds from the sale of one of the mortgage notes, distributions from the Company's unconsolidated affiliates in the amount of $1.5 million and $9.1 million of proceeds from the sales of a shopping center in Capitol Heights, Maryland and the sale of a portion of a shopping center in Spartanburg, South Carolina. 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.

Net cash provided by financing activities amounted to $3.1 million in 2004, compared to net cash used in financing activities of $29.2 million in 2003, and $16.9 million in 2002. The 2004 amounts consist of $77 million of net proceeds of borrowings, $10 million of proceeds from the issuance of new preferred shares of beneficial interest, and $1.5 million of proceeds from share options exercised, partially offset by $41.3 for the repurchase of preferred

shares of beneficial interest, cash distributions of $39.8 million to shareholders, cash distributions of $2.2 million to minority interests, and $2.1 million of deferred finance costs. 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 and preferred 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.

Off-Balance Sheet Financing Arrangements

The Company does not have any special purpose entities and does not engage in off-balance sheet financing arrangements.

Contractual Obligations and Commitments

At December 31, 2004, the Company's contractual obligations and commitments are as follows:

	Payments Due by Period (in millions)				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 ye
Long-Term Debt Obligations	$ 541.1	$ 13.8	$ 127.0	$ 108.3	$ 292.0
Interest on Long-Term Debt Obligations	$ 195.5	$ 31.7	$ 59.7	$ 42.0	$ 62.1

Borrowings

At December 31, 2004, the Company's ability to borrow under lines of credit is as follows:

	Commitment expiration per period (in millions)	
Total amounts available	1 year	2 to 3 years
$ 115.4	$ 3.5	$ 111.9

Borrowings consist of $456.7 million of fixed rate indebtedness, with a weighted average interest rate of 6.36% at December 31, 2004, and $84.4 million of variable rate indebtedness with a weighted average interest rate of 3.72% at December 31, 2004. 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 Bank of America (previously 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 then 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 and is secured by guarantees by the Company and those of its subsidiaries who have provided mortgages to the lenders, seventeen 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, 2004. 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. On September 30, 2004, the Company modified and extended the Credit Facility extending the maturity for two years with an option to extend for one additional year, adding the right to increase the Credit Facility amount to $200 million within 24 months of the date of the extension, and added a $20 million swingline loan feature. The Credit Facility also was amended so that 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 130 to 175 basis points based on such ratio. Interest rates may be set for one, three or six-month periods. The outstanding balance on the Credit Facility was $73.5 million as of December 31, 2004. Based on the current collateral the Company can borrow an additional $26.1 after an addition $2.7 million of outstanding letters of credit exposure as of December 31, 2004.

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 $61.5 million as of December 31, 2004. 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-four mortgage loans outstanding as of December 31, 2004 which were primarily assumed in connection with various acquisitions of certain shopping centers. These mortgage loans have maturity dates ranging from 2005 through 2028. Twenty-one of the twenty-four mortgage loans have fixed interest rates ranging from 4.72% to 9.22%. The outstanding principal balance on these mortgage loans at December 31, 2004 was approximately $191.6 million. The remaining three mortgage loans, in the aggregate amount of $10.9 million at December 31, 2004, have variable rates ranging from 4.29% to 6.50%.

On June 15, 2004, the Company entered into a $14.5 million non-revolving term loan with Bank of America that matures in June 2007. The loan is collateralized by the Recreation Notes and requires monthly principal and interest payments based upon a straight line seven year real estate amortization. The note bears an interest rate equal to the sum of the 30 day LIBOR plus 1.75%. The Company has entered into a swap agreement through December, 2006, converting the floating rate to a fixed rate of 5.15%. The outstanding balance on the loan was $13.6 million as of December 31, 2004.

On July 19, 2004, the Company established a secured line of credit in the amount of $9.6 million with Wachovia Bank, N.A. This line is secured by three shopping centers and has an interest rate payable at a rate adjusted monthly to the sum of 30 day LIBOR plus 1.75%. The line of credit matures on August 1, 2007. No amounts were outstanding at December 31, 2004 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 27, 2005. At December 31, 2004, 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 Statement") 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 of beneficial interest

("Preferred A") for $6.1 million plus costs.

On May 16, 2002, under the Shelf Registration Statement, 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 the Preferred A's, $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 Statement, 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 Statement, 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 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 had a future obligation to issue an additional 228,939 common shares of beneficial interest upon the satisfaction of certain conditions. In 2005, those conditions were satisfied and the additional shares were issued on January 27, 2005.

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.

On December 30, 2003, under the Shelf Registration Statement, the Company sold 2,400,000 of its 8.25% Series E Cumulative Redeemable Preferred Shares of beneficial interest 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 was used for general corporate purposes.

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 reflect a reduction in Income to common shareholders of beneficial interest of approximately $17.7 million. This reduction was recorded in accordance with Topic No. D-42. Under

Topic D-42, the difference between the carrying amount of the shares and the redemption price must be recorded as a reduction in income to common shareholders of beneficial interest and, therefore, impacts net income per share for the period in which the redemption is made.

On February 27, 2004 under the Shelf Registration Statement, the Company sold 400,000 of its 8.25% Series E Cumulative Redeemable Preferred Shares of beneficial interest to certain investment advisory clients of Cohen & Steers Capital Management, Inc. for net proceeds of $10 million. The Company used the $10 million for general corporate purposes.

On April 8, 2004, the Company filed a post-effective amendment to the Shelf Registration Statement. As of that date, the Company had issued common shares and preferred shares registered under the Shelf Registration Statement with an aggregate initial offering price of $131,586,500, leaving securities with an aggregate maximum initial offering price of $18,413,500 unsold under the Shelf Registration Statement (the "Remaining Amount"). The Company removed from registration the Remaining Amount of securities registered but unsold under the Shelf Registration Statement.

On April 8, 2004, the Company filed a new shelf registration statement on Form S-3 ("New Shelf Registration Statement") to register $250 million in common and preferred shares of beneficial interest, depository shares, warrants and debt securities. The New Shelf Registration Statement became effective April 21, 2004.

Acquisitions

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 $19.9 million including transaction costs. The center is anchored by a 67,000 square foot supermarket. The shopping center was acquired using cash.

On August 6, 2004, the Company completed the acquisition of a 220,000 square foot shopping center in Harrisburg, Pennsylvania for a purchase price of $17.3 million plus transaction costs. The center is anchored by a 60,000 square foot supermarket. The shopping center was funded by the assumption of $13 million in debt and the balance in cash.

On August 17, 2004, the Company completed the acquisition of a 302,000 square foot shopping center in Manchester, Connecticut for a purchase price of $28.2 million plus transaction costs. The center is anchored by a 73,000 square foot outlet marketplace. The shopping center was initially funded using cash and the property was subsequently pledged as collateral under the Credit Facility.

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 also had an obligation to issue an additional 228,939 common shares of beneficial interest upon the satisfaction of certain conditions. The liability for these shares has been accrued in accounts payable and other liabilities. In 2005, those conditions were satisfied and the additional shares were issued on January 27, 2005.

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 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 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 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. The Company sold one shopping center and a portion of another shopping center in 2004. On March 15, 2004, the Company sold an 83,000 square foot shopping center in Capitol Heights, Maryland. The sale price of the shopping center was $7 million with net proceeds of approximately $1.2 million after the repayment debt of $5.2 million. The Company recognized a loss of approximately $4,000.

On August 6, 2004 the Company sold a portion of its shopping center in Spartanburg, South Carolina. The 11 acre parcel was sold for $3.5 million and the Company recognized a loss of approximately $737,000 as a result.

TRANSACTIONS WITH RELATED PARTIES

Included in Mortgage Notes Receivable at December 31, 2003, is a note due from Mr. Irwin Levy, in the amount of $8.5 million. The note was issued prior to the prohibitions on related party loans as stated in the Sarbanes-Oxley Act of 2002. On June 15, 2004 the note was sold to Bank of America for $10.4 million. The Company recognized $508,000 in interest income during 2004 and $2.2 million in other income due to a premium received on the sale of the note.

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 two properties in which Mr. Meshon has ownership interests. These properties paid Drexel $288,100 for management and leasing services during 2004.

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. Since June 1, 2004, Glenville has been on a month-to-month lease. Glenville paid the Company approximately $67,300 for payment of rent, electric and other operating expenses in 2004.

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. Upon acquisition of properties, we estimate the fair value of the land, building and improvements and identify intangible assets and liabilities and assumed debt in accordance with Statement of Financial Accounting Standards No. 141, Business Combinations ("SFAS 141"). Based on these estimates, we allocate the purchase price to the applicable assets and liabilities.

In order to estimate the fair value of acquired assets and liabilities, we use methods similar to those used by independent appraisers. The Company also considers information gathered about each property during the pre-acquisition due diligence in estimating the fair value of the tangible and intangible assets acquired. The fair value of

the tangible assets of an acquired property considers the value of the property as "if-vacant". The "if-vacant" fair value of tangible assets are allocated to land, building, and tenant improvements, where applicable, based on relevant information obtained in connection with the acquisition of the property.

In allocating the purchase price to identified intangible assets and liabilities, the fair value of debt is estimated by using the Company's current borrowing rate as compared to the contractual rate of the debt assumed. The difference between the contractual amounts to be paid and the amounts estimated to be due using the Company's current borrowing rates measured over a period equal to the remaining term of the debt is recorded as a premium or discount on the debt. The premium or discount is amortized to interest expense over the remaining term of the debt assumed. The value of above-market and below-market leases is estimated based on the present value of the difference between the contractual amounts to be paid pursuant to the in-place leases and the Company's estimate of the market lease rates measured over a period equal to the estimated remaining term of the lease. The capitalized value of the above or below-market lease values is amortized to rental income over the estimated remaining term of the respective leases.

The value of "at market" leases is estimated based on the value connected with the costs avoided in originating leases and includes rent lost during the lease-up period, leasing commissions to procure tenants with leases comparable to the current leases in place, and landlord costs that are not reimbursed by tenants during the downtime period. The capitalized value of the "at market" leases is amortized as real estate amortization over the estimated weighted-average remaining lease lives of each property.

Depreciation and amortization of tangible assets are provided on the straight-line method over the estimated useful lives of the assets. Buildings are depreciated over 40 years which is the expected useful life of a building, building and leasehold improvements are depreciated or amortized over the term of the tenant leases or useful life of the improvement, whichever is shorter, and land improvements are depreciated over the useful life of the asset. Expenditures for maintenance and repairs are charged to operations as incurred. Significant renovations and replacements, which improve and extend the life of the asset, are capitalized. The useful lives of amortizable intangible assets are evaluated each reporting period with any changes in estimated useful lives being accounted for over the revised remaining useful life.

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 December 2004, the FASB issued SFAS 123R, "Share-Based Payment," which is a revision of SFAS 123 "Accounting for Stock-Based Compensation" and supersedes APB Opinion 25, "Accounting for Stock Issued to Employees." SFAS 123R focuses primarily on share-based payments for employee services, requiring these payments to be recorded using a fair-value-based method. The use of APB 25's intrinsic value method of accounting for employee stock options has been eliminated. SFAS 123R is effective for periods ending after June 15, 2005. As a result, the fair value of stock options granted to employees in the future will be required to be expensed. The Company believes that the adoption of FASB 123R will not have a material impact on the Company's financial position.

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 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 $541.1 million of debt outstanding as of December 31, 2004, of which $456.7 million, or 84.4%, has been borrowed at fixed rates ranging from 4.72% to 9.22% with maturities through 2018. 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, 2004, a 100 basis point increase in interest rates would result in an additional $834,000 in interest incurred per year and a 100 basis point decline would lower interest incurred by $834,000 per year. To ameliorate

the risk of interest rate increases, the Company has entered into an interest rate swap agreement in the notional amount of $14.5 million. A 100 basis point increase in interest rates would result in a $24 million decrease in the fair value of the fixed rate debt and a 100 basis point decline would result in a $25.4 million increase in the fair value.

The Company also has $20.7 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 an $812,000 decrease in the fair value of the mortgage notes receivable and a 100 basis point decline would result in an $850,000 increase in the fair value.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

TABLE OF CONTENTS TO CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Certified Public Accountants

Consolidated Financial Statements:

- Balance Sheets - December 31, 2004 and 2003
- Statements of Income - Years Ended December 31, 2004, 2003, and 2002
- Statements of Other Comprehensive Income - Years Ended December 31, 2004, 2003, and 2002
- Statements of Beneficiaries' Equity - Years Ended December 31, 2004, 2003 and 2002
- Statements of Cash Flows - Years Ended December 31, 2004, 2003 and 2002
- Notes to Consolidated Financial Statements

Consolidated Financial Statements Schedules:

- Schedule III - Real Estate and Accumulated Depreciation
- Schedule IV - Mortgage Loans on Real Estate

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 REGISTERED PUBLIC ACCOUNTING FIRM

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, 2004 and 2003 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, 2004. 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 the auditing standards of the Public Company Accounting Oversight Board (United States). 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, 2004 and 2003, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2004, 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, 2004, Kramont Realty Trust and subsidiaries adopted the provisions of Statement of Financial Accounting Standards Interpretation 46(R), Consolidation of Variable Interest Entities.

BDO SEIDMAN, LLP
Philadelphia, Pennsylvania
February 11, 2005

29

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

	December 31	
	2004	
ASSETS		
Real estate - income-producing, net of accumulated depreciation	$ 790,087	$
Properties held for sale	-	
Mortgage notes receivable	20,741	
Mortgage note receivable - related party	-	
Investments in unconsolidated affiliates	9,145	
Cash and cash equivalents (includes $0 and $903 restricted)	8,022	
Other assets	29,773	
Total assets	$ 857,768	$
LIABILITIES AND BENEFICIARIES' EQUITY		
LIABILITIES:		
Mortgages and notes payable	$ 541,074	$
Accounts payable and other liabilities	18,693	
Distributions payable	10,408	
Total liabilities	570,175	
Minority interests in Operating Partnerships	16,602	

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, 2004 and 2003	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, 2004 and 2003	11
Redeemable preferred shares of beneficial interest, Series D, $0.01 par value; authorized 2,070,000 shares; issued 0 and 1,800,000 shares as of December 31, 2004 and 2003	-
Redeemable preferred shares of beneficial interest, Series E, $0.01 par value; authorized and issued 2,800,000 shares; outstanding, 2,800,000 and 2,400,000 as of December 31, 2004 and 2003, respectively	28
Common shares of beneficial interest, $0.01 par value; authorized 94,283,845 shares; outstanding, 24,204,579 and 24,054,925 as of December 31, 2004 and 2003, respectively	242
Additional paid-in capital	294,598
Retained earnings (deficit)	(17,392)
Accumulated other comprehensive loss	(25)
Treasury stock, cumulative preferred shares of beneficial interest Series A-1 11,155 shares as of December 31, 2004 and 2003, at cost	(6,070)
Treasury stock, Redeemable preferred shares of beneficial interest Series D, 146,800 shares as of December 31, 2003, at cost	-
	271,393
Unearned compensation on restricted shares of beneficial interest	(402)
Total beneficiaries' equity	270,991
Total liabilities and beneficiaries' equity	$ 857,768

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 December 31,	
	2004	2003
Revenues:		
Rent	$ 116,131	$ 108,527
Other property income	2,138	-
	118,269	108,527
Expenses:		
Operating	35,771	33,897
Depreciation and amortization	20,675	18,606
General and administrative	10,389	8,589
	66,835	61,092

Operating income	51,434	47,435
Management and leasing fees	619	72
Interest income	2,962	3,176
Interest income from related parties	508	1,165
Other income	2,648	-
Interest expense	(32,688)	(33,512)
Equity in income of unconsolidated affiliates	1,152	785
Gain (loss) on sale of properties	(737)	-
Minority interests in income of Operating Partnerships	33	(797)
Income from continuing operations	25,931	18,324
Results from discontinued operations:		
Income from operations of properties sold or held for sale	22	1,066
Gain (loss) on sale of properties	(4)	4,347
Minority interests in discontinued operations	(1)	(388)
Income from discontinued operations	17	5,025
Net income	25,948	23,349
Preferred share distributions	(8,862)	(6,811)
Charge for redemption of preferred shares	(17,691)	-
Income (loss) to common shareholders	$ (605)	$ 16,538
Per common share:		
Income (loss) from continuing operations, basic	$ (.03)	$ .48
Income (loss) from discontinued operations, basic	$ -	$ .22
Total net income (loss) per share, basic	$ (.03)	$ .70
Income (loss) from continuing operations, diluted	$ (.03)	$ .48
Income (loss) from discontinued operations, diluted	$ -	$ .21
Total net income (loss) per share, diluted	$ (.03)	$ .69
Dividends declared	$ 1.30	$ 1.30
Average common shares outstanding:		
Basic	24,123,245	23,757,692
Diluted	24,123,245	23,811,799

CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME
(dollars in thousands)

	Years Ended December 31,	
	2004	2003

Net income	$ 25,948	$ 23,349	$
Change in fair value of cash flow hedges	(218)	(131)	
Reclassification adjustment for hedge losses included in net income	670	1,267	
Comprehensive income	$ 26,400	$ 24,485	$

See accompanying notes to consolidated financial statements.

31

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

	Common Shares of Beneficial Interest	Par Value	Preferred Shares of Beneficial Interest	Preferred Shares of Beneficial Interest Par Value
BALANCE, JANUARY 1, 2002	18,872	$ 189	2,994	$ 30
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	30
Net Income	-	-	-	-
Issuance of Common Shares	851	9	-	-
Issuance of Common Shares - options exercised	96	1	-	-
Issuance of Series E Preferred Shares			2,400	24
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	54
Net Income	-	-	-	-
Issuance of Common Shares - options exercised	112	1	-	-
Repurchase of Series D Preferred Shares	-	-	(1,800)	(18)
Issuance of Series E Preferred Shares	-	-	400	4
Amortization of unearned compensation	-	-	-	-
Restricted stock awards	38	-	-	-
Net loss in fair value of cash flow hedges	-	-	-	-
Distributions on Common Shares	-	-	-	-
Distributions on Preferred Shares	-	-	-	-
BALANCE, DECEMBER 31, 2004	24,205	$ 242	3,994	$ 40

	Accumulated Other Comprehensive Income	Treasury Stock	Compensation on Restricted Shares of Beneficial Interest
BALANCE, JANUARY 1, 2002	$ (1,214)	$ (2,349)	$ (760)
Net Income	-	-	-
Issuance of Common Shares	-	-	-
Issuance of Common Shares - options exercised	-	-	-
Repurchase of Series A Preferred Shares	-	(6,070)	
Amortization of unearned compensation	-	-	614
Restricted stock awards	-	-	(590)
Net loss in fair value of cash flow hedges	(399)	-	-
Distributions on Common Shares	-	-	-
Distributions on Preferred Shares	-	-	-
BALANCE, DECEMBER 31, 2002	(1,613)	(8,419)	(736)
Net Income	-	-	-
Issuance of Common Shares	-	-	-
Issuance of Common Shares - options exercised	-	-	-

Issuance of Series E Preferred Shares	-	-	-
Amortization of unearned compensation	-	-	691
Restricted stock awards	-	-	(528)
Net loss in fair value of cash flow hedges	1,136	-	-
Distributions on Common Shares	-	-	-
Distributions on Preferred Shares	-	-	-
BALANCE, DECEMBER 31, 2003	(477)	(8,419)	(573)
Net Income	-	-	-
Issuance of Common Shares - options exercised	-	-	-
Repurchase of Series D Preferred Shares	-	2,349	-
Issuance of Series E Preferred Shares	-	-	-
Amortization of unearned compensation	-	-	779
Restricted stock awards	-	-	(608)
Net loss in fair value of cash flow hedges	452	-	-
Distributions on Common Shares	-	-	-
Distributions on Preferred Shares	-	-	-
BALANCE, DECEMBER 31, 2004	$ (25)	$ (6,070)	$ (402)

See accompanying notes to consolidated financial statements.

32

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

	Years Ended	
	2004	2
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 25,948	$
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	20,707	
Premium received from sale of mortgage note receivable	(2,198)	
Amortization of unearned compensation on restricted shares of beneficial interest	682	
Restricted share awards	97	
Equity in income of unconsolidated affiliates	(1,152)	
Minority interests in income of Operating Partnership	(33)	
Loss (Gain) on sale of assets	741	
Changes in assets and liabilities:		

(Increase) decrease in receivables, accrued income, prepaid expenses and other assets	3,183	
Increase (decrease) in accounts payable and other liabilities	(154)	
Net cash provided by operating activities	47,821	
CASH FLOWS FROM INVESTING ACTIVITIES:		
Collections on mortgage notes receivable	1,849	
Collections on mortgage notes receivable - related party	256	
Proceeds from sales of mortgage note	10,422	
Acquisition of real estate - income producing	(53,206)	(
Capital improvements including development costs	(22,019)	(
Net proceeds from sale of real estate	9,085	
Change in restricted cash	903	
Distributions from unconsolidated affiliates	1,536	
Investment in unconsolidated affiliates	(10)	
Other	(1)	
Net cash used in investing activities	(51,185)	(
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings, net of fair market premium	76,681	1
Repayments of borrowings	(71,213)	(2
Net proceeds (repayments) from line of credit	71,512	(
Cash distributions paid on common shares	(31,330)	(
Cash distributions paid on preferred shares	(8,495)	
Proceeds from issuance of common shares of beneficial interest	-	
Proceeds from issuance of preferred shares of beneficial interest	10,017	
Cash received from stock options exercised	1,523	
Distributions to minority interests	(2,164)	
Purchase of preferred shares	(41,330)	
Deferred financing costs	(2,108)	
Net cash provided by (used in) financing activities	3,093	(
Net (decrease) increase in unrestricted cash and cash equivalents	(271)	
Unrestricted cash and cash equivalents at the beginning of the year	8,293	
Unrestricted cash and cash equivalents at the end of the year	$ 8,022	$
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 33,440	$
Acquisitions:		
Fair value of assets acquired	$ (66,230)	$ (
Liabilities assumed	13,024	
Operating Partnership units issued	-	
Common shares of beneficial interest issued	-	
Cash (paid) for acquisitions, net of cash acquired	$ (53,206)	$ (
Supplemental disclosure of non-cash transactions		
Restricted shares awarded	$ 608	$
Common shares issued for acquisitions	$ -	$

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, 2004, Kramont owned 93.6% of Kramont OP and is its sole general partner. As of December 31, 2004, 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, 2004, the OPs owned and operated eighty-three shopping centers and two office buildings, managed three shopping centers for third parties and four shopping centers in connection with a joint venture, located in 16 states aggregating approximately 12.5 million leasable square feet.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company. The 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 interest expense in the 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. If the hedged item were terminated, the amount recorded in other comprehensive income (loss) would be reclassified to the results of operations.

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 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, 2004, 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 which matured in March and May of 2004. On June 15, 2004, Kramont entered into an interest rate contract to pay a fixed rate of interest at 5.15% and receive a variable rate of interest based on LIBOR on $14.5 million notional amount of indebtedness with a maturity date of December 2006. This hedge is highly effective and there is no ineffective portion. The aggregate fair market value of all interest rate swap agreements was ($25,000) and ($477,000) on December 31, 2004 and 2003, respectively, and is included in accounts payable and other liabilities on the consolidated balance sheet. Approximately $16,000 is expected to be reclassified to the statement of income during the next twelve months.

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. Upon acquisition of properties, we estimate the fair value of the land, building and improvements and identify intangible assets and liabilities and assumed debt in accordance with Statement of Financial Accounting Standards No. 141, Business Combinations ("SFAS 141"). Based on these estimates, we allocate the purchase price to the applicable assets and liabilities.

In order to estimate the fair value of acquired assets and liabilities, we use

methods similar to those used by independent appraisers. The Company also considers information gathered about each property during the pre-acquisition due diligence in estimating the fair value of the tangible and intangible assets acquired. The fair value of the tangible assets of an acquired property considers the value of the property as "if-vacant". The "if-vacant" fair value of tangible assets are allocated to land, building, and tenant improvements, where applicable, based on relevant information obtained in connection with the acquisition of the property.

In allocating the purchase price to identified intangible assets and liabilities, the fair value of debt is estimated by using the Company's current borrowing rate as compared to the contractual rate of the debt assumed. The difference between the contractual amounts to be paid and the amounts estimated to be due using the Company's current borrowing rates measured over a period equal to the remaining term of the debt is recorded as a premium or discount on the debt. The premium or discount is amortized to interest expense over the remaining term of the debt assumed.

The value of above-market and below-market leases is estimated based on the present value of the difference between the contractual amounts to be paid pursuant to the in-place leases and the Company's estimate of the market lease rates measured over a period equal to the estimated remaining term of the lease. The capitalized value of the above or below-market lease values is amortized to rental income over the estimated remaining term of the respective leases.

The value of "at market" leases is estimated based on the value connected with the costs avoided in originating leases and includes rent lost during the lease-up period, leasing commissions to procure tenants with leases comparable to the current leases in place, and landlord costs that are not reimbursed by tenants during the downtime period. The capitalized value of the "at market" leases is amortized as real estate amortization over the estimated weighted-average remaining lease lives of each property.

Depreciation and amortization of tangible assets are provided on the straight-line method over the estimated useful lives of the assets. Buildings are depreciated over 40 years which is the expected useful life of a building, building and leasehold improvements are depreciated or amortized over the term of the tenant leases or useful life of the improvement, whichever is shorter, and land improvements are depreciated over the useful life of the asset. Expenditures for maintenance and repairs are charged to operations as incurred. Significant renovations and replacements, which improve and extend the life of the asset, are capitalized. The useful lives of amortizable intangible assets are evaluated each reporting period with any changes in estimated useful lives being accounted for over the revised remaining useful life.

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. Gains, if any, are recognized in discontinued operations but only to the extent of previous cumulative losses for write-downs to fair value, less costs to sell already recognized. 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.

There were no properties held for sale at December 31, 2004. 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 has not adopted 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; and dividend yield of 8.70%, volatility at 30%, risk free interest rate of 4.53% for 2002. There were no stock options issued in 2004.

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 2004
Income (loss) to common shareholders	
Income (loss), as reported	$ (605)
Stock-based employee/trustee compensation expense included in reported income	779
Fair value of stock options and restricted stock awards	(793)
Pro forma	$ (619)
Income (loss) per common share, basic:	
As reported	$ (.03)
Pro forma	$ (.03)
Income (loss) per common share, diluted:	
As reported	$ (.03)
Pro forma	$ (.03)

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, 2004, 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 December 2004, the FASB issued SFAS 123R, "Share-Based Payment," which is a revision of SFAS 123 "Accounting for Stock-Based Compensation" and supersedes APB Opinion 25, "Accounting for Stock Issued to Employees." SFAS 123R focuses primarily on share-based payments for employee services, requiring these payments to be recorded using a fair-value-based method. The use of APB 25's intrinsic value method of accounting for employee stock options has been eliminated. SFAS 123R is effective for periods ending after June 15, 2005. As a result, the fair value of stock options granted to employees in the future will be required to be expensed. The Company believes that the adoption of FASB 123R will not have a material impact on the Company's financial position.

(2) REAL ESTATE

(a) Real Estate is located in 16 states and consists of (in thousands):

	December 31, 2004	December 31, 2003
Income-producing:		
Land	$ 146,942	$ 134,928
Shopping centers	721,780	648,183
Office buildings	5,973	6,873
Total	874,695	789,984
Less accumulated depreciation	(84,608)	(65,316)
Real Estate - income-producing, net	$ 790,087	$ 724,668

Properties held for sale:		
Land	$ -	$ 1,371
Shopping centers	-	4,900
Undeveloped land	-	-
Properties held for sale	$ -	$ 6,271

(b) Real Estate is leased to tenants under leases expiring at various dates through 2034, some of which contain renewal options of up to 55 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.

38

During 2004, 2003, and 2002, the Company recognized income from reimbursements of common area maintenance, insurance, real estate taxes and percentage rent of $26.2 million, $25.5 million, and $23.5 million, respectively. As of December 31, 2004, 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)	
2005	$ 89,173
2006	82,188
2007	70,239
2008	60,116
2009	50,392
Thereafter	216,712
Total	$ 568,820

(c) Real Estate with a net book value of $717.2 million, at December 31, 2004, 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.

- 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 $19.9 million including transaction costs. The center is anchored by a 67,000 square foot supermarket. The shopping center was funded using cash. In accordance with SFAS 141, the Company recorded an intangible asset in the amount of $275,000 for "at market" leases and an intangible liability in the amount of $2.3 million for below market leases.

- On August 6, 2004, the Company completed the acquisition of a 220,000 square foot shopping center in Harrisburg, Pennsylvania for a purchase price of $17.3 million plus transaction costs. The center

is anchored by a 60,000 square foot supermarket. The shopping center was funded by the assumption of $13 million in debt and the balance in cash. In accordance with SFAS 141, the Company recorded an intangible asset in the amount of $483,000 for "at market" leases.

- On August 17, 2004, the Company completed the acquisition of a 302,000 square foot shopping center in Manchester, Connecticut for a purchase price of $28.2 million plus transaction costs. The center is anchored by a 73,000 outlet marketplace. The shopping center was initially funded using cash and the property was subsequently pledged as collateral under the Credit Facility. In accordance with SFAS 141, the Company recorded intangible assets in the amount of $748,000 for "above market" rents and $589,000 for "at market" leases.

- 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 also had an 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. In 2005 those conditions were satisfied and the additional shares were issued on January 27, 2005.

- 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 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. In accordance with SFAS 141, the Company recorded a premium on the assumed debt in the amount of $1.8 million for an "above market" interest rate.

- 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 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 debt. In accordance with SFAS 141, the Company recorded a premium on the assumed debt in the amount of $588,000 for an "above market" interest rate.

- 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.

(d) Dispositions:

- On March 15, 2004, the Company sold an 83,000 square foot shopping center in Capitol Heights, Maryland. The sale price of the shopping center was $7 million with net proceeds of approximately $1.2 million after the repayment of debt in the amount of $5.2 million. The Company recognized a loss of approximately $4,000.

- On August 6, 2004 the Company sold a portion of its shopping center in Spartanburg, South Carolina. The 11 acre parcel was sold for $3.5 million with net proceeds of approximately $2.7 million and the Company recorded a loss of approximately $737,000 as a result. The portion of the property sold is not considered a component of an entity because the cash flows are not clearly distinguished, and therefore the income and loss are included in income from continuing operations.

- 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.

(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 Blackrock Realty, Inc (formerly SSR Realty Advisors). The Company administers 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 were purchased by the joint venture for $69.7 million plus transaction costs. The Company's equity contribution to the joint venture was approximately $6 million including transaction costs.

(3) MORTGAGE NOTES RECEIVABLE

At December 31, 2004, the Company's mortgage notes receivable consisted of $20.7 million. On June 15, 2004, a mortgage note in the amount of $8.2 million due from H. Irwin Levy, a trustee, was sold to Bank of America for $10.4 million. In this transaction, the Company recognized $2.2 million in other income as a result of the premium received on the note. The remaining notes (collectively the "Recreation Notes") are secured by first mortgages on the recreation facilities at two Century Village adult condominium communities in southeast Florida. Two of the three notes provide for self-amortizing equal monthly principal and interest payments in the aggregate amount of $4.4 million per annum, through January 2012, and bear interest at annual rates ranging from 13.25% to 13.5%. The third note provides for self-amortizing equal monthly payments of principal and interest in the aggregate amount of $418,000 per annum through January 1, 2007 and bears interest at 8.84%. The notes are pledged as collateral for certain borrowings. The notes that mature in January 2012 are prepayable in 2007.

The mortgage notes receivable at December 31, 2004, mature as follows (in thousands):

One year or less	$ 2,091
After one year through five years	12,220
After five years	6,430
Totals	$ 20,741

(4) BORROWINGS

Borrowings consist of (in thousands):

	December 2004
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)	$ 190,0

Mortgage notes, net of unamortized premium of $2 million and $2.3 million for 2004 and 2003, respectively, payable through May 2028, interest ranging from 4.29% to 9.22% per annum,collateralized by mortgages on twenty-four shopping centers (see Note 2)	202,4

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)	61,4
Mortgage note, payable through June 2007, interest fixed at 5.15% per annum through December 2006, collateralized by the recreation notes (see Note 5)	13,6
Line of credit payable through December 2007, interest at borrowers election of prime plus .25% or one, three or six month LIBOR plus a minimum of 1.35% to a maximum of 1.75% (3.61% at December 31, 2004), collateralized by mortgages on eighteen shopping centers (see Notes 2 and 4c)	73,5
Collateralized Mortgage Obligations, net of unamortized discount of $102,000 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	
Totals	$ 541,0

(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. 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 Bank of America (previously 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. 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 and is secured by guarantees by the Company and those of its subsidiaries who have provided mortgages to the lenders, seventeen 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, 2004. 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. On September 30, 2004, the Company modified and extended the Credit Facility extending the maturity for two years with an option to extend for one additional year, adding the right to increase the Credit Facility amount to $200 million within 24 months after the date of the extension, and added a $20 million swingline loan feature. The Credit Facility also was amended so that 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 130 to 175 basis points based on such ratio. Interest rates may be set for one, three or six-month periods. The outstanding balance on the Credit Facility was $73.5 million as of December 31, 2004. Based on the current collateral the Company can borrow an additional $27.6 million as of December 31, 2004.

42

(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,	
2005	$ 13,828
2006	31,302
2007	95,644
2008	90,568
2009	17,721
Thereafter	292,011
Total	$ 541,074

(f) In June 2004 the Company entered into an interest rate swap contract with a notional amount of $14.5 million, which expires in December 2006. The interest rate swap has an effective interest rate of 5.15% on $14.5 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. On June 15, 2004, the Company sold the mortgage note which had an outstanding balance of $8.2 million to Bank of America for $10.4 million, recognizing the premium received in the amount of $2.2 million. During each of 2004, 2003, and 2002, the Company recognized $508,000, $1.2 million, and $1.2 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 $20.7 million at December 31, 2004. During 2003 and 2002, 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 and $55,000, respectively, for payment of rent, utilities and operating expenses. On September 2, 2003, the office building containing the leased space was sold.

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

43

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 2004, 2003, and 2002 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 2004, 2003, and 2002, the owners of these properties paid Drexel $288,100, $259,300, and $279,500, respectively, for management and leasing services.

Under the Proposed Merger, prior to the effective time of the merger, in exchange for certain interests in (i) Drexel, held by Louis P. Meshon, Sr., and his spouse, and (ii) CV Partner Holdings, L.P., a subsidiary of Kramont, held by Mr. Meshon, Mr. Meshon will receive certain rights held by Royce Realty, Inc., a wholly owned subsidiary of Drexel, to use of the assumed name (doing business as) "Montgomery Realty Company" in New Jersey and Pennsylvania, and Kramont will enter into an agreement of indemnity in favor of Mr. Meshon relating to certain mortgage and environmental guarantees of Mr. Meshon with respect to Mount Carmel Plaza Associates, L.P., a subsidiary of Kramont.

Milton S. Schneider ("Mr. Schneider")

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. Since June 1, 2004, Glenville has been on a month-to-month lease. During 2004, 2003, and 2002 The Glenville Group paid the Company approximately $67,300, $57,900, and $58,100, 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, 2004		
	Carrying Amount	Fair Value	Carryi Amoun
Real estate mortgage notes receivable	$ 20,741	$ 26,007	$ 31,

Cash and cash equivalents	8,022	8,022	9
Borrowings	(541,074)	(543,598)	(451
Interest rate swaps	(25)	(25)	

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 Statement") 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 April 8, 2004, the Company filed a post-effective amendment to the Shelf Registration Statement. As of that date, the Company had issued common shares and preferred shares registered under the Shelf Registration Statement with an aggregate initial offering price of $131,586,500, leaving securities with an aggregate maximum initial offering price of $18,413,500 unsold under the Shelf Registration Statement (the "Remaining Amount"). The Company removed from registration the Remaining Amount of securities registered but unsold under the Shelf Registration Statement.

On April 8, 2004, the Company filed a new shelf registration statement on Form S-3 ("New Shelf Registration Statement") to register $250 million in common and preferred shares of beneficial interest, depository shares, warrants and debt securities. The New Shelf Registration Statement became effective April 21, 2004.

Common Shares of Beneficial Interest

On May 16, 2002, under the Shelf Registration Statement, 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 Increasing Rate Cumulative Convertible Preferred Shares of beneficial interest ("Preferred A"), $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 Statement, 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 Statement, 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. In 2005, those conditions were satisfied and the additional shares were issued on January 27, 2005.

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

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 of beneficial interest 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 Preferred B's are less than $3 million.

On May 15, 2002, the Company purchased all 11,155 Preferred A for $6.1 million, including costs. The purchase was recorded using the cost method. The Preferred As, with a face amount of $1,000 per share, had a distribution rate of 6.50% of the redemption price during 2001 and thereafter.

On December 30, 2003, under the Shelf Registration Statement, the Company issued 2,400,000 shares of Series E Cumulative Redeemable 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 ("Preferred D"), and the remainder of the proceeds were used for general corporate purposes.

On January 30, 2004, the Company redeemed all of its outstanding Preferred D shares for $25.00 per share plus accrued and unpaid distributions though January 30, 2004 of $0.066 per share. The total outstanding shares redeemed were 1,653,200 with a par value of $.01 per share. At that time, the Company retired all 1,800,000 shares of Preferred D shares originally issued. In connection with the redemption of the Series D preferred shares, the Company's first quarter 2004 results reflect a non-recurring reduction in income to common shareholders of beneficial interest of approximately $17.7 million. This reduction was recorded in accordance with the July 31, 2003 Securities and Exchange Commission interpretation of FASB-EITF Abstract Topic No. D-42, "The Effect on the Calculation of Earnings per Share for the Redemption or Induced Conversion of Preferred Stock" ("Topic D-42"). Under Topic D-42, the difference between the carrying amount of the shares and the redemption price must be recorded as a reduction in income to shareholders of beneficial interest and, therefore, impacts net income per share for the period in which the redemption is made.

On February 27, 2004 under the Shelf Registration Statement, the Company sold 400,000 of its Preferred E shares to certain investment advisory clients of Cohen & Steers Capital Management, Inc. for net proceeds of $10 million. Shares were priced at $25.50 and the purchasers paid accrued dividends of $.3306 per share. There were no placement or underwriting fees associated with the transaction. The Company used the $10 million for general corporate purposes.

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, 2004, there were 1,666,152 outstanding OP Units in the OPs.

Subsequent Events

As mentioned above, in connection with an acquisition of a property in New Jersey on April 3, 2003, the Company had a future obligation to issue 228,939 common shares of beneficial interest upon the satisfaction of certain conditions. In 2005, those conditions were met and the additional shares were issued on January 27, 2005.

Stock Options

The Company maintains stock option plans for the granting of options to certain executives, employees and non-employee trustees. Under these plans, qualified and nonqualified stock options to purchase up to 2,700,000 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:

	Shares	Wei Av Exe Pri S
Stock options outstanding at January 1, 2002	1,070,200	$
2002:		
Granted - equal to market value	111,500	$
Exercised:	(54,800)	$
Expired:	(664,150)	$
	462,750	
2003:		
Granted - equal to market value	25,000	$
Exercised:	(96,222)	$
Expired:	(2,000)	$
	389,528	
2004:		
Granted - equal to market value	-	
Exercised:	(111,683)	
Expired:	(4,000)	

Stock options outstanding at December 31, 2004:	273,845

Total stock options available for future grants are 1,863,287 as of December 31, 2004.

The following table summarizes information about stock options outstanding at December 31, 2004:

	Options Outstanding			
Range of Exercise Prices ($)	Number of Options Outstanding at 12/31/04	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price ($)	Num Exercis 12/3
$ 10.16 - 10.16	8,500	5.50 years	$ 10.16	4
$ 12.50 - 17.13	254,845	5.11 years	$ 14.52	246
$ 19.06 - 19.19	10,500	3.21 years	$ 19.10	10

$ 10.16 - 19-19	273,845	5.05 years	$ 14.56	261

At December 31, 2003 and 2002, 364,061 and 423,050 options were exercisable at average exercise prices of $14.48 and $14.23, respectively.

Restricted Shares

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 vested equally on March 31, 2003, and on March 31, 2004. 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 vested equally on July 1, 2003, and on July 1, 2004. 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, another one-third vested on July 1, 2004, and the final one-third will vest on July 1, 2005, if the executive is an employee of the Company on that date. On September 30, 2004, 498 restricted shares from the 2003 award were forfeited when an employee resigned from his position with the Company. On June 25, 2004 the Company awarded to the non-executive members of the Board of Trustees 6,000 restricted shares of beneficial interest at the then current market price per Common Share of $16.17 for a total value of $97,020, with such shares vesting immediately. On July 1, 2004, the Company awarded to certain executives and employees 31,469 restricted shares of beneficial interest at the then current market price per Common Share of $15.97 for a total value of

$502,560. One-third of the restricted common shares vested immediately. The remaining two-thirds will vest equally on July 1, 2005, and on July 1, 2006, if the executive is an employee of the Company on the respective dates. On August 22, 2004 the Company awarded an executive 1,000 restricted shares of beneficial interest at the then current market price per Common Share of $16.99 for a total value of $16,990. One-third of the restricted common shares vested immediately. The remaining two-thirds will vest equally on July 1, 2005, and on July 1, 2006, 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 earnings per share was determined by dividing the applicable net income to common shareholders for the year by the weighted average number of Common Shares outstanding during each year consistent with SFAS No. 128. Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue Common Shares were exercised or converted into Common Shares or resulted in the issuance of Common Shares that then shared in the earnings of the Company. The following table sets forth the computation of basic and diluted earnings per share from continuing operations for the periods indicated.

For years ended December 31:	2004
Numerator	
Income from continuing operations	$ 25,931
Preferred share distributions	(8,862)
Charge for redemption of preferred shares	(17,691)
Income from continuing operations-basic earnings per share	(622)
Effect of assumed conversion of employee stock options	-
Income from continuing operations-diluted earnings per share	(622)

Denominator			
Weighted average shares - basic earnings per share	24,123,245	23,757,692	20,380,949
Effect of assumed conversion of employee stock options	-	54,107	20,146
Weighted average shares -diluted earnings per share	24,123,245	23,811,799	20,401,095
Basic earnings per share from continuing operations	(.03)	.48	.49
Diluted earnings per share from continuing operations	(.03)	.48	.49

The Preferred B shares, OP Units and 273,845, 44,500, and 197,583 stock options have been excluded in 2004, 2003, and 2002, 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's contributions to these plans were $148,106, $163,400, and $151,000 for the years ended December 31, 2004, 2003, and 2002, respectively.

(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	December 31
2004:				
Revenues	$ 29,076	$ 29,049	$ 29,817	$ 30,327
Income from continuing operations	6,727	7,511	6,098	5,595
Income (loss) from discontinued operations	17	-	-	-
Net income	6,744	7,511	6,098	5,595
Income (loss) to common shareholders	(13,317)	5,346	3,933	3,433
Per common share, basic and diluted	(.55)	.22	.16	.14
2003:				
Revenues	$ 26,986	$ 25,977	$ 27,564	$ 28,000
Income from continuing operations	3,878	3,962	5,480	5,004
Income from discontinued operations	1,627	684	1,900	814
Net income	5,505	4,646	7,380	5,818
Income to common shareholders	3,803	2,943	5,677	4,115
Per common share, basic and diluted	.16	.12	.24	.17
2002:				
Revenues	$ 24,866	$ 25,378	$ 25,276	$ 26,870
Income from continuing operations	4,171	4,613	4,175	4,074
Income (loss) from discontinued operations	427	(68)	226	416
Net income	4,598	4,545	4,401	4,490
Income to common shareholders	2,714	2,752	2,698	2,787
Per common share, basic and diluted	.14	.14	.13	.13

(12) PROPOSED MERGER

On December 19, 2004, the Company entered into an Agreement and Plan of Merger providing for the merger of the Company into an affiliate of Melbourne, Australia-based Centro Properties Limited (ASX:CNP), and for the merger of other affiliates of Centro into Kramont Operating Partnership, L.P. and Montgomery CV Realty L.P. On January 27, 2005, the parties amended the Agreement and Plan of Merger. A special meeting of our shareholders will be held April 14, 2005 to consider and vote on the proposed merger. If approved, the companies anticipate completing the merger as soon as practicable.

KRAMONT REALTY TRUST AND SUBSIDIARIES
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION

DECEMBER 31, 2004
(IN THOUSANDS)

DESCRIPTION	ENCUMBRANCES	INITIAL COST TO COMPANY	COSTS CAPITALIZED SUBSEQUENT TO ACQUISITION	GRO AT WH DE
SHOPPING CENTERS				
PENNSYLVANIA				
555 Scott Street Center	$ -	$ 736	-	
550 West Germantown Pike (3)	-	1,079	30	
69th Street Plaza	-	3,620	236	
Barn Plaza	18,200	22,918	7,485	
Bensalem Square	4,900	6,207	165	
Bethlehem Square	19,300	28,014	332	
Bradford Mall	-	3,825	1,390	
Bristol Commerce Park	14,800	13,955	2,556	
Chalfont Village Shopping Center (4)	-	1,574	135	
Cherry Square Shopping Center (2)	-	6,831	222	
Chesterbrook Village Center	10,500	13,359	946	
Collegeville Shopping Center	4,367	7,179	1,024	
County Line Plaza	4,557	5,391	2,557	
Danville Plaza	409	1,556	55	
Dickson City	-	4,330	10	
Franklin Center (2)	-	7,529	3	
Gilbertsville Shopping Center	2,303	3,827	409	
Kline Plaza	12,960	17,312	-	
MacArthur Road (2)	-	3,059	69	
Mount Carmel Plaza	618	2,102	37	
New Holland Plaza	823	1,168	743	
North Penn Marketplace	4,146	4,751	218	
Park Hills Plaza	13,100	15,085	748	
Pilgrim Gardens (2)	-	4,501	771	
Shoppes at Valley Forge	6,400	5,254	9,294	
Street Road	4,700	6,165	58	
Valley Fair	10,500	14,355	1,049	
Village at Newtown	26,000	27,657	294	
Village West	13,473	19,040	890	
Whitehall Square	17,500	23,239	1,473	
Whitemarsh Shopping Center	6,708	10,771	429	
Woodbourne Square	2,700	4,267	315	
GEORGIA				
Bainbridge Town Center (2)	-	6,800	164	
Douglasville Crossing	14,150	13,284	28	
Holcomb Bridge	-	7,066	85	
Northpark (2)	-	12,255	132	
Park Plaza (2)	-	3,137	69	
Snellville Oaks	11,542	11,220	19	
Summerville Wal Mart Center	2,150	2,391	-	
Tifton Corners	8,118	8,923	147	
Tower Plaza (2)	-	4,300	90	
Vidalia Wal Mart Center	4,026	4,452	-	
Village at Mableton	9,837	12,680	149	
CONNECTICUT				
Burr Corners (2)		27,163	699	
Christmas Tree Plaza	11,803	20,166	19	
Groton Square	14,800	21,708	2,196	
Killingly Plaza (2)	-	8,368	49	

Manchester K Mart Plaza	-	4,529	141
Milford	-	2,572	7
Parkway Plaza I	-	3,612	82
Parkway Plaza II	-	4,033	665
Stratford Square	5,023	10,500	1,799

DESCRIPTION	ACCUMULATED DEPRECIATION	DATE CONSTRUCTED OR ACQUIRED	DEP (
SHOPPING CENTERS			
PENNSYLVANIA			
555 Scott Street Center	(116)	1997	7
550 West Germantown Pike (3)	(4)	2002	7
69th Street Plaza	(339)	2000	7
Barn Plaza	(2,545)	2000	7
Bensalem Square	(626)	2000	7
Bethlehem Square	(2,598)	2000	7
Bradford Mall	(456)	2000	7
Bristol Commerce Park	(1,646)	2000	7
Chalfont Village Shopping Center (4)	(238)	1999	7
Cherry Square Shopping Center (2)	(944)	1999	7
Chesterbrook Village Center	(2,421)	1997	7
Collegeville Shopping Center	(1,186)	1998	7
County Line Plaza	(1,446)	1997	7
Danville Plaza	(267)	1997	7
Dickson City	(677)	1997	7
Franklin Center (2)	(688)	2000	7
Gilbertsville Shopping Center	(706)	1998	7
Kline Plaza	(144)	2004	7
MacArthur Road (2)	(293)	2000	7
Mount Carmel Plaza	(342)	1997	7
New Holland Plaza	(316)	1998	7
North Penn Marketplace	(778)	1998	7
Park Hills Plaza	(1,506)	2000	7
Pilgrim Gardens (2)	(477)	2000	7
Shoppes at Valley Forge	(1,402)	2000	7
Street Road	(587)	2000	7
Valley Fair	(1,788)	2000	7
Village at Newtown	(4,325)	1998	7
Village West	(1,222)	2001	7
Whitehall Square	(2,243)	2000	7
Whitemarsh Shopping Center	(1,801)	1997	7
Woodbourne Square	(939)	1997	7
GEORGIA			
Bainbridge Town Center (2)	(711)	2000	7
Douglasville Crossing	(1,215)	2000	7
Holcomb Bridge	(666)	2000	7
Northpark (2)	(1,165)	2000	7
Park Plaza (2)	(321)	2000	7
Snellville Oaks	(1,029)	2000	7
Summerville Wal Mart Center	(217)	2000	7
Tifton Corners	(887)	2000	7
Tower Plaza (2)	(426)	2000	7
Vidalia Wal Mart Center	(404)	2000	7
Village at Mableton	(1,205)	2000	7
CONNECTICUT			

Burr Corners (2)	(248)	2004	7
Christmas Tree Plaza	(572)	2003	7
Groton Square	(2,218)	2000	7
Killingly Plaza (2)	(461)	2002	7
Manchester K Mart Plaza	(454)	2000	7
Milford	(296)	2000	7
Parkway Plaza I	(330)	2000	7
Parkway Plaza II	(363)	2000	7
Stratford Square	(1,452)	2000	7

50

DECEMBER 31, 2004
(IN THOUSANDS)

DESCRIPTION	ENCUMBRANCES	INITIAL COST TO COMPANY	COSTS CAPITALIZED SUBSEQUENT TO ACQUISITION	GROSS AMOUNT AT WHICH CARRIED DECEMBER 31, 2004	ACC DEP
NEW JERSEY					
Collegetown	8,500	10,693	1,761	12,454	
Lakewood Plaza Shopping Center	20,375	24,593	1,062	25,655	
Marlton Shopping Center - Phase II	9,500	12,524	617	13,141	
Marlton Shopping Center - Phase I	11,395	16,580	4,244	20,824	
Ocean Heights	9,881	9,832	12,567	22,399	
Rio Grande Plaza	7,500	14,417	146	14,563	
Springfield Supermarket (2)	-	3,483	-	3,483	
Suburban Plaza	-	16,544	39	16,583	
NEW YORK					
A&P Mamaroneck	-	1,598	-	1,598	
Campus Plaza-Vestal	8,083	13,718	72	13,790	
The Mall at Cross County	30,500	41,161	2,081	43,242	
Highridge	8,800	11,746	155	11,901	
North Ridge	5,600	6,886	590	7,476	
Port Washington	-	495	-	495	
Village Square	2,100	2,935	148	3,083	
MARYLAND					
Campus Village	-	3,377	265	3,642	
Fox Run	16,700	19,752	681	20,433	
FLORIDA					
Century Plaza (2)	-	7,402	1,194	8,596	
Village Oaks	7,453	9,502	346	9,848	
KENTUCKY					
Harrodsburg Marketplace (2)	-	3,650	4	3,654	
MASSACHUSETTS					
PerkinsFarm	13,100	19,837	2,138	21,975	
MICHIGAN					
Musicland (3)	-	3,700	-	3,700	
NORTH CAROLINA					
Cary Plaza	-	3,065	53	3,118	
Magnolia Plaza (2)	-	4,900	7	4,907	
OHIO					
Pickaway Crossing	5,843	6,654	71	6,725	

RHODE ISLAND					
Wamapnoag Plaza (2)	-	7,500	234	7,734	
SOUTH CAROLINA					
East Main Centre	-	5,126	(2,283)	2,843	
Park Centre (2)	-	9,728	332	10,060	
TENNESSEE					
Meeting Square	2,268	2,467	233	2,700	
VIRGINIA					
Culpepper Town Mall (2)	-	7,200	265	7,465	
Marumsco-Jefferson Plaza	-	12,935	389	13,324	
Statler Crossing	5,932	6,054	56	6,110	
OFFICE BUILDINGS					
Springfield Office, New Jersey	-	2,311	-	2,311	
Plymouth Plaza, Pennsylvania (3)	-	4,379	183	4,565	
Totals	$ 453,943 (5)	$ 806,559	$ 68,133	$ 874,695	$

(1) - Real Estate is depreciated over the estimated usefule 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, 2004, the outstanding balance on the Credit Facility was $73,500,000.

(3) - Real estate pledged as collateral for the secured line of credit with Wachovia Bank, N.A.. As of December 31, 2004, the was no outstanding balance on the line of credit.

(4) - Real estate pledged as collateral for the secured line of credit with Wilmington Trust of Pennsylvania. As of December 31, 2004, the was no outstanding balance on the line of credit.

(5) - Total encumbrances does not include the $73,500,000 balance of the Credit Facilty.

KRAMONT REALTY TRUST AND SUBSIDIARIES
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
DECEMBER 31, 2004
(IN THOUSANDS)

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

	2004	2003	2002
Balance, beginning of year	$ 796,255	$ 739,679	$ 723,247
New property acquisitions	66,432	38,397	9,447
Capital improvements	22,019	18,027	9,712
Reclass for property held for sale	-	(475)	-
Sale of real estate	(10,011)	627	(2,727)
Balance, end of period	$ 874,695	$ 796,255	$ 739,679

The changes in accumulated depreciation for the three years ended December 31,

2003, are as follows:

	2004	2003	2002
Balance, beginning of year	$ 65,316	$ 48,811	$ 32,349
Depreciation for the year	19,651	17,960	16,579
Reclass for property held for sale	-	(475)	-
Sale of real estate	(359)	(980)	(117)
Balance, end of period	$ 84,608	$ 65,316	$ 48,811

KRAMONT REALTY TRUST AND SUBSIDIARIES
SCHEDULE IV - MORTGAGE LOANS ON REAL ESTATE
DECEMBER 31, 2004
(IN THOUSANDS)

DESCRIPTION	INTEREST RATE	FINAL MATURITY DATE	PERIODIC PAYMENT TERMS	FACE AMOUNT OF MORTGAGES	CARRYING AMOUNT OF MORTGAGES (a
Permanent -					
Recreation Facilities					
Century Village at:					
West Palm Beach, FL	13.25%	1/15/2012	Level P&I due monthly	18,342	11,477
Deerfield Beach, FL					
(2nd mortgage)	13.50%	1/15/2012	Level P&I due monthly	13,235	8,414
Deerfield Beach, FL	8.84%	3/1/2007	Level P&I due monthly	3,485	850
					$ 20,741

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:

	2004	2003	2002
Balance, beginning of period	$ 31,070	$ 33,340	$ 35,340
Advances on new mortgage loans	-	-	-
Retirement of mortgage loans	(8,224)	-	-
Collections of principal	(2,105)	(2,270)	(2,000)
Balance, end of period	$ 20,741	$ 31,070	$ 33,340

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

None

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure 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, 2004. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the disclosure controls and procedures were effective as of December 31, 2004 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.

Management's Annual Report on Internal Control over Financial Reporting and Attestation Report of Independent Registered Public Accounting Firm

Our Management's Report on Internal Control over Financial Reporting and the Attestation Report of our Independent Registered Public Accounting Firm thereon will be filed by amendment to this Annual Report on Form 10-K not later than 45 days after March 16, 2005, as permitted by SEC Release No. 34-50754 (November 30, 2004), "Order Under Section 36 of the Securities Exchange Act of 1934 Granting an Exemption From Specified Provisions of Exchange Act Rules 13a-1 and 15d-1."

Changes in Internal Control Over Financial Reporting

There were no changes in the Company's internal control over financial reporting during the quarter ended December 31, 2004 identified in connection with the evaluation thereof by the Company's management, including the Chief Executive Officer and Chief Financial Officer, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. TRUSTEES AND EXECUTIVE OFFICERS OF THE REGISTRANT

The information below, relating to each of the trustees has been furnished to the Company by the respective individuals.

H. Irwin Levy, 78, has been a Trustee of the Company since the Company commenced business operations at the time of the Merger in June 2000, and has been acting Chairman of the Board since July 14, 2003. Mr. Levy was a Director and Chairman of the Board of CV Reit from December 1997 to June 2000 when it merged into the Company. Mr. Levy was Chairman of the Board and Chief Executive Officer of CV Reit from 1985 to July 1992. Mr. Levy is Chairman of the Board, Chief Executive

Officer and a majority stockholder of Hilcoast Development Corp., which is principally engaged in the ownership and management of recreation facilities at an active adult condominium community in southern Florida. Since 1995, he has served as a director of nStor Technologies, Inc. (manufacturer of information storage and storage area network solutions) (AMEX). He is of counsel to the West Palm Beach law firm of Levy, Kneen, Mariani, Curtin, Kornfeld and del Russo.

54

Louis P. Meshon, Sr., 64, has been Chief Executive Officer, President and a Trustee of the Company since the Company commenced business operations at the time of the Merger in June 2000. Mr. Meshon was a Director and Chief Executive Officer of CV Reit from December 1997 to June 2000 when it merged into the Company. Mr. Meshon was the President of Drexel Realty, Inc., doing business as Montgomery Group Affiliates ("Drexel"), a shopping center developer and manager, from 1974 when he co-founded Drexel, until 1997. In December 1997, companies directly or indirectly owned or controlled by Mr. Meshon and engaged in the development, management and ownership of community based shopping centers and an office building in the aggregate totaling approximately 590,000 square feet, consummated a transaction in which CV Reit acquired ownership of those properties through its subsidiary, Montgomery CV Realty L.P. Mr. Meshon is a member of NAREIT, the International Council of Shopping Centers and the Real Estate Advisory Board of the Wharton School of the University of Pennsylvania.

Laurence Gerber, 48, has been a Trustee of the Company since June 2004. Mr. Gerber is Chairman and Chief Executive Officer of EPOCH Senior Living, Inc., a privately-held assisted living and long-term care facility owner and operator, which he founded in 1997. Previously, Mr. Gerber was President and Chief Executive Officer of The Berkshire Group, a private investment company focused in real estate and related businesses, from 1990 to 1997. He also served as President, Chief Executive Officer and Director of Berkshire Realty Company, Inc. (NYSE), an apartment focused real estate investment trust, from 1990 to 1997 and as Chairman of Berkshire Mortgage Finance Company, a commercial mortgage banking company, from 1987 to 1997. Mr. Gerber served as a member of the Board of Directors of Cunningham Graphics International from 1998 to 2001 (NASDAQ), and as a Director and a member of the Executive Committee of Harborside Healthcare (NYSE) from 1996 to 1997. Mr. Gerber is a member of the Board's Audit Committee and Executive Compensation Committee.

Bernard J. Korman, 73, has been a Trustee of the Company since the Company commenced business operations at the time of the Merger in June 2000. Mr. Korman was a Trustee of Kranzco from 1997 to June 2000 when it merged into the Company. Mr. Korman is Chairman of Philadelphia Health Care Trust, a non-profit organization, NutraMax Products, Inc. (NASDAQ), a consumer healthcare products company, and Omega Healthcare Investors, Inc. (a healthcare REIT)(NYSE). Mr. Korman served as President and Chief Executive Officer of MEDIQ Incorporated (healthcare services) (AMEX) from 1982 to 1995, and as Chairman of PCI Services, Inc. from 1992 to 1996. Mr. Korman currently is a director of The New America High Income Fund (financial services) (NYSE) and Medical Nutrition USA, Inc. (nutrition-medicine products). Mr. Korman currently serves as an audit committee member of The New America High Income Fund. Mr. Korman is a member of the Board's Audit Committee, Executive Compensation Committee and Nominating and Governance Committee.

Milton S. Schneider, 55, has been a Trustee of the Company since the Company commenced business operations at the time of the Merger in June 2000. Mr. Schneider was a Director of CV Reit from December 1997 to June 2000 when it merged into the Company. Since 1995, Mr. Schneider has been Chief Executive Officer of The Glenville Group, which is involved in the development, ownership and management of commercial and residential properties. Since June 1995, Mr. Schneider has also been Chairman of Togar Property Company, an apartment

development company located in Plymouth Meeting, Pennsylvania. In addition, since June 1994, Mr. Schneider has been Vice Chairman of Parkland Management Company, a financial services company, and since October 1994, he has been Vice Chairman of Horvitz Newspapers, Inc. Mr. Schneider is Chairman of the Board's Audit Committee, and a member of the Board's Nominating and Governance Committee.

E. Donald Shapiro, 73, has been a Trustee of the Company since the Company commenced business operations at the time of the Merger in June 2000. Mr. Shapiro was a Trustee of Kranzco from 1994 to June 2000 when it merged into the Company. Mr. Shapiro has been The Joseph Solomon Distinguished Professor of Law at New York Law School since 1983 and is a Dean Emeritus. Mr. Shapiro also serves as a director of the following entities: Loral Space and Communications (formerly Loral Corporation) (satellite communications) (NYSE) since 1973; GHI (health care provider) (not for profit) since 1994; Frequency Electronics (space and communication components) (AMEX) since 1998; nStor Technologies, Inc (manufacturer of information storage and storage area network solutions) (AMEX) since 2003; and Vasomedical (medial equipment) (NASDAQ) since 1992. Mr. Shapiro currently serves as an audit committee member of Loral Space and Communications, Frequency Electronics and nStor Technologies, Inc. Mr. Shapiro is a member of the Board's Audit Committee and Nominating and Governance Committee and Chairman of the Board's Executive Compensation Committee.

55

Alan L. Shulman, 72, has been a Trustee of the Company since the Company commenced business operations at the time of the Merger in June 2000. Mr. Shulman was a Director of CV Reit from 1985 to June 2000 when it merged into the Company, and he served as Chairman of the Board of CV Reit from August 1992 until May 1996. Mr. Shulman is a private investor and was previously a general partner of Unitel Associates, Ltd., a Florida limited partnership engaged in the ownership and operation of Holiday Inn motel properties, for more than twenty years until its dissolution in 1987. Mr. Shulman was one of the founding directors of Island National Bank, Palm Beach, Florida in 1988 and served on its board until the bank was sold in 1998. From December 1997 until November 2000, when the company was sold, Mr. Shulman served as a director of Engle Homes (real estate development) (NASDAQ). Mr. Shulman is a member of the Board's Executive Compensation Committee and Audit Committee, and is Chairman of the Board's Nominating and Governance Committee.

During the Company's fiscal year ended December 31, 2004, the Board held seven meetings. All trustees attended at least 75% of all meetings of the Board and the committees thereof on which they served during the fiscal year ended December 31, 2004.

All trustees who are not members of the Company's management meet at regularly scheduled executive sessions without members of management present. The position of presiding trustee at these meetings rotates among the non-management trustees. At least one of these meetings each year includes only those trustees who are "independent" under the current listing standards of the New York Stock Exchange.

TRUSTEE INDEPENDENCE

The Board of Trustees has affirmatively determined that a majority of its trustees (Messrs. Gerber, Korman, Schneider, Shapiro and Shulman) do not have any material relationship with the Company and therefore are "independent" under the current listing standards of the New York Stock Exchange.

BOARD COMMITTEES

The Board has an Audit Committee, a Nominating and Governance Committee and an Executive Compensation Committee.

The Audit Committee acts pursuant to the Audit Committee Charter. A current copy of the Audit Committee Charter is available to shareholders on the Company's web site on the Internet. The Audit Committee is composed of Messrs. Gerber, Korman, Schneider, Shapiro and Shulman. Each of the members of the Audit Committee qualifies as an "independent" trustee under the current listing standards of the New York Stock Exchange. The Board of Trustees has determined that the Company has at least one "audit committee financial expert" serving on its Audit Committee, Mr. Korman, as defined under the applicable Securities and Exchange Commission rules. In addition, each of the members of the Audit Committee satisfies the other requirements of the current New York Stock Exchange listing standards for audit committee membership, including being deemed "financially literate" by the Board of Trustees. Mr. Shapiro serves on the Audit Committees of four public companies (including Kramont), and the Board of Trustees has determined that such simultaneous service would not impair his ability to effectively serve on the Company's Audit Committee. The Audit Committee is directly responsible for the appointment, compensation, oversight, termination and replacement of the Company's independent auditor (subject, if applicable, to shareholder ratification), and has the sole authority to approve all audit engagement fees and terms and all non-audit engagements with the independent auditors. The other functions of the Audit Committee are described in the Audit Committee Charter and also include determining the compatibility of non-audit services of the Company's public accountants, if any, with the independence of the public accountants. The Audit Committee met five times during the fiscal year ended December 31, 2004.

The Nominating and Governance Committee was established on December 2, 2003 and acts pursuant to the Nominating and Governance Committee Charter, a current copy of which is available to shareholders on the Company's web site on the Internet. The Nominating and Governance Committee is composed of Messrs. Shulman, Shapiro, Schneider and Korman. Each of the members of the Nominating and Governance Committee qualifies as an "independent" trustee under the current listing standards of the New York Stock Exchange. The functions of the Nominating and Governance Committee are to (1) assist the Board by identifying individuals qualified to become Board members, and to recommend for selection by the Board the Trustee nominees to stand for election for the

next annual meeting of the Company's shareholders; (2) recommend to the Board the Trustee nominees for each committee of the Board (other than this Committee); (3) oversee the evaluation of the Board and management; and (4) oversee the Company's Corporate Governance Guidelines and Code of Business Conduct and Ethics. The Nominating and Governance Committee does not have a policy with regard to the consideration of any trustee candidates recommended by shareholders. The Board of Trustees has determined that it is appropriate for the Company not to have such a policy because the Board has not had difficulty finding qualified trustee candidates in the past, and shareholders have been and continue to be able to communicate directly with the trustees and to discuss any topic with trustees (including trustee candidates) at the Company's Annual Meeting of Shareholders. Other than as provided in the charter for the Nominating and Governance Committee, the Committee considers trustee nominees on a case-by-case basis, and has not formalized any specific, minimum qualifications that it believes must be met by a trustee nominee recommended by the Committee, identified any specific qualities or skills that it believes are necessary for one or more of the Company's trustees to possess, or formalized a process for identifying and evaluating nominees for trustee. The Nominating and Governance Committee met two times during the fiscal year ended December 31, 2004.

The Executive Compensation Committee acts pursuant to the Executive Compensation Committee Charter, a current copy of which is available to shareholders on the Company's web site on the Internet. The Executive Compensation Committee is composed of Messrs. Gerber, Shapiro, Shulman and Korman. Each of the members of the Executive Compensation Committee qualifies as an "independent" trustee under the current listing standards of the New York Stock Exchange. The function of the Executive Compensation Committee is to review and make recommendations to the Board regarding compensation for the Company's executive officers. In addition, the Executive Compensation Committee is to determine awards granted pursuant to the various option and incentive plans to employees, trustees, advisors and consultants which align the interests of the Company's trustees, executive officers, key employees, advisors and consultants with those of the shareholders and enable the Company to attract, compensate and retain trustees, executive officers, key employees, advisors and consultants and provide them with appropriate incentives and rewards for performance. The Executive Compensation Committee administers the Company's, the Kramont Realty Trust Executive Officer Stock Option Plan (the "Executive Officer Plan"), the Kramont Realty Trust 1997 Stock Option Plan (the "KRT Employee Plan"), the Kramont Realty Trust Non-Employee Director 1998 Stock Option Plan (the "Director Plan" and together with the Executive Officer Plan, and the KRT Employee Plan, the "Option Plans"), the Company's 1995 Incentive Plan (the "1995 Incentive Plan") and the Company's 2000 Incentive Plan (the "2000 Incentive Plan" and together with the 1995 Incentive Plan, the "Incentive Plans"). The Executive Compensation Committee met eight times during the fiscal year ended December 31, 2004.

COMMUNICATING WITH THE BOARD OF TRUSTEES

Shareholders or other interested parties may communicate with the entire board of trustees, specified individual trustees, the non-management trustees as a group, or the trustee who is the presiding trustee at meetings of the non-management trustees, by writing to the secretary of the Company at 580 W. Germantown Pike, Suite 200, Plymouth Meeting, PA 19462-1305. All such correspondence will be forwarded directly to the appropriate trustee or group of trustees.

INFORMATION ABOUT THE BOARD OF TRUSTEES AND CORPORATE GOVERNANCE ON THE COMPANY'S WEB SITE

The Company's web site address on the Internet is www.kramont.com. In addition to making available on its web site current copies of the charters for the Audit, Executive Compensation and Nominating and Governance Committees of the Company's Board of Trustees, the Company also makes available copies of its Corporate Governance Guidelines, Code of Business Conduct and Ethics, 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.

EXECUTIVE OFFICERS

The following is provided with respect to the executive officers of the Company. None of the executive officers of the Company are related to each other. Executive officers are elected by and serve at the discretion of the President, except the President and Chief Executive Officer, who serves at the discretion of the Board.

Louis P. Meshon, Sr., 64, Chief Executive Officer and President. Biographical information regarding Mr. Meshon is set forth above.

George S. Demuth, 48, has been Executive Vice President and Chief Operating Officer of the Company since the Company commenced business operations at the time of the Merger in June 2000. Mr. Demuth was the Director of Leasing of Kranzco from 1997 to June 2000 when it merged into the Company. From 1995 to 1997, Mr. Demuth was the Director of Real Estate at Kimco Realty Corporation. From 1994 to 1995, Mr. Demuth was managing director of LRA Realty Advisors, Inc. Mr. Demuth has been engaged in the shopping center industry since 1981, holding both executive and officer positions in leasing, acquisition, management and redevelopment capacities. Mr. Demuth has been associated with Dusco Property Management (Lend Lease Corporation), Cadillac Fairview Corporation and the Kravco Companies. From 1978 to 1981, Mr. Demuth was engaged in the appraisal, development, acquisition and disposition of commercial real estate with the Penn Central Corporation, the Southland Corporation and the Beal Companies. Mr. Demuth is a member of the International Council of Shopping Centers and serves as State Director for Pennsylvania, New Jersey and Delaware.

Carl E. Kraus, 57, has been the Senior Vice President, Chief Financial and Investment Officer and Treasurer of the Company since April 1, 2002. Mr. Kraus had been the Chief Financial Officer of Philips International Realty Corp. (NYSE: PHR) from 1999 to 2002, and he was Senior Vice President - Northeast Region of Hearthstone Advisors from 1997 to 1998. From 1992 to 1996, Mr. Kraus served as Managing Director of the Brandywine Group. Mr. Kraus served in executive positions of the Radnor Corporation, a commercial real estate company, from 1976 to 1992, where he held the positions of controller, Vice President and Chief Financial Officer, Executive Vice President and Chief Financial Officer and President from 1983 to 1992.

Etta M. Strehle, 49, has been the Senior Vice President and Chief Accounting Officer of the Company since April 1, 2002. Ms. Strehle was the Chief Financial Officer, Treasurer and Financial Vice President of the Company from the time of the Merger in June 2000, when the Company commenced business operations, until March 31, 2002. Ms. Strehle was Chief Financial Officer of Montgomery CV Realty Trust, a subsidiary of CV Reit from February 1999 to June 2000, and from December 1997 to February 1999, Ms. Strehle was the Controller of Drexel Realty, Inc., in which CV Reit owned an indirect 95% economic interest. Prior to joining CV Reit in 1997, Ms. Strehle was employed by Drexel Realty, Inc., then doing business as Montgomery Group Affiliates, for 5 years, principally as Controller. Previously thereto, she was employed by Kravco Company for 16 years. Ms. Strehle is a member of the International Council of Shopping Centers.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires the Company's trustees and executive officers, and persons who own more than 10% of a registered class of the Company's equity securities, to file reports of ownership and changes in ownership on Forms 3, 4 and 5 with the Securities and Exchange Commission. Trustees, executive officers and greater than 10% beneficial owners are required by regulation of the Securities and Exchange Commission to furnish the Company with copies of all Section 16(a) Forms 3, 4 and 5 they file.

Based solely on its review of the copies of such forms received by it, or written representations from certain reporting persons that no Forms 5 were required for those persons, the Company believes that all of its trustees, executive officers and greater than 10% beneficial owners were in compliance with the filing requirements with respect to transactions during 2004, except that Ms. Strehle filed one report reporting one transaction on Form 4 late.

ITEM 11. EXECUTIVE COMPENSATION

The following table sets forth certain information with respect to the cash and

other compensation paid or accrued by the Company for services rendered by Louis P. Meshon, Sr., the Company's President and Chief Executive Officer, George S. Demuth, the Company's Executive Vice President and Chief Operating Officer, Carl E. Kraus, the Company's Senior Vice President, Chief Financial and Investment Officer and Treasurer, and Etta M. Strehle, the Company's Senior Vice President and Chief Accounting Officer (collectively, the "Named Executives"), during the fiscal year ended December 31, 2004. The amount set forth in the table includes the compensation paid to the Named Executives for the fiscal year ended December 31, 2004, the fiscal year ended December 31, 2003 and the fiscal year ended December 31, 2002. Other than the Named Executives, no executive officer of the Company earned a total salary and bonus exceeding $100,000 during the fiscal year ended December 31, 2004.

SUMMARY COMPENSATION TABLE

Annual Compensation

Name and Principal Position	Year	Salary	Bonus	Other Annual Compensation
Louis P. Meshon, Sr.	2004	$375,577	$ 300,000(1)	(2)
President and Chief	2003	$325,000	$ 70,000(1)	(2)
Executive Officer	2002	$325,000	$ 30,000(1)	(2)
George S. Demuth	2004	$217,061	$ 175,000	(2)
Executive Vice President	2003	$202,862	$ 111,014	(2)
and Chief Operating Officer	2002	$195,846	$ 51,700	(2)
Carl E. Kraus (3)	2004	$222,342	$ 143,417	(2)
Senior Vice President,	2003	$204,769	$ 201,858(4)	(2)
Chief Financial and Investment	2002	$142,404	$ 0	
Officer and Treasurer				
Etta M. Strehle (5)	2004	$168,222	$ 57,500	(2)
Senior Vice President and	2003	$157,218	$ 68,500	(2)
Chief Accounting Officer	2002	$152,404	$ 62,500	(2)

Long-Term Compensation

Name and Principal Position	Year	Restricted Shares ($)	Securities Underlying Options/SARs	All Other Compensation
Louis P. Meshon, Sr.(6)	2004	$ 0	0	$27,617 (7)(8)
President and Chief	2003	$ 0	0	$21,875 (7)(8)
Executive Officer	2002	$ 0	0	$33,327 (7)(8)
George S. Demuth	2004	$100,000 (9)	0	$ 5,125 (7)
Executive Vice President	2003	$100,000 (9)	0	$ 5,000 (7)
and Chief Operating	2002	$125,000 (9)	0	$ 5,000 (7)
Officer				
Carl E. Kraus (3)	2004	$100,000 (9)	0	$ 5,125 (7)

Senior Vice President,	2003	$100,000 (9)	0	$ 5,000 (7)
Chief Financial and	2002	$135,500 (9)	0	$ 3,308 (3)(7)
Investment Officer and Treasurer				
Etta M. Strehle (5)	2004	$ 47,000 (9)	0	$ 5,125 (7)
Senior Vice President and	2003	$ 30,000 (9)	0	$ 5,000 (7)
Chief Accounting Officer	2002	$ 30,000 (9)	0	$ 5,000 (7)

(1) Performance bonus paid pursuant to Mr. Meshon's employment agreement. Effective 7/1/04, Mr. Meshon's employment agreement was amended to include quarterly payment of bonuses. Of the amount attributable to 2004, $200,000 was paid in 2004 and $100,000 is expected to be paid in March 2005. The amount attributable to 2003 was paid in March 2004, and amount attributable to 2002 was paid in March 2003.

(2) Excludes certain personal benefits, the total value of which is less than the lesser of $50,000 or 10% of the total annual salary and bonus paid or accrued by the Company for services rendered during the fiscal year.

(3) Mr. Kraus commenced employment with the Company on April 1, 2002.

(4) Performance bonus paid in 2003 was for the period from April 1, 2002 through September 30, 2003.

(5) During the first quarter of 2002, Ms. Strehle was Chief Financial Officer, Financial Vice President and Treasurer of the Company. On April 1, 2002, Ms. Strehle was elected a Senior Vice President and Chief Accounting Officer.

(6) The Company also sold 75,000 restricted Common Shares to Mr. Meshon in accordance with his employment agreement, at the fair market value on the day of the sale (June 16, 2000) of $10.16 per share. Mr. Meshon executed a promissory note for $762,000 in payment for the restricted shares, which will terminate upon the earlier of the satisfaction of certain conditions set forth in the note or June 15, 2005 (upon the fifth anniversary of his employment), and thereafter, Mr. Meshon will have no obligations under the promissory note. The note was issued prior to the prohibitions on related party loans as stated in the Sarbanes-Oxley Act of 2002. Mr. Meshon is entitled to receive dividends on these shares.

(7) Includes contributions made by the Company to the account of the Named Executive under a 401(k) retirement plan.

(8) Includes the premium paid by the Company for a term life insurance policy in the face amount of $10,000,000 through November 27, 2002. The Company and Mr. Meshon's spouse were each designated as beneficiaries in the amount of 50% upon the death of Mr. Meshon. Effective November 28, 2002, the policy amount was decreased to $5,000,000 and Mr. Meshon's spouse became the sole beneficiary.

(9) Restricted shares were awarded pursuant to the 2000 Incentive Plan. On July 1, 2004 Messrs. Demuth and Kraus and Ms. Strehle received grants of 6,262, 6,262, and 1,879 shares respectively, valued at $15.97 per share as of July 1, 2004. The shares vest as follows: one-third vest on July 1, 2004, one-third vest on July 1, 2005 and one-third vest on July 1, 2006. On August 22, 2004, Ms. Strehle received a grant of 1,000 shares valued at $16.99 per share as of August 22, 2004. The shares vest as follows:

one-third vest on August 22, 2004, one-third vest on July 1, 2005 and one-third vest on July 1, 2006. On July 1, 2003, Messrs. Demuth and Kraus and Ms. Strehle received grants of 5,981, 5,981, and 1,794 shares respectively, valued at $16.72 per share as of July 1, 2003. The shares vest as follows: one-third vest on July 1, 2003, one-third vest on July 1, 2004 and one-third vest on July 1, 2005. On April 1, 2002, Mr. Kraus received a grant of 10,000 shares valued at $13.55 per share. The shares vest as follows: one-third vest on April 1, 2002, one-third vest on March 31, 2003 and one-third vest on March 31, 2004. Mr. Demuth and Ms. Strehle received grants of 7,937 and 1,905 shares respectively, valued at $15.75 per share as of July 1, 2002, the date of the grant. The shares vest as follows: one-third vest on July 1, 2002, one-third vest on July 1, 2003 and one-third vest on July 1, 2004. Prior to vesting, the shares are subject to a risk of forfeiture in the event of termination of employment (other than a change in control of the Company), and are restricted as to transfer. Messrs. Demuth and Kraus and Ms. Strehle have the right to vote and receive dividends on the shares.

AGGREGATED OPTION EXERCISES IN LAST FISCAL YEAR
AND FISCAL YEAR END OPTION VALUES

The following table sets forth certain information with respect to the exercise of options during the fiscal year ended December 31, 2004 and the unexercised options held as of the end of such fiscal year by the Named Executives. The fair market value on December 31, 2004 of the Common Shares underlying the options was $23.40 per Common Share.

Name	Shares Acquired On Exercise (#)	Value Realized ($)	Number of Securities Underlying Unexercised Options Held at December 31, 2004 Exercisable/Unexercisable		Value of Unexercis In-The-Money Optio at December 31, 2 Exercisable/Unexer	
Louis P. Meshon, Sr.	13,683	$ 28,221	68,395	0	$ 664,115	$
George S. Demuth	0	$ 0	8,500	1,000	$ 45,790	$
Carl E. Kraus	0	$ 0	16,666	8,334	$ 172,493	$
Etta M. Strehle	1,900	$ 7,391	8,200	700	$ 79,622	$

The value realized from exercised options is deemed to be the fair market value of the Common Shares underlying the options on the date of exercise less the exercise price of the options. The value of unexercised in-the-money options disclosed is based upon the fair market value of the Common Shares underlying the options at December 31, 2004 less the exercise price of the options. The actual value, if any, that the Named Executive receives will depend on the excess of the stock price at the time of exercise over the exercise or base price on the date the option is exercised.

EMPLOYMENT CONTRACTS AND OTHER ARRANGEMENTS

Compensation of Chief Executive Officer

Mr. Meshon's compensation arrangement was established under an employment agreement dated as of June 16, 2000 (the "Meshon Employment Agreement"). The Meshon Employment Agreement commenced on June 16, 2000 and is for a term of five years and continues for successive one-year periods thereafter unless otherwise terminated as provided in the Meshon Employment Agreement. The Meshon Employment Agreement provides for annual base compensation of $325,000. The Board may, in its sole discretion, increase Mr. Meshon's base salary or other compensation. The Meshon Employment Agreement provides for an annual performance bonus, determined by the Company and reviewed by the Company's independent auditors, within 100 days of the end of the calendar year.

The performance bonus is calculated as follows:

Funds From Operations Per Share	Bonus ($)
<$ 1.30	0
$1.30 to $1.49	$200,000 - $10,000 for each cent <$1.50
$1.50 to $1.60	$200,000
$1.61 to $1.80	$200,000 + $10,000 for each cent > $1.60
> $ 1.80	$400,000 + $ 5,000 for each cent > $1.80

The Meshon Employment Agreement further provides for the Company to sell Mr. Meshon 75,000 restricted Common Shares of beneficial interest at a price equal to their fair market value evidenced by a full recourse promissory note that matures after 5 years. The Company sold these shares to Mr. Meshon on June 16, 2000 at the then current market price per Common Share of $10.16 for a total of $762,000 evidenced by the full recourse promissory note which 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 earliest 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, the 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 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 was issued prior to the prohibitions on related party loans as stated in the Sarbanes-Oxley Act of 2002. The Meshon Employment Agreement further provides that if Mr. Meshon's employment is terminated due to a change of control, he is entitled to a payment of the greater of (i) the sum of all compensation due to Mr. Meshon during the balance of his term of employment, assuming that annual bonuses payable to him during the period equal the average of the annual bonuses paid to him under the employment agreement prior to the end of his employment or (ii) 199% of his annual salary and bonuses for the year prior to his termination.

Effective July 1, 2004, the Meshon Employment Agreement was amended to increase the annual base compensation to $400,000, and to amend the performance bonus to provide for quarterly payments after the filing of the Company's Quarterly Report on Form 10-Q and review of the quarterly financial statements by the Company's independent auditor and the Audit Committee of the Board of Trustees of the Company. As amended, the performance bonus shall be in the amount of $100,000.00 per quarter if the FFO per share of the Company for that quarter is calculated to be the sum of $0.36 per share or greater. If for any given

quarter, the FFO per share is less than the sum of $0.36 per share, no performance bonus shall be due to Mr. Meshon for that quarter.

Compensation of Other Officers

The Company entered into a three-year employment agreement effective July 1, 2001 with Mr. Demuth. The employment agreement provides for annual base compensation in the amount of $192,000, to be reviewed periodically, but not less than annually, and which may be increased at the discretion of the Company. Effective July 1, 2002, Mr. Demuth's agreement was amended to provide for an increase in annual base compensation to $200,000. Effective July 1, 2003, Mr. Demuth's agreement was further amended to provide for an increase in annual base compensation to $206,000. Mr. Demuth's employment agreement provides for an annual bonus based on certain criteria set forth in the agreement. Mr. Demuth's agreement provides that in the event of a change of control, he is entitled to a payment in the amount of two times the annual base salary plus all accrued but unpaid bonus and extraordinary other awards. Mr. Demuth's agreement also provides that if Mr. Demuth is terminated by the Company without cause, or if he terminates his employment for good reason as set forth in the agreement, the Company will pay him 1) the base salary then in effect for a period of twelve months and all accrued and unpaid bonus and other awards owing as of the termination date and 2) an amount equal to the annual bonus compensation he received during the fiscal year immediately prior to his termination, but not to exceed $100,000. As discussed below, the employment agreement was amended effective July 1, 2004.

The Company entered into a fifteen-month employment agreement effective April 1, 2002 with Mr. Kraus. The employment agreement provides for annual base compensation in the amount of $185,000, to be reviewed periodically, but not less than annually, which may be increased at the discretion of the Company. Effective July 1, 2002, Mr. Kraus's contract was amended to provide for an increase in annual base compensation to $200,000. Effective July 1, 2003, Mr. Kraus's contract was further amended to provide for an increase in annual base compensation to $210,000. Mr. Kraus's employment agreement provides that he may be eligible for an annual bonus in an amount equal to $100,000 to $200,000 pursuant to certain criteria set forth in his agreement. Mr. Kraus's contract provides that in the event of a change of control, Mr. Kraus is entitled to a payment in the amount of two times the annual base salary and the bonus then in effect, based upon a look-back to the amount paid or earned for the four quarters immediately preceding termination. Mr. Kraus's employment agreement also provides that if prior to expiration of the term of employment, Mr. Kraus is terminated by the Company without cause, or if he terminates his employment for good reason as set forth in the agreement, the Company will pay him the base salary and bonus then in effect, based upon a look-back to the amount paid or earned for the four quarters immediately preceding termination, for a period of twelve months beginning on the date of termination, and all accrued and unpaid bonus and other awards. As discussed below, the employment agreement was amended effective July 1, 2004.

The Company entered into a one-year employment agreement effective July 1, 2003 with Ms. Strehle. The employment agreement provides for annual base compensation in the amount of $159,650. Ms. Strehle's contract provides that in the event of a change of control, she is entitled to a payment in the amount of the annual base salary plus all accrued but unpaid bonus and other awards. Ms. Strehle's employment agreement also provides that if prior to expiration of the term of employment, Ms. Strehle is terminated by the Company without cause, or if Ms. Strehle terminates employment for good reason as set forth in the agreement, the Company will pay her the base salary then in effect, for a period of twelve months beginning on the date of termination, and all accrued and unpaid bonus and other awards. As discussed below, the employment agreement was amended effective July 1, 2004.

2004 Amendments to Employment Agreements

At a meeting held June 10, 2004, the Board of Trustees initiated a process that, with the assistance of the Compensation Committee, resulted in amendments, effective July 1, 2004, to the employment agreements of the Named Executives to, among other things, increase their base salaries, extend their employment terms and provide for payments to any of the Named Executives if, following a "Change of Control" (as defined in the amendments) of

the Company, the executive (i) is terminated by the Company or its successor without "Cause" (as defined in the amendments), (ii) the Company or its successor fails to renew the Named Executive's employment agreement without cause or (iii) the Named Executive terminates employment with the Company or its successor for "Good Reason" (as defined in the amendments) within one year after the Change of Control. In such event, (A) the Named Executive would be paid a lump sum equal to the sum of (1) the product of one or two, as specified in the Named Executive's amendment (the "Multiple"), times the sum of the Named Executive's annual base salary plus, in the case of Messrs. Meshon, Demuth and Kraus, the Named Executive's average annual bonus paid during the three years prior to the Change of Control plus (2) all accrued and unpaid bonus and other awards and unreimbursed expenses, and (B) all unvested stock options and other awards held by the Named Executive would become fully vested.

At a meeting held December 18, 2004, the Board of Trustees authorized changes to the previously approved amendment to Mr. Meshon's employment agreement to add to the definition of Good Reason the occurrence of any Change of Control and to increase the Multiple applicable to him from two to three. Notwithstanding the increase in the Multiple from two to three, the amendment to Mr. Meshon's employment agreement provides that in no event shall any payment be made to Mr. Meshon to the extent that such payment would constitute an "excess parachute payment" within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended. Therefore, in the event that this payment constitutes an "excess parachute payment," the payment will be reduced by the amount necessary such that the payment no longer constitutes an "excess parachute payment."

Each Named Executive has no obligation to mitigate these severance obligations and no amounts the Named Executive earns following termination of employment with the Company will reduce the amounts the Company is obligated to pay the Named Executive.

Under the amendments, the term of the employment agreement for each of Messrs. Demuth and Kraus was extended to December 31, 2005, and the term of Ms. Strehle's employment agreement was extended to June 30, 2005. The annual base compensation for Messrs. Demuth and Kraus and Ms. Strehle was increased to $212,180, $218,400 and $164,440, respectively.

The amendments to the employment agreements were entered into by the respective parties between December 18 and 20, 2004.

Proposed Merger

On December 19, 2004, the Company entered into an Agreement and Plan of Merger providing for the merger of the Company into an affiliate of Melbourne, Australia-based Centro Properties Limited (ASX:CNP), and the merger of other affiliates of Centro into Kramont Operating Partnership, L.P. and Montgomery CV Realty L.P. On January 27, 2005, the parties amended the Agreement and Plan of Merger. The Proposed Merger will constitute a "change of control" for purposes of the employment agreements of the Named Executives. A special meeting of our shareholders will be held April 14, 2005 to consider and vote on the proposed

merger. If approved, the companies anticipate completing the merger as soon as practicable.

The Agreement and Plan of Merger, as amended, provides that all trustees and directors (and comparable managers, officers and other personnel requested by Centro) of the Company and each Company subsidiary will resign effective upon the consummation of the mergers. Louis P. Meshon, Sr. and Carl E. Kraus are each expected to leave their current positions following the completion of the Proposed Merger. The severance payments that will be paid to each of them upon their termination of employment under their employment agreements, as amended, excluding payments for share options and restricted shares, will be $1,440,746 and $782,075, respectively. Mr. Meshon will be entitled to receive a change in control payment as described above at the effective time of the merger, because Kramont's change in control is deemed to be "good reason" for him to terminate employment. Mr. Kraus also will be entitled to receive a change in control payment as described above since he will not be offered a position of employment by Centro Watt following the merger. Subsequent to the merger, Mr. Kraus is expected to be retained by Centro Watt as a consultant for six months on terms still to be negotiated.

The severance payments which would be payable to each of George S. Demuth and Etta M. Strehle (if the applicable conditions were met) under these employment agreements, as amended, excluding payments for share options and restricted shares, would be $649,503 and $328,880, respectively.

TRUSTEES' COMPENSATION

Each non-employee trustee of the Company receives an annual fee of $18,000 and a fee of $1,000 for each Board of Trustees meeting attended, and each trustee is entitled to $1,000 for each separate committee meeting attended, except the Chairman of the Audit Committee is entitled to $2,000 for each separate committee meeting attended. Employees of the Company who are also trustees are not paid any trustees' fees. In addition, the Company reimburses the trustees for travel expenses incurred in connection with their activities on behalf of the Company. In addition, the Board has approved the annual issuance to each non-employee trustee of options to purchase 5,000 Common Shares. On June 25, 2004, the Board approved the issuance of 1,000 restricted shares of beneficial interest in lieu of the options to Messrs. Gerber, Levy, Schneider, Shapiro and Shulman.

EXECUTIVE COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

As discussed above, the Board has established an Executive Compensation Committee. The Executive Compensation Committee consists of Messrs. Gerber, Korman, Shapiro and Shulman. None of the members of the Executive Compensation Committee are or have been employees of the Company. During a portion of the fiscal year ended December 31, 2003, Mr. Levy was also a member of the Executive Compensation Committee. The information regarding Mr. Levy under Item 13, "Certain Relationships and Related Transactions" is hereby incorporated by reference into this section. To the Company's knowledge, there were no other interrelationships involving the trustees of the Company and compensation decisions requiring disclosure in this Annual Report on Form 10-K.

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

The following table sets forth information regarding the beneficial ownership of the common shares within the meaning of Rule 13d-3(d)(1) under the Exchange Act, by each person or group of affiliated persons known by Kramont to own

beneficially more than 5% of the outstanding common shares, each trustee, and each Named Executive, and all trustees, and executive officers as a group of ten, calculated as of March 1, 2005. George S. Demuth and Etta M. Strehle each hold certain options to purchase common shares that are not currently exercisable within 60 days of March 1, 2005, but will immediately vest and become exercisable upon the occurrence of the Proposed Merger. These unvested options are not reflected in the chart below but are separately disclosed in the applicable footnote. No trustee, or Named Executive beneficially owns any outstanding Series B-1 or Series E preferred shares nor is there any person or group of affiliated persons known by Kramont that beneficially owns more than 5% of the outstanding Series B-1 preferred shares. Except as otherwise noted, each person or entity named in the table has sole voting and investment power with respect to all of the common shares shown as beneficially owned by such person or entity.

Name and Address of Beneficial Owner(1)	Amount Beneficially Owned	Percent of Class(
Louis P. Meshon, Sr.	918,395(3)	3.7%
George S. Demuth	40,445(4)	*
Carl E. Kraus	47,243(5)	*
Etta M. Strehle	22,756(6)	*
Bernard J. Korman	38,386(7)	*
H. Irwin Levy	755,277(8)	3.1%
Milton S. Schneider	116,957(9)	*
E. Donald Shapiro	39,271	*
Alan L. Shulman	110,014(10)	*
Laurence Gerber	11,000	*

Name and Address of Beneficial Owner(1)	Amount Beneficially Owned	Percent of Class(
Cohen & Steers Capital Management, Inc.	3,517,200(11)	14.5%
All trustees and named executives as a group (ten persons)	2,099,744(12)	8.3%

* Indicates beneficial ownership of less than 1%.

(1) Unless otherwise indicated, the address for each individual is 580 W. Germantown Pike, Suite 200, Plymouth Meeting, PA 19462-1305.

(2) Calculated based on 24,214,740 common shares outstanding and assuming, with respect to each of the individuals listed above, the exercise of all

options to purchase common shares, or the redemption and conversion of Kramont OP common units held by such individual currently exercisable or redeemable and convertible, or exercisable or redeemable and convertible within 60 days of March 1, 2005.

(3) Includes (a) options to purchase 68,395 common shares originally granted to him under the Kramont Realty Executive Officer Stock Option Plan, (b) 673,255 Kramont OP common units, of which 89,909 Kramont OP common units are jointly owned with Mr. Meshon's wife and 2,714 Kramont OP common units are owned by a company controlled by Mr. Meshon and (c) 75,000 restricted shares sold to him at the time of the June 16, 2000 merger. Mr. Meshon disclaims that Kramont OP common units are derivative securities of Kramont.

(4) Includes (a) options to purchase 7,500 common shares granted to him under the Employee Plan and (b) options to purchase 1,000 common shares granted to him under the Kramont 2000 Incentive Plan. Excludes options to purchase 1,000 common shares granted to him under the Kramont 2000 Incentive Plan that will fully vest upon the consummation of the Proposed Merger.

(5) Includes options to purchase 25,000 common shares granted to him under the Kramont 2000 Incentive Plan.

(6) Includes options to purchase 8,200 common shares granted to her under the Kramont Realty Trust 1997 Stock Option Plan. Excludes options to purchase 700 common shares granted to her under the Kramont 2000 Incentive Plan that will fully vest upon the consummation of the Proposed Merger.

(7) Includes (a) options to purchase 4,500 common shares granted to him under Kranzco's 1995 Incentive Plan, (b) 15,000 common shares granted to him under the Kramont 2000 Incentive Plan and (c) 3,900 common shares owned by his spouse.

(8) Includes (a) 101,292 common shares owned by a corporation controlled by Mr. Levy, (b) 78,149 Kramont OP common units and (c) 5,000 options granted to him under the Kramont 2000 Incentive Plan. Excludes 209,700 common shares owned by Mr. Levy's spouse, for which Mr. Levy disclaims beneficial ownership. Mr. Levy disclaims that Kramont OP common units are derivative securities of Kramont.

(9) Includes (a) options to purchase 5,000 common shares granted under the Kramont Realty Trust Non-Employee Director 1998 Stock Option Plan, (b) 15,000 options granted under the Kramont 2000 Incentive Plan and (c) 20,957 Kramont OP common units. Excludes 34,013 Kramont OP common units owned by Mr. Schneider's spouse, for which Mr. Schneider disclaims beneficial ownership. Mr. Schneider disclaims that OP units are derivative securities of Kramont.

(10) Includes (a) options to purchase 5,000 common shares granted to him under the Kramont 2000 Incentive Plan, (b) 35,381 common shares held by him as a trustee over which he maintains voting and investment power (but for which he disclaims beneficial ownership) and (c) 7,953 common shares held by his spouse (for which he disclaims beneficial ownership).

(11) The foregoing is based solely upon a Schedule 13G/A filed with the Securities and Exchange Commission on February 14, 2005. The address for this beneficial owner is 757 Third Avenue, New York, NY 10017.

65

(12) Includes options to purchase the aggregate of 151,261 common shares which

are exercisable within sixty (60) days of March 1, 2005.

The information required by this Item 12 with respect to the securities authorized for issuance under equity compensation plans is incorporated by reference from the section captioned "Securities Authorized for Issuance Under Equity Compensation Plans" in Item 5, "Market for Registrant's Common Equity and Related Shareholder Matters and Issuer Purchases of Equity Securities."

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

H. Irwin 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. On June 15, 2004, the Company sold the mortgage note which had an outstanding balance of $8.2 million to Bank of America for $10.4 million, recognizing the premium received in the amount of $2.2 million. During each of 2004, 2003, and 2002, the Company recognized $508,000, $1.2 million, and $1.2 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 $20.7 million at December 31, 2004. During 2003 and 2002, 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 and $55,000, respectively, for payment of rent, utilities and operating expenses. On September 2, 2003, the office building containing the leased space was sold.

Louis P. Meshon, Sr.

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 2004, 2003, and 2002 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 2004, 2003, and 2002, the owners of these properties paid Drexel $288,100, $259,300, and $279,500, respectively, for management and leasing services.

Under the Proposed Merger, prior to the effective time of the merger, in exchange for certain interests in (i) Drexel, held by Louis P. Meshon, Sr., and his spouse, and (ii) CV Partner Holdings, L.P., a subsidiary of Kramont, held by Mr. Meshon, Mr. Meshon will receive certain rights held by Royce Realty, Inc., a wholly owned subsidiary of Drexel, to use of the assumed name (doing business as) "Montgomery Realty Company" in New Jersey and Pennsylvania, and Kramont will enter into an agreement of indemnity in favor of Mr. Meshon relating to certain mortgage and environmental guarantees of Mr. Meshon with respect to Mount Carmel Plaza Associates, L.P., a subsidiary of Kramont.

Milton S. Schneider

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. Since June 1, 2004, Glenville has been on a month-to-month lease. During 2004, 2003, and 2002 The Glenville Group paid the Company approximately $67,300, $57,900, and $58,100, respectively, for payment of rent, electric and other operating expenses.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

During the fiscal years ended December 31, 2004 and 2003, BDO Seidman, LLP provided various audit and non-audit services to the Company. Set forth below are the aggregate fees billed for these services:

(a) Audit Fees: Aggregate fees billed for professional services rendered for the audit of the Company's annual financial statements for the fiscal years ended December 31, 2004 and 2003, for reviews of the financial statements included in the Company's quarterly reports on Form 10-Q, and for other services provided in connection with statutory and regulatory filings for those fiscal years: $297,600 and $133,500, respectively.

(b) Audit-Related Fees: There were no fees billed for assurance and related

services that are reasonably related to the performance of the audit or review of the Company's financial statements, and not reported under the heading "Audit Fees" above (primarily related to SEC compliance reviews and consulting), for the fiscal years ended December 31, 2004 and 2003.

(c) Tax Fees: There were no fees billed for professional services rendered for tax compliance, tax advice and tax planning, for the fiscal years ended December 31, 2004 and 2003.

(d) All Other Fees: Aggregate fees for services rendered for the audit of the Company's 401(k) plan and for services provided with respect to Company acquisition activities for the fiscal years ended December 1 2004 and 2003: $16,200 and $7,000, respectively

Pre-Approval Policies and Procedures.

The Audit Committee pre-approves all audit and permissible non-audit services. The Audit Committee has authorized each of its members to pre-approve audit, audit-related, tax and non-audit services, provided that such approved service is reviewed with the full Audit Committee at its next meeting.

As early as practicable in each fiscal year, BDO Seidman, LLP provides to the Audit Committee a schedule of the audit and other services that they expect to provide or may provide during the year. The schedule is specific as to the nature of the proposed services, the proposed fees, and other details that the Audit Committee may request. The Audit Committee by resolution authorizes or declines the proposed services. Upon approval, this schedule serves as the budget for fees by specific activity or service for the year.

A schedule of additional services proposed to be provided by BDO Seidman, LLP or proposed revisions to services already approved, along with associated proposed fees, may be presented to the Audit Committee for their consideration and approval at any time. The schedule is required to be specific as to the nature of the proposed service, the proposed fee, and other details that the Audit Committee may request. The Audit Committee intends by resolution to authorize or decline authorization for each proposed new service.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(1) List of Consolidated Financial Statements:

Report of Independent Certified Public Accountants

Consolidated Balance Sheets - December 31, 2004 and 2003

Consolidated Statements of Income - Years Ended December 31, 2004, 2003, and 2002

Consolidated Statements of Other Comprehensive Income - Years Ended December 31, 2004, 2003, and 2002

Consolidated Statements of Beneficiaries' Equity - Years Ended December 31, 2004, 2003, and 2002

Consolidated Statements of Cash Flows - Years Ended December 31, 2004, 2003, and 2002

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) 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)).
2.3	Amended and Restated Agreement and Plan of Merger by and among Centro Watt America III, L.P., Centro Watt America III OP, LLC, CWAR OP Merger Sub, LLC, CWAR OP Merger Sub II, LLC, CWAR OP Merger Sub III Trust, Centro Properties Limited, Centro Property Trust, Kramont Realty Trust, Kramont Operating Partnership, L.P., and Montgomery CV Realty L.P., dated as of January 27, 2005 (incorporated by reference to Exhibit 99.1 to the Company's Current Report on Form 8-K filed January 28, 2005)
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.)

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.)

73

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.)

75

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 (incorporated by reference to Exhibit 10.82 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2003).

10.83* Kramont Realty Trust Executive Officer Stock Option Plan (Formerly the Montgomery CV Trust Executive Officer Stock Option Plan) (incorporated by reference to Exhibit 10.83 to the Company's Annual Report on Form

10-K for the fiscal year ended December 31, 2003).

10.84* Kramont Realty Trust 1997 Stock Option Plan (Formerly the Drexel Realty Inc. 1997 Stock Option Plan) (incorporated by reference to Exhibit 10.84 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2003).

10.85* Kramont Realty Trust Non-Employee Director 1998 Stock Option Plan (Formerly the CV Reit, Inc. Non-Employee Director 1998 Stock Option Plan) (incorporated by reference to Exhibit 10.85 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2003).

10.86* Second Amendment to Employment Agreement between the Company and Carl. E. Kraus dated as of July 1, 2003 (incorporated by reference to Exhibit 10.86 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2003).

10.87* Second Amendment to Employment Agreement between the Company and George S. Demuth dated as of July 1, 2003 (incorporated by reference to Exhibit 10.87 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2003).

10.88* Third Amendment to Employment Agreement between the Company and Etta M. Strehle dated as of July 1, 2003 (incorporated by reference to Exhibit 10.88 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2003).

10.89 Assignment of Mortgage and Loan Documents, dated June 15, 2004, by and between Recreation Mortgages, L.P., a Delaware limited partnership, as assignor, and Bank of America, N.A., as assignee (incorporated by reference to Exhibit 10.89 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2004).

10.90 Promissory Note for $14,500,000, dated June 15, 2004, by and between Recreation Mortgages, L.P., a Delaware limited partnership, as borrower, Bank of America, N.A., as lender (incorporated by reference to Exhibit 10.90 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2004).

10.91 Secured Revolving Credit Loan Agreement dated July 19, 2004 by and between KR Livonia LLC, Plymouth Plaza Associates, L.P., and 550 West Germantown Pike LLC, as borrowers and Wachovia Bank National Association, as lender (incorporated by reference to Exhibit 10.91 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2004, as amended).

10.92 Fourth Amendment to Loan Agreement dated September 30, 2004 by and between Kramont Operating Partnership, L.P., as borrower and Fleet National Bank, as lender (incorporated by reference to Exhibit 99.2 of the Company's Form 8-K filed October 7, 2004)

10.93 $20,000,000 Swingline Note dated September 30, 2004 by and between Kramont Operating Partnership, L.P., as borrower and Fleet National Bank, as lender (incorporated by reference to Exhibit 99.3 of the

Company's Form 8-K filed October 7, 2004).

10.94*	First Amendment to Employment Agreement between the Company and Louis P. Meshon, Sr. dated July 1, 2004 (incorporated by reference to Exhibit 10.94 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2004, as amended)
10.95*	Second Amendment to Employment Agreement between the Company and Louis P. Meshon, Sr. dated December 18, 2004 (incorporated by reference to Exhibit 99.1 to the Company's Current Report on Form 8-K filed December 23, 2004)
10.96*	First Amendment to Employment Agreement between the Company and Carl E. Kraus dated July 1, 2002 (incorporated by reference to Exhibit 99.5 to the Company's Current Report on Form 8-K filed December 23, 2004)
10.97	Third Amendment to Employment Agreement between the Company and Carl. E. Kraus dated December 20, 2004 (incorporated by reference to Exhibit 99.6 to the Company's Current Report on Form 8-K filed December 23, 2004)
10.98*	First Amendment to Employment Agreement between the Company and George Demuth dated July 1, 2002 (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.)
10.99	Third Amendment to Employment Agreement between the Company and George S. Demuth dated December 20, 2004 (incorporated by reference to Exhibit 99.2 to the Company's Current Report on Form 8-K filed December 23, 2004)
10.100*	First Amendment to Employment Agreement between the Company and Etta Strehle dated July 1, 2001 (incorporated by reference to Exhibit 99.3 to the Company's Current Report on Form 8-K filed December 23, 2004)
10.101*	Second Amendment to Employment Agreement between the Company and Etta Strehle dated July 1, 2002 (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.)
10.102	Fourth Amendment to Employment Agreement between the Company and Etta M. Strehle dated December 20, 2004 (incorporated by reference to Exhibit 99.4 to the Company's Current Report on Form 8-K filed December 23, 2004)
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.
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.

77

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.

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, 2005 /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, 2005	/s/ H. Irwin Levy --------------------------------- H. Irwin Levy,Chairman of the Board and Trustee
March 15, 2005	/s/ Louis P. Meshon, Sr. --------------------------------- Louis P. Meshon, Sr., President, Chief Executive Officer and Trustee (principal executive officer)
March 15, 2005	/s/ Carl E. Kraus --------------------------------- Carl E. Kraus, Chief Financial Officer, Chief Investment Officer, and Treasurer (principal financial officer)
March 15, 2005	/s/ George S. Demuth --------------------------------- George S. Demuth, Chief Operating Officer and Executive Vice President
March 15, 2005	/s/ Etta M. Strehle --------------------------------- Etta M. Strehle, Chief Accounting Officer
March 15, 2005	/s/ Bernard J. Korman --------------------------------- Bernard J. Korman, Trustee

March 15, 2005	/s/ Laurence Gerber
	Laurence Gerber, Trustee

March 15, 2005	/s/ Milton S. Schneider
	Milton S. Schneider, Trustee
March 15, 2005	/s/ E. Donald Shapiro
	E.Donald Shapiro, Trustee
March 15, 2005	/s/ Alan L. Shulman
	Alan L. Shulman, Trustee