

ACADIA REALTY TRUST  
Form FWP  
November 03, 2011  
Filed pursuant to Rule 433 under the Securities Act of 1933

Dated November 2, 2011  
Relating to Prospectus dated April 9, 2009  
Registration Statement No. 333-157886

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
FORM 8-K  
CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): November 2, 2011

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

|   |  |   |
|---|--|---|
| Maryland<br>(State or other<br>jurisdiction of incorporation) | 1-12002<br>(Commission<br>File Number) | 23-2715194<br>(I.R.S. Employer<br>Identification No.) |
|---|--|---|

1311 Mamaroneck Avenue  
Suite 260  
White Plains, New York 10605  
(Address of principal executive offices) (Zip Code)

(914) 288-8100  
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425 )
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))



Item 9.01 Financial Statements and Exhibits.

Financial Statements.

The following are required audited financial information and unaudited pro forma information with respect to a portion of the Company's acquisition activity since January 1, 2011. The information relates to the following properties:

- The Heritage Shops at Millennium Park (the "Heritage Shops"). During April 2011, the Company acquired this property located in Chicago, Illinois for \$31.6 million;
- A 19-property portfolio located in Chicago, Illinois (the "Chicago Portfolio"). During August 2011, the Company acquired six of these properties for an aggregate purchase price of \$18.0 million. The Company is currently awaiting lender approval for the assumption of the mortgage debt collateralized by the remaining 13 properties prior to completing the acquisition of the balance of the portfolio;
- A property located in Chicago, Illinois (the "Chicago Property"). During October 2011, the Company has entered into a purchase and sale agreement to acquire the Chicago Property for a purchase price of \$31.5 million. The Company is currently awaiting lender approval for the assumption of the mortgage debt collateralized by the property prior to completing the acquisition.

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For the Year Ended December 31, 2010  
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The Heritage Shops at Millennium Park

Independent Auditors' Report

To the Board of Directors and Management of  
Acadia Realty Trust  
White Plains, New York

We have audited the accompanying statement of revenues and certain expenses of the Heritage Shops at Millennium Park (the "Company") for the year ended December 31, 2010. The statement of revenues and certain expenses is the responsibility of Acadia Realty Trust's management. Our responsibility is to express an opinion on the statement of revenues and certain expenses based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying statement of revenues and certain expenses was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission and for inclusion in a Current Report on Form 8-K of Acadia Realty Trust. As described in Note 2, material amounts that would not be comparable to those resulting from the proposed future operations of The Heritage Shops at Millennium Park are excluded from the statement of revenues and certain expenses and the statement of revenues and certain expenses is not intended to be a complete presentation of The Heritage Shops at Millennium Park's revenues and certain expenses.

In our opinion, the statement of revenues and certain expenses referred to above present fairly, in all material respects, the revenues and certain expenses of the Heritage Shops at Millennium Park for the year ended December 31, 2010, on the basis of accounting described in Note 2.

November 2, 2011

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The Heritage Shops at Millennium Park  
 Statements of Revenues and Certain Expenses

| (in thousands)                                | Year ended<br>December 31, 2010 | Three months<br>ended<br>March 31, 2011<br>(unaudited) |
|---|---------------------------------|--|
| Revenues:                                     |                                 |  |
| Rental revenue                                | \$ 2,457                        | \$ 562   |
| Reimbursement revenue                         | 1,003                           | 380  |
| <b>Total Revenues</b>                         | <b>3,460</b>                    | <b>942</b>   |
| Certain Expenses:                             |                                 |  |
| Operating expenses                            | 297                             | 161  |
| Real estate taxes                             | 611                             | 336  |
| Insurance expense                             | 26                              | 2  |
| <b>Total Certain Expenses</b>                 | <b>934</b>                      | <b>499</b>   |
| <b>Revenues in Excess of Certain Expenses</b> | <b>\$ 2,526</b>                 | <b>\$ 443</b>  |

See accompanying notes to the statements of revenues and certain expenses.

## Notes to Statements of Revenues and Certain Expenses

### 1. Organization

The Heritage Shops at Millennium Park (“The Heritage”) is the retail component of a condominium building consisting of residential and retail components located at 130 N. Garland Court Chicago, IL 60602. The Heritage is located at the base of a 57-story luxury residential tower.

Acadia Realty Trust (the “Trust”) and subsidiaries (collectively, the “Company”) is a fully-integrated equity real estate investment trust focused on the acquisition, ownership, management and redevelopment of high-quality retail properties and urban/infill mixed-use properties with a strong retail component located primarily in high-barrier-to-entry, densely-populated metropolitan areas along the East Coast and in Chicago.

During April 2011, the Company acquired The Heritage.

### 2. Basis of Presentation and Significant Accounting Policies

Presented herein are the statements of revenues and certain expenses related to the operations of The Heritage.

The accompanying statements of revenues and certain expenses (the “Statements”) have been prepared for the purpose of complying with the applicable rules and regulations of the Securities and Exchange Commission, Regulation S-X, Rule 3-14 and for inclusion in a Current Report on Form 8-K of the Company. The Statements are not intended to be a complete presentation of the revenues and expenses of The Heritage.. Accordingly, the Statements exclude depreciation and amortization, amortization of intangible assets and liabilities and asset management fees not directly related to the future operations.

#### Revenue Recognition

Minimum rental revenue is recognized on a straight-line basis over the term of the lease. Certain of the leases acquired provide for the reimbursement to the owner of real estate taxes, insurance and other property operating expenses. These reimbursements are recognized as revenue in the period the expenses are incurred.

#### Income Taxes

The Heritage was organized as a limited liability company and is not directly subject to federal, state, or city income taxes.

#### Use of Estimates

The preparation of the Statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the Statements and accompanying notes. Actual results could differ from those estimates.

### 3. Rental Income

The Company is the lessor to tenants under operating leases with expiration dates ranging from 2015 to 2044. The minimum rental amounts due under the leases are generally either subject to scheduled fixed increases or adjustments. The leases generally also require that the tenants reimburse the Company for the tenants pro rata share of increases in certain operating costs and real estate taxes. Future minimum rents to be received over the next five years and thereafter for non-cancelable operating leases in effect at December 31, 2010 are as follows:

(in thousands)

|            |          |
|------------|----------|
| 2011       | \$2,559  |
| 2012       | 2,625    |
| 2013       | 2,637    |
| 2014       | 2,657    |
| 2015       | 2,732    |
| Thereafter | 13,497   |
| Total      | \$26,707 |

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The Chicago Portfolio

Independent Auditors' Report

To the Board of Directors and Management of  
Acadia Realty Trust  
White Plains, New York

We have audited the accompanying combined statement of revenues and certain expenses of the Chicago Portfolio ("the Company") for the year ended December 31, 2010. The combined statement of revenues and certain expenses is the responsibility of Acadia Realty Trust's management. Our responsibility is to express an opinion on the combined statement of revenues and certain expenses based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying combined statement of revenues and certain expenses was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission and for inclusion in a Current Report on Form 8-K of Acadia Realty Trust. As described in Note 2, material amounts that would not be comparable to those resulting from the proposed future operations of The Chicago Portfolio are excluded from the combined statement of revenues and certain expenses and the combined statement of revenues and certain expenses is not intended to be a complete presentation of The Chicago Portfolio's revenues and expenses.

In our opinion, the combined statement of revenues and certain expenses referred to above present fairly, in all material respects, the revenues and certain expenses of the Chicago Portfolio for the year ended December 31, 2010, on the basis of accounting described in Note 2.

November 2, 2011

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The Chicago Portfolio  
 Combined Statements of Revenues and Certain Expenses

| (in thousands)                         | Year ended<br>December 31,<br>2010 | Properties<br>Acquired<br>Six Months ended<br>June 30, 2011<br>(unaudited) | Properties to be<br>Acquired<br>Nine Months<br>ended<br>September 30,<br>2011<br>(unaudited) |
|--|------------------------------------|--|--|
| Revenues:                              |                                    |  |  |
| Rental revenue                         | \$ 4,467                           | \$ 672   | \$ 2,578   |
| Reimbursement revenue                  | 993                                | 162  | 529  |
| <b>Total Revenues</b>                  | <b>5,460</b>                       | <b>834</b>   | <b>3,107</b>   |
| Certain Expenses:                      |                                    |  |  |
| Operating expenses                     | 47                                 | 10   | 44   |
| Real estate taxes                      | 914                                | 118  | 384  |
| Interest expense                       | 1,777                              | -  | 1,207  |
| Insurance expense                      | 40                                 | 4  | 13   |
| <b>Total Certain Expenses</b>          | <b>2,778</b>                       | <b>132</b>   | <b>1,648</b>   |
| Revenues in Excess of Certain Expenses | \$ 2,682                           | \$ 702   | \$ 1,459   |

See accompanying notes to the statements of revenues and certain expenses.

## Notes to Combined Statements of Revenues and Certain Expenses

### 1. Organization

The Chicago Portfolio (the “Portfolio”) consists of a 19-property portfolio of several street-level retail and mixed-used properties in the north side of Chicago. The properties span the Clark-Diversey and Armitage-Halsted intersections in Lincoln Park, to the Rush-Walton intersection in the Gold Coast.

Acadia Realty Trust (the “Trust”) and subsidiaries (collectively, the “Company”) is a fully-integrated equity real estate investment trust (“REIT”) focused on the acquisition, ownership, management and redevelopment of high-quality retail properties and urban/infill mixed-use properties with a strong retail component located primarily in high-barrier-to-entry, densely-populated metropolitan areas along the East Coast and in Chicago.

During August 2011, the Company acquired six of the 19 properties in the Portfolio and expects to acquire the remaining 13 properties when lender approval for the transfer of the mortgages is obtained.

### 2. Basis of Presentation and Significant Accounting Policies

Presented herein are the statements of revenues and certain expenses of the Portfolio.

The accompanying combined statements of revenues and certain expenses (the “Statements”) have been prepared for the purpose of complying with the applicable rules and regulations of the Securities and Exchange Commission, Regulation S-X, Rule 3-14 and for inclusion in a Current Report on Form 8-K of the Company. The Statements are not intended to be a complete presentation of the revenues and expenses of the Portfolio. Accordingly, the Statements exclude depreciation and amortization, amortization of intangible assets and liabilities and asset management fees not directly related to the future operations.

The audited December 31, 2010 amounts represent activity for the twelve month period ended for all 19 properties within the Portfolio. The unaudited June 30, 2011 amounts represent the six-month period activity for the six properties acquired in August 2011. The unaudited September 30, 2011 amounts represent the nine-month period activity for the 13 properties expected to be acquired by the Company.

#### Revenue Recognition

Minimum rental revenue is recognized on a straight-line basis over the term of the lease. Certain of the leases acquired and expected to be acquired provide for the reimbursement to the owner of the Portfolio of real estate taxes, insurance and other property operating expenses. These reimbursements are recognized as revenue in the period the expenses are incurred.

#### Income Taxes

The Portfolio was organized as a series of limited liability companies and is not directly subject to federal, state, or city income taxes.

#### Use of Estimates

The preparation of the Statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the Statements and

accompanying notes. Actual results could differ from those estimates.

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### 3. Rental Income

The Company is the lessor to tenants under operating leases with expiration dates ranging from 2015 to 2044. The minimum rental amounts due under the leases are generally either subject to scheduled fixed increases or adjustments. The leases generally also require that the tenants reimburse the Company for the tenants pro rata share of increases in certain operating costs and real estate taxes. Future minimum rents to be received over the next five years and thereafter for noncancelable operating leases in effect at December 31, 2010 are as follows:

(in thousands)

|            |          |
|------------|----------|
| 2011       | \$4,958  |
| 2012       | 6,094    |
| 2013       | 6,132    |
| 2014       | 6,325    |
| 2015       | 6,465    |
| Thereafter | 35,045   |
| Total      | \$65,019 |

### 4. Mortgage Debt

The Company expects to assume mortgage debt collateralized by 13 properties within the Chicago Portfolio. The loans aggregate \$28.0 million as of September 30, 2011, bear interest rates ranging from 5.52% to 5.62% and have various maturities ranging from 2014 to 2016.

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The Chicago Property

Independent Auditors' Report

To the Board of Directors and Management of  
Acadia Realty Trust  
White Plains, New York

We have audited the accompanying statement of revenues and certain expenses of the Chicago Property (“the Company”) for the year ended December 31, 2010. The statement of revenues and certain expenses is the responsibility of Acadia Realty Trust’s management. Our responsibility is to express an opinion on the statement of revenues and certain expenses based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the statement of revenues and certain expenses referred to above present fairly, in all material respects, the revenues and certain expenses of the Chicago Property for the year ended December 31, 2010, on the basis of accounting described in Note 2.

November 2, 2011

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The Chicago Property  
Statements of Revenues and Certain Expenses

| (in thousands)                         | Year ended<br>December 31, 2010 | Nine Months ended<br>September 30,<br>2011<br>(unaudited) |
|--|---------------------------------|---|
| Revenues:                              |                                 |   |
| Rental revenue                         | \$ 2,175                        | \$ 1,347  |
| Parking revenue                        | 117                             | 198   |
| Reimbursement revenue                  | 852                             | 528   |
| Total Revenues                         | 3,144                           | 2,073   |
| Certain Expenses:                      |                                 |   |
| Operating expenses                     | 171                             | 165   |
| Parking expense                        | 226                             | 109   |
| Real estate taxes                      | 646                             | 355   |
| Interest expense                       | 1,216                           | 898   |
| Insurance expense                      | 24                              | 24  |
| Total Certain Expenses                 | 2,283                           | 1,551   |
| Revenues in Excess of Certain Expenses | \$ 861                          | \$ 522  |

See accompanying notes to the statements of revenues and certain expenses

## Notes to Statements of Revenues and Certain Expenses

### 1. Organization

The Chicago Property (the “Property”) is street-level retail located at the intersection of West North Avenue and North Halstead Street in Chicago, Illinois.

Acadia Realty Trust (the “Trust”) and subsidiaries (collectively, the “Company”) is a fully-integrated equity real estate investment trust focused on the acquisition, ownership, management and redevelopment of high-quality retail properties and urban/infill mixed-use properties with a strong retail component located primarily in high-barrier-to-entry, densely-populated metropolitan areas along the East Coast and in Chicago.

During October 2011, the Company entered into a purchase and sale agreement to acquire the Property for a purchase price of \$31.5 million. The Company is currently awaiting lender approval for the assumption of the mortgage debt collateralized by the property prior to completing the acquisition.

### 2. Basis of Presentation and Significant Accounting Policies

Presented herein are the statements of revenues and certain expenses of the Property.

The accompanying statements of revenues and certain expenses (the “Statements”) have been prepared for the purpose of complying with the applicable rules and regulations of the Securities and Exchange Commission, Regulation S-X, Rule 3-14 and for inclusion in a Current Report on Form 8-K of the Company. The Statements are not intended to be a complete presentation of the revenues and expenses of the Property. Accordingly, the Statements exclude depreciation and amortization, amortization of intangible assets and liabilities and asset management fees not directly related to the future operations.

#### Revenue Recognition

Minimum rental revenue is recognized on a straight-line basis over the term of the lease. Certain of the leases expected to be acquired provide for the reimbursement to the owner of the Property of real estate taxes, insurance and other property operating expenses. These reimbursements are recognized as revenue in the period the expenses are incurred.

#### Income Taxes

The Property was organized as a limited liability company and is not directly subject to federal, state, or city income taxes.

#### Use of Estimates

The preparation of the Statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the statement of revenues and certain expenses and accompanying notes. Actual results could differ from those estimates.

### 3. Rental Income



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The Company is the lessor to tenants under operating leases with expiration dates ranging from 2015 to 2020. The minimum rental amounts due under the leases are generally either subject to scheduled fixed increases or adjustments. The leases generally also require that the tenants reimburse the Company for the tenants pro rata share of increases in certain operating costs and real estate taxes. Future minimum rents to be received over the next five years and thereafter for noncancelable operating leases in effect at December 31, 2010 are as follows:

(in thousands)

|            |         |
|------------|---------|
| 2011       | \$1,473 |
| 2012       | 1,607   |
| 2013       | 1,342   |
| 2014       | 1,268   |
| 2015       | 1,216   |
| Thereafter | 9,692   |
| Total      | 16,598  |

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#### 4. Mortgage Debt

The Company anticipates assuming the previously existing mortgage debt secured by the Property. The mortgage bears interest at 5.85% and matures in December 2013.

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ACADIA REALTY TRUST AND SUBSIDIARIES

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As of, and For, the Nine Months Ended September 30, 2011 and For the Year Ended December 31, 2010

During April 2011, Acadia Realty Trust (the “Company”, through Acadia Strategic Opportunity Fund III, LLC (“Fund III”), acquired The Heritage Shops at Millennium Park (“The Heritage Shops”), a 105,000 square foot property located in Chicago, Illinois, for \$31.6 million. The acquisition was funded with cash on hand of \$6.4 million and contributions from noncontrolling interests aggregating \$25.2 million. During August 2011, the Company acquired six properties, located in Chicago, Illinois, aggregating \$18.0 million with cash on hand. These are part of a 19 property portfolio (the “Chicago Portfolio”) previously reported as under contract for purchase. The Company is currently awaiting lender approval to assume the existing mortgage debt collateralized by the remaining 13 properties prior to completing the acquisition of the balance of the portfolio. The Company anticipates using \$31.9 million of cash on hand, assuming \$28.0 million in existing mortgage debt and issuing \$3.0 million in Operating Partnership Units (“OP Units”) in connection with the acquisition of the remaining 13 properties. During October 2011, the Company, through Fund III, entered into a purchase and sale agreement to acquire a property located in Chicago, Illinois (the “Chicago Property”) for a purchase price of \$31.5 million. The Company anticipates assuming \$19.1 million in existing mortgage debt and funding the balance of the purchase price, inclusive of \$0.7 million of closing costs, with \$2.6 million of cash on hand and \$10.5 million of capital contributions from noncontrolling interests.

The accompanying unaudited pro forma condensed consolidated balance sheet as of September 30, 2011 has been prepared as if the acquisition of the Chicago Portfolio and the Chicago Property occurred on September 30, 2011. The accompanying unaudited pro forma condensed consolidated statements of operations for the nine months ended September 30, 2011 and for the year ended December 31, 2010 have been prepared as if the acquisition of The Heritage Shops, the Chicago Portfolio and the Chicago Property (collectively, the “Acquisitions”) occurred as of January 1, 2010.

The allocation of the purchase price of the Chicago Portfolio and the Chicago Property reflected in these unaudited pro forma condensed consolidated financial statements has been based upon preliminary estimates of the fair value of assets acquired and liabilities ultimately assumed. A final determination of the fair values of the assets and liabilities assumed from the Chicago Portfolio and the Chicago Property, which cannot be made prior to the completion of these acquisitions, will be based on the actual valuation of the tangible and intangible assets and liabilities of the Chicago Portfolio and the Chicago Property that exist as of the date of completion of this acquisition. Consequently, amounts preliminarily allocated to identifiable tangible and intangible assets and liabilities could change significantly from those used in the pro forma condensed consolidated financial statements presented and could result in a material change in amortization of tangible and intangible assets and liabilities. Additionally, proceeds assumed in the pro forma column to satisfy our purchase obligation for the Chicago Portfolio is predicated on anticipated issuances of OP Units by the Company and there can be no assurance that this will occur on the terms estimated or at all.

Our pro forma condensed consolidated financial statements are presented for informational purposes only and should be read in conjunction with the historical financial statements and related notes thereto filed with the U.S. Securities and Exchange Commission. In the opinion of the Company’s management, the pro forma condensed consolidated financial statements include all significant necessary adjustments that can be factually supported to reflect the effect of the Acquisitions. The unaudited pro forma condensed consolidated financial statements are based on assumptions and estimates considered appropriate by the Company’s management; however, they are not necessarily, and should not be assumed to be, an indication of the Company’s financial position or results of operations that would have been achieved had the Acquisitions been completed as of the dates indicated or that may be achieved in the future. The completion of the valuation, the allocation of the purchase price, the impact of ongoing integration activities, the timing of the completion of the Acquisitions and other changes to the related tangible and intangible assets and

liabilities that occur prior to completion of the Acquisitions, as well as the inability to obtain loan servicer consents or satisfy other closing conditions, could cause material differences in the information presented.

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ACADIA REALTY TRUST AND SUBSIDIARIES  
 UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET  
 As of September 30, 2011

| (Amount in thousands, except share and per share data)                                   | Company<br>Historical<br>(a) | Acquisition<br>of the<br>Chicago<br>Portfolio<br>(b) | Acquisition<br>of the<br>Chicago<br>Property<br>(b) | Company<br>Pro Forma |
|--|------------------------------|--|---|----------------------|
| <b>ASSETS</b>  |                              |  |   |                      |
| <b>Operating real estate</b>   |                              |  |   |                      |
| Land   | \$268,077                    | \$18,880   | \$9,664   | \$296,621            |
| Building and improvements  | 958,549                      | 44,053   | 22,550  | 1,025,152            |
| Construction in progress   | 3,983                        |  |   | 3,983                |
|  | 1,230,609                    | 62,933   | 32,214  | 1,325,756            |
| Less: accumulated depreciation   | 200,840                      |  |   | 200,840              |
| Net operating real estate  | 1,029,769                    | 62,933   | 32,214  | 1,124,916            |
| Real estate under development  | 229,223                      |  |   | 229,223              |
| Notes receivable, net  | 41,304                       |  |   | 41,304               |
| Investments in and advances to unconsolidated affiliates                                 | 78,420                       |  |   | 78,420               |
| Cash and cash equivalents  | 98,027                       | (31,900 )  | (2,614 )  | 63,513               |
| Cash in escrow   | 27,553                       |  |   | 27,553               |
| Rents receivable, net  | 23,179                       |  |   | 23,179               |
| Deferred charges, net  | 25,696                       |  |   | 25,696               |
| Acquired lease intangibles, net  | 22,975                       |  |   | 22,975               |
| Prepaid expenses and other assets  | 27,637                       |  |   | 27,637               |
| Assets of discontinued operations  | 2,684                        |  |   | 2,684                |
| Total assets   | \$1,606,467                  | \$31,033   | \$29,600  | \$1,667,100          |
| <b>LIABILITIES</b>   |                              |  |   |                      |
| Mortgage notes payable   | \$846,399                    | \$28,033   | (c) \$19,100  | (c) \$893,532        |
| Convertible notes payable, net   | 24,824                       |  |   | 24,824               |
| Distributions in excess of income from, and investments<br>in, unconsolidated affiliates | 21,401                       |  |   | 21,401               |
| Accounts payable and accrued expenses  | 31,992                       |  |   | 31,992               |
| Dividends and distributions payable  | 7,507                        |  |   | 7,507                |
| Acquired lease and other intangibles, net  | 5,592                        |  |   | 5,592                |
| Other liabilities  | 18,914                       |  |   | 18,914               |
| Liabilities of discontinued operations   | 289                          |  |   | 289                  |
| Total liabilities  | 956,918                      | 28,033   | 19,100  | 1,004,051            |
| <b>EQUITY</b>  |                              |  |   |                      |
| Shareholders' equity   |                              |  |   |                      |
| Common shares, \$.001 par value, authorized<br>100,000,000 shares; issued                |                              |  |   |                      |
|  | 40                           |  |   | 40                   |

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and outstanding 40,331,366 and 40,254,525 shares, respectively

|                                      |              |           |           |              |
|--------------------------------------|--------------|-----------|-----------|--------------|
| Additional paid-in capital           | 303,783      |           |           | 303,783      |
| Accumulated other comprehensive loss | (4,231 )     |           |           | (4,231 )     |
| Retained earnings                    | 39,098       |           |           | 39,098       |
| Total shareholders' equity           | 338,690      |           |           | 338,690      |
| Noncontrolling interests             | 310,859      | 3,000     | 10,500    | 324,359      |
| Total equity                         | 649,549      | 3,000     |           | 663,049      |
| Total liabilities and equity         | \$ 1,606,467 | \$ 31,033 | \$ 29,600 | \$ 1,667,100 |

The accompanying notes are an integral part of these unaudited pro forma condensed consolidated financial statements.

## ACADIA REALTY TRUST AND SUBSIDIARIES

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF INCOME  
For the Nine Months Ended September 30, 2011

| (dollars in thousands, except per share amounts)             | Company<br>Historical<br>(aa) | The<br>Heritage<br>(bb) | The<br>Chicago<br>Portfolio<br>(cc) |       | The<br>Chicago<br>Property<br>(dd) |     | Company<br>Pro Forma |
|--|-------------------------------|-------------------------|-------------------------------------|-------|------------------------------------|-----|----------------------|
| <b>Revenues</b>  |                               |                         |                                     |       |                                    |     |                      |
| Rental income  | \$85,564                      | \$623                   | \$3,354                             |       | \$1,545                            |     | \$91,086             |
| Interest income  | 9,493                         |                         |                                     |       |                                    |     | 9,493                |
| Expense reimbursements                                       | 16,213                        | 396                     | 709                                 |       | 528                                |     | 17,846               |
| Management fee income  | 1,169                         |                         |                                     |       |                                    |     | 1,169                |
| Other  | 1,849                         |                         |                                     |       |                                    |     | 1,849                |
| <b>Total revenues</b>  | <b>114,288</b>                | <b>1,019</b>            | <b>4,063</b>                        |       | <b>2,073</b>                       |     | <b>121,443</b>       |
| <b>Operating Expenses</b>                                    |                               |                         |                                     |       |                                    |     |                      |
| Property operating   | 22,565                        | 175                     | 70                                  |       | 298                                |     | 23,108               |
| Real estate taxes  | 13,792                        | 347                     | 518                                 |       | 355                                |     | 15,012               |
| General and administrative                                   | 17,147                        |                         |                                     |       |                                    |     | 17,147               |
| Depreciation and amortization                                | 24,626                        | 126                     | (ee)                                | 1,011 | (ee)                               | 423 | (ee) 26,186          |
| <b>Total operating expenses</b>                              | <b>78,130</b>                 | <b>648</b>              | <b>1,599</b>                        |       | <b>1,076</b>                       |     | <b>81,453</b>        |
| <b>Operating income</b>                                      | <b>36,158</b>                 | <b>371</b>              | <b>2,464</b>                        |       | <b>997</b>                         |     | <b>39,990</b>        |
| <b>Equity in earnings of unconsolidated affiliates</b>       |                               |                         |                                     |       |                                    |     |                      |
| Equity in earnings of unconsolidated affiliates              | 3,025                         |                         |                                     |       |                                    |     | 3,025                |
| Other interest income  | 219                           |                         |                                     |       |                                    |     | 219                  |
| Gain on debt extinguishment                                  | 1,268                         |                         |                                     |       |                                    |     | 1,268                |
| Interest and other finance expense                           | (27,598 )                     |                         | (1,207 )                            |       | (898 )                             |     | (29,703 )            |
| <b>Income from continuing operations before income taxes</b> | <b>13,072</b>                 | <b>371</b>              | <b>1,257</b>                        |       | <b>99</b>                          |     | <b>14,799</b>        |
| Income tax provision   | (7 )                          |                         |                                     |       |                                    |     | (7 )                 |
| <b>Income from continuing operations</b>                     | <b>13,065</b>                 | <b>371</b>              | <b>1,257</b>                        |       | <b>99</b>                          |     | <b>14,792</b>        |
| <b>Discontinued Operations</b>                               |                               |                         |                                     |       |                                    |     |                      |
| Operating income from discontinued operations                | 702                           |                         |                                     |       |                                    |     | 702                  |
| Impairment of asset  | (6,925 )                      |                         |                                     |       |                                    |     | (6,925 )             |
| Gain on sale of property                                     | 32,498                        |                         |                                     |       |                                    |     | 32,498               |
| <b>Income from discontinued operations</b>                   | <b>26,275</b>                 |                         |                                     |       |                                    |     | <b>26,275</b>        |
| <b>Net income</b>  | <b>39,340</b>                 | <b>371</b>              | <b>1,257</b>                        |       | <b>99</b>                          |     | <b>41,067</b>        |
| <b>Noncontrolling interests</b>                              |                               |                         |                                     |       |                                    |     |                      |
| Continuing operations  | 3,597                         | (298 )                  | (14 )                               |       | (79 )                              |     | 3,206                |
| Discontinued operations                                      | 731                           |                         |                                     |       |                                    |     | 731                  |
|  | 4,328                         | (298 )                  | (14 )                               |       | (79 )                              |     | 3,937                |

Net loss (income) attributable to noncontrolling interests

|  |          |      |         |      |          |
|--|----------|------|---------|------|----------|
| Net income attributable to Common Shareholders | \$43,668 | \$73 | \$1,243 | \$20 | \$45,004 |
|--|----------|------|---------|------|----------|

Basic Earnings per Share

|                                   |        |        |        |        |        |
|-----------------------------------|--------|--------|--------|--------|--------|
| Income from continuing operations | \$0.41 | \$0.00 | \$0.03 | \$0.00 | \$0.45 |
|-----------------------------------|--------|--------|--------|--------|--------|

|                                     |      |   |   |   |      |
|-------------------------------------|------|---|---|---|------|
| Income from discontinued operations | 0.67 | - | - | - | 0.67 |
|-------------------------------------|------|---|---|---|------|

|                          |        |        |        |        |        |
|--------------------------|--------|--------|--------|--------|--------|
| Basic earnings per share | \$1.08 | \$0.00 | \$0.03 | \$0.00 | \$1.12 |
|--------------------------|--------|--------|--------|--------|--------|

Diluted Earnings per Share

|                                   |        |        |        |        |        |
|-----------------------------------|--------|--------|--------|--------|--------|
| Income from continuing operations | \$0.41 | \$0.00 | \$0.03 | \$0.00 | \$0.45 |
|-----------------------------------|--------|--------|--------|--------|--------|

|                                     |      |   |   |   |      |
|-------------------------------------|------|---|---|---|------|
| Income from discontinued operations | 0.67 | - | - | - | 0.67 |
|-------------------------------------|------|---|---|---|------|

|                            |        |        |        |        |        |
|----------------------------|--------|--------|--------|--------|--------|
| Diluted earnings per share | \$1.08 | \$0.00 | \$0.03 | \$0.00 | \$1.12 |
|----------------------------|--------|--------|--------|--------|--------|

The accompanying notes are an integral part of these unaudited pro forma condensed consolidated financial statements.



ACADIA REALTY TRUST AND SUBSIDIARIES  
 UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF INCOME  
 For the Year Ended December 31, 2010

| (dollars in thousands, except per share amounts)             | Company<br>Historical<br>(aa) | The<br>Heritage<br>(bb) | The<br>Chicago<br>Portfolio<br>(cc) | The<br>Chicago<br>Property<br>(dd) | Company<br>Pro Forma |
|--|-------------------------------|-------------------------|-------------------------------------|------------------------------------|----------------------|
| <b>Revenues</b>  |                               |                         |                                     |                                    |                      |
| Rental income  | \$106,913                     | \$2,517                 | \$4,467                             | \$2,292                            | \$116,189            |
| Mortgage interest income                                     | 19,161                        |                         |                                     |                                    | 19,161               |
| Expense reimbursements                                       | 22,030                        | 1,003                   | 993                                 | 852                                | 24,878               |
| Lease termination income                                     | 290                           |                         |                                     |                                    | 290                  |
| Management fee income  | 1,424                         |                         |                                     |                                    | 1,424                |
| Other  | 2,140                         |                         |                                     |                                    | 2,140                |
| <b>Total revenues</b>  | <b>151,958</b>                | <b>3,520</b>            | <b>5,460</b>                        | <b>3,144</b>                       | <b>164,082</b>       |
| <b>Operating Expenses</b>                                    |                               |                         |                                     |                                    |                      |
| Property operating   | 30,914                        | 323                     | 87                                  | 421                                | 31,745               |
| Real estate taxes  | 18,245                        | 611                     | 914                                 | 646                                | 20,416               |
| General and administrative                                   | 20,220                        |                         |                                     |                                    | 20,220               |
| Depreciation and amortization                                | 40,115                        | 503                     | (ee) 1,419                          | (ee) 564                           | (ee) 42,601          |
| <b>Total operating expenses</b>                              | <b>109,494</b>                | <b>1,437</b>            | <b>2,420</b>                        | <b>1,631</b>                       | <b>114,982</b>       |
| <b>Operating income</b>                                      | <b>42,464</b>                 | <b>2,083</b>            | <b>3,040</b>                        | <b>1,513</b>                       | <b>49,100</b>        |
| <b>Equity in earnings of unconsolidated affiliates</b>       |                               |                         |                                     |                                    |                      |
| Equity in earnings of unconsolidated affiliates              | 10,971                        |                         |                                     |                                    | 10,971               |
| Other interest income  | 408                           |                         |                                     |                                    | 408                  |
| Gain from bargain purchase                                   | 33,805                        |                         |                                     |                                    | 33,805               |
| Interest and other finance expense                           | (34,471 )                     |                         | (1,777 )                            | (1,216 )                           | (37,464 )            |
| <b>Income from continuing operations before income taxes</b> | <b>53,177</b>                 | <b>2,083</b>            | <b>1,263</b>                        | <b>297</b>                         | <b>56,820</b>        |
| Income tax provision   | (2,890 )                      |                         |                                     |                                    | (2,890 )             |
| <b>Income from continuing operations</b>                     | <b>50,287</b>                 | <b>2,083</b>            | <b>1,263</b>                        | <b>297</b>                         | <b>53,930</b>        |
| <b>Discontinued Operations</b>                               |                               |                         |                                     |                                    |                      |
| Operating income from discontinued operations                | 380                           |                         |                                     |                                    | 380                  |
| <b>Income from discontinued operations</b>                   | <b>380</b>                    |                         |                                     |                                    | <b>380</b>           |
| <b>Net income</b>  | <b>50,667</b>                 | <b>2,083</b>            | <b>1,263</b>                        | <b>297</b>                         | <b>54,310</b>        |
| <b>Noncontrolling interests</b>                              |                               |                         |                                     |                                    |                      |
| Continuing operations  | (20,307 )                     | (1,673 )                | (15 )                               | (238 )                             | (22,233 )            |
| Discontinued operations                                      | (303 )                        |                         |                                     |                                    | (303 )               |
| <b>Net income attributable to noncontrolling interests</b>   | <b>(20,610 )</b>              | <b>(1,673 )</b>         | <b>(15 )</b>                        | <b>(238 )</b>                      | <b>(22,536 )</b>     |

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|  |          |       |         |      |          |
|--|----------|-------|---------|------|----------|
| Net income attributable to Common Shareholders | \$30,057 | \$410 | \$1,248 | \$59 | \$31,774 |
|--|----------|-------|---------|------|----------|

Basic Earnings per Share

|                                   |        |        |        |        |        |
|-----------------------------------|--------|--------|--------|--------|--------|
| Income from continuing operations | \$0.75 | \$0.01 | \$0.03 | \$0.00 | \$0.79 |
|-----------------------------------|--------|--------|--------|--------|--------|

|                                     |   |   |   |   |   |
|-------------------------------------|---|---|---|---|---|
| Income from discontinued operations | - | - | - | - | - |
|-------------------------------------|---|---|---|---|---|

|                          |        |        |        |        |        |
|--------------------------|--------|--------|--------|--------|--------|
| Basic earnings per share | \$0.75 | \$0.01 | \$0.03 | \$0.00 | \$0.79 |
|--------------------------|--------|--------|--------|--------|--------|

Diluted Earnings per Share

|                                   |        |        |        |        |        |
|-----------------------------------|--------|--------|--------|--------|--------|
| Income from continuing operations | \$0.74 | \$0.01 | \$0.03 | \$0.00 | \$0.79 |
|-----------------------------------|--------|--------|--------|--------|--------|

|                                     |   |   |   |   |   |
|-------------------------------------|---|---|---|---|---|
| Income from discontinued operations | - | - | - | - | - |
|-------------------------------------|---|---|---|---|---|

|                            |        |        |        |        |        |
|----------------------------|--------|--------|--------|--------|--------|
| Diluted earnings per share | \$0.74 | \$0.01 | \$0.03 | \$0.00 | \$0.79 |
|----------------------------|--------|--------|--------|--------|--------|

The accompanying notes are an integral part of these unaudited pro forma condensed consolidated financial statements.

ACADIA REALTY TRUST AND SUBSIDIARIES  
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF INCOME  
For the Year Ended December 31, 2010

NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1 — Basis of Pro Forma Presentation

Acadia Realty Trust and subsidiaries (collectively, the “Company”), is a fully-integrated equity real estate investment trust focused on the ownership, management and redevelopment of retail properties and urban/infill mixed-use properties with a retail component concentration located primarily in high-barrier-to-entry, densely-populated metropolitan areas in the United States along the East Coast and in Chicago.

The consolidated financial statements include the consolidated accounts of the Company and its investments in partnerships and limited liability companies in which the Company is presumed to have control in accordance with the consolidation guidance of the Financial Accounting Standards Board Accounting Standards Codification (“ASC”). Investments in entities for which the Company has the ability to exercise significant influence but does not have financial or operating control, are accounted for under the equity method of accounting. Accordingly, the Company’s share of the net earnings (or losses) of entities accounted for under the equity method are included in consolidated net income under the caption, Equity in Earnings (Losses) of Unconsolidated Affiliates. Investments in entities for which the Company does not have the ability to exercise any influence are accounted for under the cost method of accounting.

During April 2011, the Company, through Fund III, acquired The Heritage Shops at Millennium Park (“The Heritage Shops”) for \$31.6 million. The acquisition was funded with cash on hand of \$6.4 million and contributions from noncontrolling interests aggregating \$25.2 million. During August 2011, the Company acquired six properties, located in Chicago, Illinois, for an aggregate purchase price of \$18.0 million funded with cash on hand. These Chicago Properties are part of a 19-property portfolio (“Chicago Portfolio”) previously reported as under contract for purchase. The Company is currently awaiting lender approval for the transfer of the mortgage debt collateralized by the remaining 13 properties prior to completing the acquisition of the balance of the portfolio. The Company anticipates using \$31.9 million of cash on hand, assuming \$28.0 million in existing mortgage debt and issuing \$3.0 million in Operating Partnership Units (“OP Units”) in connection with completing the acquisition of the remaining 13 properties. During October 2011, the Company, through Fund III, entered into a purchase and sale agreement to acquire a property located in Chicago, Illinois (the “Chicago Property”) for a purchase price of \$31.5 million. The Company anticipates assuming \$19.1 million in existing mortgage debt and funding the balance of the purchase price, inclusive of \$0.7 million of closing costs, with \$2.6 million of cash on hand and \$10.5 million of capital contributions from noncontrolling interests.

Note 2 — Adjustments to Unaudited Pro Forma Condensed Consolidated Balance Sheet

(a) Represents the historical consolidated balance sheet of the Company as of September 30, 2011.

(b) Reflects the remaining 13 Chicago Portfolio properties and the Chicago Property currently under contract. Reflects the preliminary estimates of the fair value of the Chicago Portfolio and the Chicago Property as of September 30, 2011 (including land, buildings and improvements, and identified intangibles such as above and below market leases and acquired in-place leases and customer relationships) and acquired liabilities in accordance with ASC Topic 805 “Business Combinations” and ASC Topic 350 “Intangibles – Goodwill and Other”. A final determination of the fair values of the assets and liabilities assumed in connection with the acquisition of the Chicago Portfolio and the Chicago Property, which cannot be made prior to the completion of the acquisition, will be based on the actual

valuation of the tangible and intangible assets and liabilities of the Chicago Portfolio and the Chicago Property that exist as of the date of completion of the acquisition.

(c) Represents the mortgage loans that the Company expects to assume in connection with the Chicago Portfolio and Chicago Property. The loans, which are collateralized by the 13 Chicago Portfolio properties, aggregate \$28.0 million as of September 30, 2011, bear interest rates ranging from 5.52% to 5.62% with a weighted average interest rate of 5.55% per annum and have various maturities from 2014 to 2016 with a weighted average maturity of approximately 3.9 years. The \$19.1 mortgage loan collateralized by the Chicago Property bears interest at 5.85% and matures December 2013.

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ACADIA REALTY TRUST AND SUBSIDIARIES  
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF INCOME  
For the Year Ended December 31, 2010

NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 3 — Adjustments to Unaudited Pro Forma Condensed Consolidated Statements of Income

(aa) Represents the unaudited historical consolidated statements of income for the Company for the nine months ended September 30, 2011 and year ended December 31, 2010.

(bb) Represents the unaudited historical combined statements of revenues and certain operating expenses for the Heritage for the period January 1, 2011 through April 6, 2011 (date of acquisition) and the year ended December 31, 2010.

(cc) Represents the unaudited historical combined statements of revenues and certain operating expenses for (i) the six Chicago Portfolio properties acquired in August 2011 for the period January 1 through August 8 (date of acquisition) and the unaudited historical combined statements of revenues and certain operating expenses for the 13 Chicago Portfolio properties under contract for the period January 1 through September 30, 2011, and (ii) the unaudited historical combined statements of revenues and certain operating expenses for all 19 properties within the Chicago Portfolio for the year ended December 31, 2010.

(dd) Represents the unaudited historical combined statements of revenues and certain operating expenses for the Chicago Property for the nine months ended September 30, 2011 and the year ended December 31, 2010.

(ee) Represents the estimated depreciation of the real estate on a straight-line basis using a 40-year estimated life.

Funds from Operations

Consistent with the National Association of Real Estate Investment Trusts (“NAREIT”) definition, we define funds from operations (“FFO”) as net income attributable to common shareholders (computed in accordance with GAAP), excluding gains (or losses) from sales of depreciated property, plus depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures.

We consider FFO and pro forma FFO to be an appropriate supplemental disclosure of operating performance for an equity REIT due to its widespread acceptance and use within the REIT and analyst communities. Pro forma FFO is presented to assist investors in analyzing our performance. It is helpful as it excludes various items included in net income that are not indicative of the operating performance, such as gains (or losses) from sales of operating property and depreciation and amortization. However, our method of calculating Pro forma FFO may be different from methods used by other REITs and, accordingly, may not be comparable to such other REITs. Pro forma FFO does not represent cash generated from operations as defined by GAAP and is not indicative of cash available to fund all cash needs, including distributions. Pro forma FFO should not be considered as an alternative to net income for the purpose of evaluating our performance or to cash flows as a measure of liquidity.

ACADIA REALTY TRUST AND SUBSIDIARIES  
 UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF INCOME  
 For the Year Ended December 31, 2010

NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Funds from Operations (continued)

The reconciliation of net income to Pro forma FFO for the year ended 2010 is as follows:

| (amounts in thousands except per share amounts)  | Company<br>Historical | The<br>Heritage | The<br>Chicago<br>Portfolio | The<br>Chicago<br>Property | Company<br>Pro Forma |
|--|-----------------------|-----------------|-----------------------------|----------------------------|----------------------|
| Funds From Operations  |                       |                 |                             |                            |                      |
| Net income attributable to   |                       |                 |                             |                            |                      |
| Common Shareholders  | \$ 30,057             | \$ 410          | \$ 1,248                    | \$ 58                      | \$ 31,773            |
| Depreciation of real estate and amortization of leasing costs (net of noncontrolling interests' share) |                       |                 |                             |                            |                      |
| Consolidated affiliates  | 18,445                | 503             | 1,419                       | 564                        | 20,931               |
| Unconsolidated affiliates  | 1,561                 | -               | -                           | -                          | 1,561                |
| Income attributable to noncontrolling interests' in Operating Partnership                              | 377                   | 5               | 15                          | 1                          | 398                  |
| Funds from operations  | \$ 50,440             | \$ 918          | \$ 2,682                    | 623                        | \$ 54,663            |
| Funds From Operations per Share - Diluted  |                       |                 |                             |                            |                      |
| Weighted average number of Common Shares and OP Units  | 40,876                | 40,876          | 40,876                      | 40,876                     | 40,876               |
| Diluted funds from operations, per share   | \$ 1.23               | \$ 0.02         | \$ 0.07                     | \$ 0.02                    | \$ 1.34              |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ACADIA REALTY TRUST  
(Registrant)

Date: November 2, 2011

By: /s/ Michael Nelsen  
Name: Michael Nelsen  
Title: Sr. Vice President  
and Chief Financial Officer

EXHIBIT INDEX

| Exhibit<br>No. | Description    |
|----------------|----------------|
| 23.1           | Consent of BDO |

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Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

Acadia Realty Trust  
White Plains, New York

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (Nos. 333-157886, 333-31630, 333-139950, 333-114785 and 333-126712) and Form S-8 (Nos. 33-95966, 333-87993 and 333-106758) of Acadia Realty Trust and in the related Prospectuses of our reports dated November 2, 2011, November 2, 2011 and November 2, 2011 with respect to the statements of revenues and certain operating expenses of The Heritage Shops at Millennium Park, the Chicago Portfolio, and Lincoln Park, respectively, for the year ended December 31, 2010 included in this current report (Form 8-K) of Acadia Realty Trust.

We also consent to the reference to us under the caption “Experts” in the Prospectus.

/s/ BDO USA, LLP  
New York, New York

November 2, 2011

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The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at [www.sec.gov](http://www.sec.gov). Alternatively, the issuer, the underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling from Barclays Capital Inc., Attention: Broadridge Financial Solutions, 1155 Long Island Avenue, Edgewood, New York 11717 or by calling toll free at 1-888-603-5847.

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