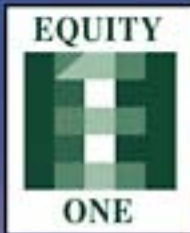




EQUITY ONE

1998 Annual Report

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Corporate Profile

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Equity One, Inc., a Maryland Corporation, is a self-managed real estate investment trust that acquires, renovates, develops and manages community and neighborhood shopping centers, principally anchored by national and regional supermarket chains. The Company's portfolio of properties, primarily located in metropolitan areas of Florida, includes 19 shopping centers, two mixed-use properties and three additional properties. The Company currently has two development projects underway. The Shops of Skylake, a 280,000-square-foot Publix-anchored Shopping Center in North Miami Beach, Florida and Forest Village, a 73,000-square-foot Publix-anchored Supermarket Center in Tallahassee, Florida. The existing properties are located primarily in the Miami, Orlando, and Jacksonville metropolitan areas of Florida and contain an aggregate of 2.1 million square feet of GLA (Gross Leasable Area). The Company also owns or has an option to purchase an aggregate of approximately 24 acres of land adjacent to its developed assets. The Company's Supermarket Centers are anchored by national and regional supermarkets such as Winn-Dixie, Publix, Albertsons and Kroger. The Company selects properties for acquisition or development in high growth, densely populated areas, with high barriers to entry resulting in strong "Upside" potential.



Selected Financial Data

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In thousands except per share data ⁽¹⁾	Year Ended December 31,		
	1998	1997	1996
BALANCE SHEET DATA			
Total Assets	\$152,955	\$126,903	\$111,822
Real Estate Investments, Before Accumulated Depreciation	148,087	126,441	106,706
Mortgage Notes Payable	67,145	71,004	66,831
Shareholders' Equity	81,218	53,580	43,095
OPERATING DATA⁽¹⁾			
Revenue	\$ 26,452	\$ 22,523	\$ 16,714
Income Before Gain on Sale of Real Estate	8,807	7,921	3,290
Gain (Loss) on Real Estate Investments	2,632	—	—
Net Earnings	11,439	7,921	3,920
Funds From Operations	11,764	10,694	6,136
Cash Dividends Paid	8,973	6,320	4,179
BASIC AND DILUTED EARNINGS PER SHARE DATA⁽¹⁾			
Income Before Gain on Sale of Real Estate (Basic)	\$ 0.86	\$ 0.81	\$ 0.79
Net Income (Basic)	1.12	0.81	0.79
Net Income (Diluted)	1.11	0.77	0.69
Funds From Operations (Basic)	1.15	1.09	1.23
Funds From Operations (Diluted)	1.14	1.04	1.08
Cash Dividends Paid	1.00	0.95	0.80



To Our Shareholders

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It is with a great sense of pride and accomplishment that I welcome you as shareholders of Equity One to report on the progress of our Company. Our goal of becoming the dominant supermarket REIT in the state of Florida, and to be recognized as a household name in the industry, has come closer to fruition in 1998.

Our consistent performance reveals the strength of both our strategy and execution. Both are firmly rooted in two fundamental dynamics which afford the Company and its shareholders the best of both worlds: better overall performance from supermarket-anchored shopping centers than any other anchor alternative, and the vibrant Florida marketplace, which has enormous potential for expansion and development.

The pro forma results for 1998 including Funds from Operations (FFO) of \$11.8 million, or \$1.14 per share, on revenue of \$26.5 million, reflect the completion of our Company's initial public offering on May 18, 1998. However, to provide some perspective on our historical performance, from 1995 through 1998, on a pro forma basis, the compounded annual growth rate for revenue, EBITDA, Funds from Operations and FFO per share has been 33%, 29%, 44% and 15%, respectively, for Equity One.

Supermarkets typically carry long-term leases, provide a regular flow of customer traffic and the stability of steady cash flow from quality tenants. Most importantly, shopping centers offering daily necessities fare better in times of economic uncertainty than those which require a greater reliance on discretionary spending.

The Florida market in particular surpasses the national average in key growth measurements of population, employment and retail sales. New and expanded modern centers are required to meet the needs of this rapidly growing area. The market is also highly fragmented and the Company can leverage its size and expertise in acquiring existing properties where upgrading, renovation and quality management can quickly improve a center's performance.

This consistency in strategy and focus is a hallmark of Equity One and we envision

Our goal of becoming the dominant supermarket REIT in the state of Florida, and to be recognized as a household name in the industry, has come closer to fruition in 1998.

Directors

Investor Information

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Board of Directors

Chaim Katzman
Chairman, Equity One, Inc.

Doron Valero
Senior Vice President and COO

Noam Ben-Ozer
Consultant, Bain & Co.

Ronald Chase
*Served as Managing Partner for
Deloitte & Touche, LLP;
Current President & Owner,
Chase Holdings and Advisory Services, Inc.*

Robert L. Cooney
*Served as Managing Director,
Equity Capital Markets,
Credit Suisse First Boston;
Current Partner,
Cooney, Schroder & Company, Inc.*

Dr. Shaiy Pilpel
*Head of Trading Operations, Wexford
Management*

Current and prospective Equity One investors can receive the Company's proxy statement, earnings announcements and Form 10-K by contacting the Company directly or

The Financial Relations Board
675 Third Avenue
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Fax 212.681.1908
Web site Address: <http://www.frbinc.com/>

Stock Listing

The high and low closing sales prices and distributions for the periods indicated in the table below were:



1998 Quarter Ended	High	Low	Distrib
June 30	10 1/8	9 9/16	\$0.12*
September 30	10 5/8	8 5/16	\$0.25
December 31	9 13/16	8 5/8	\$0.25

* Represents the pro rata distribution for the period commencing upon the consummation of the Company's IPO, based upon regular quarterly dividend of \$0.25 per share.

Corporate Executives

Public Auditors

Deloitte & Touche, LLP
200 South Biscayne Boulevard
Suite 400



Chaim Katzman
President and Chief Executive Officer



Doron Valero
Senior Vice President and Chief Operating Officer

Peter C. Sackmann
Chief Controller

Alan Merkur
Director of Acquisitions

Miami, FL 33131

Legal Counsel

Greenberg, Traurig, Hoffman, Lipoff, Rosen
& Quintel, P.A.
1221 Brickell Avenue
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Miami, FL 33131

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Email info@amstock.com

Member



The National Association of
Real Estate Investment Trusts, Inc.



International Council of
Shopping Centers

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