

FORM 8-K

CURRENT REPORT

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

Date of Report: February 26, 2004

RECKSON ASSOCIATES REALTY CORP.
and
RECKSON OPERATING PARTNERSHIP, L.P.
(Exact name of each Registrant as specified in its Charter)

Reckson Associates Realty Corp. - Maryland
Reckson Operating Partnership, L.P. - Delaware
(State or other jurisdiction of incorporation or organization)

225 Broadhollow Road
Melville, New York
(Address of principal executive offices)

Reckson Associates Realty Corp. -
11-3233650
Reckson Operating Partnership, L.P. -
11-3233647
(IRS Employer ID Number)

11747
(Zip Code)

1-13762
(Commission File Number)

(631) 694-6900
(Registrant's telephone number, including area code)

Item 7. Financial Statements and Exhibits

(c) Exhibits

99.1 Reckson Associates Realty Corp. Earnings Press Release dated
February 26, 2004

Item 12. Results of Operations and Financial Condition

On February 26, 2004, Reckson Associates Realty Corp. (the "Company") issued a press release announcing its consolidated financial results for the fourth quarter and year ended December 31, 2003. A copy of this press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The information contained in this Current Report on Form 8-K, including Exhibit 99.1, shall not be deemed "filed" with the Securities and Exchange Commission for the purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section, nor shall it be incorporated by reference in any registration statement filed by the Company or Reckson Operating Partnership, L.P. under the Securities Act of 1933, as amended.

SIGNATURES

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

RECKSON ASSOCIATES REALTY CORP.

By: /s/ Michael Maturo

Michael Maturo
Executive Vice President
and Chief Financial Officer

RECKSON OPERATING PARTNERSHIP, L.P.

By: Reckson Associates Realty Corp.,
its General Partner

By: /s/ Michael Maturo

Michael Maturo
Executive Vice President
and Chief Financial Officer

Date: February 27, 2004

EXHIBIT INDEX

| Exhibit Number | Description |
|----------------|---|
| 99.1 | Reckson Associates Realty Corp. Earnings Press Release dated February 26, 2004 |

PRESS RELEASE

Reckson Associates Realty Corp.
 225 Broadhollow Road
 Melville, NY 11747
 (631) 694-6900 (Phone)
 (631) 622-6790 (Facsimile)
 Contact: Scott Rechler, CEO
 Michael Maturo, CFO

FOR IMMEDIATE RELEASE

Reckson Announces Fourth Quarter and Full Year 2003 Results

Announces Leasing Activity of Approximately 950,000 Square Feet From
 End of 3Q Through YTD 2004 Including 177,000 Square Feet of
 Space Previously Vacated by WorldCom/MCI

(MELVILLE, NEW YORK, February 26, 2004) - Reckson Associates Realty Corp. (NYSE: RA) today reported diluted funds from operations ("FFO") of \$24.2 million or \$.38 per share for the fourth quarter of 2003, after deducting \$11.6 million or \$.18 per share of non-recurring restructuring charges, as compared to FFO of \$40.9 million or \$.55 per share for the fourth quarter of 2002, after deducting \$2.6 million or \$.04 per share as a result of the Company's adoption of FAS 145 which addresses reporting for gains and losses from extinguishment of debt.

Reckson also reported diluted FFO of \$136.0 million or \$2.07 per share for the year ended December 31, 2003, after deducting \$11.6 million or \$.18 per share of non-recurring restructuring charges, on total revenues of \$470.3 million, as compared to FFO of \$ 181.5 million or \$2.32 per share for the year ended December 31, 2002, after deducting \$2.6 million or \$.03 per share as a result of the Company's adoption of FAS 145.

Commenting on the Company's performance, Scott Rechler, Reckson's Chief Executive Officer and President, stated, "I am extremely pleased with the exceptional level of leasing activity that we have had since the end of the third quarter and believe that it is a positive indicator that our markets have gone from 'bouncing along the bottom' to beginning their recovery. Our ability to capture a large portion of the market activity demonstrates Reckson's competitive advantage and the strength of our franchise." Mr. Rechler continued, "I am proud of our newly appointed management team's ability to execute so effectively on our core operations during a period when the

Company experienced extensive organizational, investment and capital market activity."

Net income allocable to common shareholders totaled \$116.0 million in the fourth quarter of 2003, including \$115.8 million related to gain on sales of real estate (primarily the sale of the Long Island industrial portfolio), as compared to \$8.6 million in the fourth quarter of 2002. Diluted net income per Class A common share, commonly referred to as earnings per share ("EPS"), totaled \$2.00 per share in the fourth quarter of 2003, as compared to \$.14 per share in the fourth quarter of 2002. Diluted EPS per Class B common share totaled \$1.77 per share in the fourth quarter of 2003, as compared to \$.15 per share in the fourth quarter of 2002.

Net income allocable to common shareholders totaled \$142.3 million for the year ended December 31, 2003, including \$115.8 million related to gain on sales of real estate, as compared to \$54.5 million, including \$4.8 million related to gain on sales of real estate, for the year ended December 31, 2002. Diluted EPS per Class A common share totaled \$2.54 per share for the year ended December 31, 2003, as compared to \$.83 per share for the year ended December 31, 2002. Diluted EPS per Class B common share totaled \$1.90 per share for the year ended December 31, 2003, as compared to \$.90 per share for the year ended December 31, 2002.

A reconciliation of FFO to net income allocable to common shareholders, the GAAP measure the Company believes to be the most directly comparable, is in the financial tables accompanying this press release.

Summary Portfolio Performance

The Company reported same property office occupancy at December 31, 2003 of 92.4%. This compares to 91.9% at September 30, 2003 and 96.0% at December 31, 2002. The Company reported same property overall portfolio occupancy of 91.0% at December 31, 2003, as compared to 90.7% at September 30, 2003 and 94.5% at December 31, 2002.

The Company also reported office occupancy at December 31, 2003 of 91.5%. This compares to 91.0% at September 30, 2003 and 95.7% at December 31, 2002. The Company also reported overall portfolio occupancy of 90.2% at December 30, 2003, as compared to 89.9% at September 30, 2003 and 95.4% at December 31, 2002.

Total portfolio core same property net operating income (property operating revenues less property operating expenses) ("NOI") before termination fees for the fourth quarter of 2003 was 2.7% (cash) and (1.5%) (including straight-line rent), compared to the fourth quarter of 2002. Office core same property NOI before termination fees for the fourth quarter of 2003 was 2.4% (cash) and (1.9%) (including straight-line rent), compared to the fourth quarter of 2002.

Net of minority interests in joint ventures, total portfolio core same property NOI before termination fees for the fourth quarter of 2003 was 2.8% (cash) and (2.0%) (including straight-line rent), compared to the fourth quarter of 2002. Net of minority interests in joint ventures, office portfolio core same property NOI before termination fees for the fourth quarter of 2003 was 2.4% (cash) and (2.4%) (including straight-line rent), compared to the fourth quarter of 2002.

Rent performance on renewal and replacement space during the fourth quarter of 2003 was (7.2)% (cash) and 1.8% (including straight-line rent) in the office portfolio. Rent performance on renewal and replacement space during the year ended December 31, 2003 was .4% (cash) and 10.7% (including straight-line rent) in the office portfolio.

Other Highlights

- - - - -

Leasing Activity

- - - - -

- Executed leases totaling 304,000 square feet in the fourth quarter of 2003 and an additional 646,000 square feet subsequent to the fourth quarter resulting in an approximate 250 basis point net increase to occupancy
- Executed a lease with Nassau County for the entire building and concourse level at 60 Charles Lindbergh Blvd., Long Island, comprising approximately 200,000 square feet, including 127,000 square feet previously vacated by WorldCom/MCI. 60 Charles Lindbergh Blvd. will be repositioned to satisfy Nassau County's use, requiring customary municipal approvals.
- Leased 50,000 square feet previously vacated by WorldCom/MCI at Reckson Executive Park, Westchester

Investment/Disposition Activity

- - - - -

- Closed on the Long Island industrial portfolio disposition
- Acquired 1185 Avenue of the Americas, NYC
- Sold or contracted to sell three additional office buildings for \$58 million (net of joint venture partner's interest) representing a blended cap rate of 7.3% on forecasted 2004 NOI

Capital Market Activity

- - - - -

- Issued \$150 million of 5.15% seven-year senior unsecured notes
- Exchanged all outstanding Class B common stock into Class A common stock on a one for one basis
- Redeemed 8.85% Series B Preferred stock at a 102% premium for shares of Class A common stock valued at \$26.05 per share
- Received an Investment Grade Rating on the Company's senior unsecured debt from Fitch Ratings of BBB- with a Stable Outlook

Organizational Restructuring Activity

- - - - -

- Completed organizational restructuring - management transition completed
- Announced the addition of Douglas Crocker, Stanley Steinberg and Elizabeth McCaul to the board of directors

Earnings Guidance
- - - - -

On Friday, February 27th, during the Company's quarterly earnings conference call, management will discuss earnings guidance for 2004.

Non-GAAP Financial Measures
- - - - -

Funds from Operations ("FFO")
- - - - -

The Company believes that FFO is a widely recognized and appropriate measure of performance of an equity REIT. Although FFO is a non-GAAP financial measure, the Company believes it provides useful information to shareholders, potential investors and management. The Company computes FFO in accordance with standards established by the National Association of Real Estate Investment Trusts ("NAREIT"). FFO is defined by NAREIT as net income or loss, excluding gains or losses from sales of depreciable properties plus real estate depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. FFO does not represent cash generated from operating activities in accordance with GAAP and is not indicative of cash available to fund cash needs. FFO should not be considered as an alternative to net income as an indicator of the Company's operating performance or as an alternative to cash flow as a measure of liquidity. Since all companies do not calculate FFO in a similar fashion, the Company's calculation of FFO presented herein may not be comparable to similarly titled measures as reported by other companies.

Reckson Associates Realty Corp. is a self-administered and self-managed real estate investment trust (REIT) specializing in the acquisition, leasing, financing, management and development of Class A office properties.

Reckson's core growth strategy is focused on the markets surrounding and including New York City. The Company is one of the largest publicly traded owners, managers and developers of Class A office properties in the New York Tri-State area, with 86 properties comprised of approximately 15.5 million square feet either owned or controlled, or under contract. For additional information on Reckson Associates Realty Corp., please visit the Company's web site at www.reckson.com.

Conference Call and Webcast
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The Company's executive management team, led by Chief Executive Officer and President Scott Rechler, will host a conference call outlining fourth quarter results on Friday, February 27, 2004 at 2:00 p.m. EST. The conference call may be accessed by dialing (800) 553-5260 (internationally (612) 332-0226). No passcode is required. The live conference call will also be webcast in a listen-only mode on the Company's web site at www.reckson.com, in the Investor Relations section, with an accompanying slide show presentation outlining the Company's fourth quarter results.

A replay of the conference call will be available telephonically from February 27, 2004 at 8:00 p.m. EST through March 5, 2004 at 11:59 p.m. EST. The telephone number for the replay is (800) 475-6701, passcode 717617. A replay of the webcast of the conference call will also be available via the Company's web site.

Financial Statements Attached

The Supplemental Package and Slide Show Presentation outlining the Company's fourth quarter 2003 results will be available prior to the Company's quarterly conference call on the Company's web site at www.reckson.com in the Investor Relations section, by e-mail to those on the Company's distribution list, as well as by mail or fax, upon request. To be added to the Company's e-mail distribution list or to receive a copy of the quarterly materials by mail or fax, please contact Susan McGuire, Investor Relations, Reckson Associates Realty Corp., 225 Broadhollow Road, Melville, New York 11747-4883, investorrelations@reckson.com or telephone number (631) 622-6746.

Certain matters discussed herein, including guidance concerning the Company's future performance, are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Although the Company believes the expectations reflected in such forward-looking statements are based on reasonable assumptions, forward-looking statements are not guarantees of results and no assurance can be given that the expected results will be delivered. Such forward-looking statements are subject to certain risks, trends and uncertainties that could cause actual results to differ materially from those expected. Among those risks, trends and uncertainties are the general economic climate, including the conditions affecting industries in which our principal tenants compete; financial condition of our tenants; changes in the supply of and demand for office properties in the New York Tri-State area; changes in interest rate levels; changes in the Company's credit ratings; changes in the Company's cost of and access to capital; downturns in rental rate levels in our markets and our ability to lease or re-lease space in a timely manner at current or anticipated rental rate levels; the availability of financing to us or our tenants; changes in operating costs, including utility, real estate taxes, security and insurance costs; repayment of debt owed to the Company by third parties (including FrontLine Capital Group); risks associated with joint ventures; liability for uninsured losses or environmental matters; and other risks associated with the development and acquisition of properties, including risks that development may not be completed on schedule, that the tenants will not take occupancy or pay rent, or that development or operating costs may be greater than anticipated. For further information on factors that could impact Reckson, reference is made to Reckson's filings with the Securities and Exchange Commission. Reckson undertakes no responsibility to update or supplement information contained in this press release.

Reckson Associates Realty Corp. (NYSE: RA)
Consolidated Statements of Income
(in thousands, except share amounts)

| | Three Months Ended December 31, | | Year Ended December 31, | |
|--|------------------------------------|-----------------|----------------------------|------------------|
| | 2003 | 2002 | 2003 | 2002 |
| Property Operating Revenues: | | | | |
| Base rents | \$ 97,023 | \$ 100,171 | \$ 385,225 | \$ 395,308 |
| Tenant escalations and reimbursements | 15,739 | 14,647 | 60,556 | 55,441 |
| Total property operating revenues | 112,762 | 114,818 | 445,781 | 450,749 |
| Property Operating Expenses: | | | | |
| Operating expenses | 27,364 | 24,623 | 108,152 | 97,253 |
| Real estate taxes | 18,260 | 17,805 | 72,259 | 65,778 |
| Total property operating expenses | 45,624 | 42,428 | 180,411 | 163,031 |
| Net Operating Income | 67,138 | 72,390 | 265,370 | 287,718 |
| Gross Margin percentage | 59.5% | 63.0% | 59.5% | 63.8% |
| Other Income | 5,978 | 2,113 | 24,531 | 8,433 |
| Other Expenses | | | | |
| Interest expense | 21,317 | 23,449 | 82,487 | 83,309 |
| Restructuring charges - net | 11,580 | - | 11,580 | - |
| Depreciation and amortization | 26,394 | 26,790 | 109,239 | 102,444 |
| Marketing, general and administrative | 7,991 | 8,291 | 32,746 | 29,214 |
| Total other expenses | 67,282 | 58,530 | 236,052 | 214,967 |
| Income before minority interests, preferred dividends and distributions, gain on sales of depreciable real estate and discontinued operations | 5,834 | 15,973 | 53,849 | 81,184 |
| Minority partners' interests in consolidated partnerships | (4,568) | (4,350) | (17,972) | (18,730) |
| Distributions to preferred unitholders | (273) | (274) | (1,093) | (1,288) |
| Limited partners' minority interest in the operating partnership | 377 | (695) | (1,492) | (4,223) |
| Gain on sales of depreciable real estate assets | - | - | - | 537 |
| Income before discontinued operations and preferred dividends | 1,370 | 10,654 | 33,292 | 57,480 |
| Discontinued operations (net of limited partners' minority interest) | | | | |
| Gain on sales of real estate | 115,771 | - | 115,771 | 4,267 |
| Income from discontinued operations | 4,173 | 3,332 | 14,458 | 14,621 |
| Net income | 121,314 | 13,986 | 163,521 | 76,368 |
| Dividends to preferred shareholders | (5,317) | (5,374) | (21,267) | (21,835) |
| Net income allocable to common shareholders | \$ 115,997 | \$ 8,612 | \$ 142,254 | \$ 54,533 |
| Allocable to Class A common | \$ 104,989 | \$ 6,563 | \$ 124,966 | \$ 41,604 |
| Allocable to Class B common | 11,008 | 2,049 | 17,288 | 12,929 |
| Net income allocable to common shareholders | \$ 115,997 | \$ 8,612 | \$ 142,254 | \$ 54,533 |
| Basic weighted average common shares outstanding: | | | | |
| Class A common | 52,125,000 | 48,384,000 | 49,092,000 | 49,669,000 |
| Class B common | 5,928,000 | 9,915,000 | 8,910,000 | 10,122,000 |
| Basic net income per weighted average common share: | | | | |
| Class A common stock - income (loss) from continuing operations | (\$0.07) | \$0.09 | \$0.18 | \$ 0.54 |
| Gain on sales of depreciable real estate assets | - | - | - | 0.01 |
| Discontinued operations | 2.08 | 0.05 | 2.37 | 0.29 |
| Basic net income per Class A common | \$2.01 | \$ 0.14 | \$ 2.55 | \$ 0.84 |
| Class B common stock - income (loss) from continuing operations | (\$0.06) | \$ 0.13 | \$ 0.39 | \$ 0.83 |
| Gain on sales of depreciable real estate assets | - | - | - | 0.01 |
| Discontinued operations | 1.92 | 0.08 | 1.55 | 0.44 |

| | | | | |
|---|------------|------------|------------|------------|
| Basic net income per Class B common | \$1.86 | \$ 0.21 | \$ 1.94 | \$ 1.28 |
| | ===== | ===== | ===== | ===== |
| Diluted weighted average common shares outstanding: | | | | |
| Class A common | 52,400,000 | 48,551,000 | 49,262,000 | 49,968,000 |
| Class B common | 5,928,000 | 9,915,000 | 8,910,000 | 10,122,000 |
| Diluted net income per weighted average common share: | | | | |
| Class A common | \$2.00 | \$ 0.14 | \$ 2.54 | \$ 0.83 |
| | ===== | ===== | ===== | ===== |
| Class B common | \$1.77 | \$ 0.15 | \$ 1.90 | \$ 0.90 |
| | ===== | ===== | ===== | ===== |

Reckson Associates Realty Corp. (NYSE: RA)
Consolidated Balance Sheets
(in thousands, except share amounts)

| | December 31, 2003 | December 31, 2002 |
|---|----------------------|----------------------|
| | ----- | ----- |
| Assets: | | |
| Commercial real estate properties, at cost: | | |
| Land | \$ 386,501 | \$ 386,747 |
| Buildings and improvements | 2,251,455 | 2,199,896 |
| Developments in progress: | | |
| Land | 90,706 | 92,924 |
| Development costs | 68,127 | 28,311 |
| Furniture, fixtures, and equipment | 11,338 | 12,203 |
| | ----- | ----- |
| | 2,808,127 | 2,720,081 |
| Less: accumulated depreciation | (469,642) | (382,022) |
| | ----- | ----- |
| Investment in real estate, net of accumulated depreciation | 2,338,485 | 2,338,059 |
| Properties and related assets held for sale, net of accumulated depreciation | 6,920 | 196,954 |
| Investments in real estate joint ventures | 5,904 | 6,116 |
| Investments in mortgage notes and notes receivable | 54,986 | 54,547 |
| Investments in service companies and affiliate loans and joint ventures | 71,614 | 73,332 |
| Cash and cash equivalents | 22,887 | 30,827 |
| Tenant receivables | 12,034 | 12,529 |
| Deferred rents receivable | 113,601 | 97,145 |
| Prepaid expenses and other assets | 35,501 | 32,966 |
| Contract and land deposits and pre-acquisition costs | 20,203 | 240 |
| Deferred leasing and loan costs (net of accumulated amortization) | 64,860 | 65,205 |
| | ----- | ----- |
| Total Assets | \$ 2,746,995 | \$ 2,907,920 |
| | ----- | ----- |
| Liabilities: | | |
| Mortgage notes payable | \$ 721,635 | \$ 733,761 |
| Mortgage notes payable and other liabilities associated with properties held for sale | 333 | 10,722 |
| Unsecured credit facility | 169,000 | 267,000 |
| Senior unsecured notes | 499,445 | 499,305 |
| Accrued expenses and other liabilities | 94,433 | 89,312 |
| Dividends and distributions payable | 28,290 | 31,575 |
| | ----- | ----- |
| Total Liabilities | 1,513,136 | 1,631,675 |
| | ----- | ----- |
| Minority partners' interests in consolidated partnerships | 233,070 | 242,934 |
| Preferred unit interest in the operating partnership | 19,662 | 19,662 |
| Limited partners' minority interest in the operating partnership | 44,518 | 71,420 |
| | ----- | ----- |
| | 297,250 | 334,016 |
| | ----- | ----- |
| Commitments and contingencies | - | - |
| Stockholders' Equity: | | |
| Preferred Stock, \$.01 par value, 25,000,000 shares authorized outstanding | | |
| Series A - 8,834,500 shares issued and outstanding | 88 | 88 |
| Series B - 2,000,000 shares issued and outstanding | 20 | 20 |
| Common Stock, \$.01 par value, 100,000,000 shares authorized | | |
| Class A - 58,275,367 and 48,246,083 shares issued and outstanding, respectively | 583 | 482 |
| Class B - 0 and 9,915,313 shares issued and outstanding, respectively | - | 99 |
| Treasury Stock, 3,318,600 shares | (63,954) | (63,954) |
| Additional paid in capital | 999,872 | 1,005,494 |
| | ----- | ----- |
| Total Stockholders' Equity | 936,609 | 942,229 |
| | ----- | ----- |
| Total Liabilities and Stockholders' Equity | \$ 2,746,995 | \$ 2,907,920 |
| | ----- | ----- |
| Total debt to market capitalization (a): | 41.2% | 44.9% |
| | ----- | ----- |

(a) Total debt includes the Company's pro rata share of consolidated and unconsolidated joint venture debt.

Reckson Associates Realty Corp. (NYSE: RA)
Funds From Operations
(in thousands, except share amounts)

| | Three Months Ended December 31, | | Year Ended December 31, | |
|--|------------------------------------|------------------|----------------------------|-------------------|
| | 2003 | 2002 | 2003 | 2002 |
| Net income allocable to common shareholders | \$ 115,997 | \$ 8,612 | \$ 142,254 | \$ 54,533 |
| Add: Real estate depreciation and amortization | 26,021 | 28,336 | 113,940 | 108,906 |
| Minority partners' interests in consolidated partnerships | 4,568 | 4,350 | 17,972 | 18,730 |
| Limited partners' minority interest in the operating partnership | 11,038 | 1,142 | 14,110 | 6,680 |
| Less: Gain on sales of depreciable real estate assets | 126,789 | - | 126,789 | 5,433 |
| Amounts distributable to minority partners in consolidated partnerships | 6,684 | 6,053 | 26,598 | 24,996 |
| Basic Funds From Operations ("FFO") | 24,151 | 36,387 | 134,889 | 158,420 |
| Add: Dividends and distributions on dilutive shares and units | - | 4,541 | 1,093 | 23,123 |
| Diluted FFO (Note - a) | \$ 24,151 | \$ 40,928 | \$ 135,982 | \$ 181,543 |
| Diluted FFO calculations: | | | | |
| Weighted average common shares outstanding | 58,053 | 58,299 | 58,002 | 59,791 |
| Weighted average units of limited partnership interest outstanding | 5,434 | 7,276 | 6,882 | 7,389 |
| Basic weighted average common shares and units outstanding | 63,487 | 65,575 | 64,884 | 67,180 |
| Adjustments for dilutive FFO weighted average shares and units outstanding: | | | | |
| Common stock equivalents | 275 | 168 | 171 | 299 |
| Series A preferred stock | - | 7,791 | - | 7,992 |
| Series B preferred stock | - | - | - | 1,919 |
| Limited partners' preferred interest | - | 661 | 661 | 743 |
| Total diluted weighted average shares and units outstanding | 63,762 | 74,195 | 65,716 | 78,133 |
| Diluted FFO per weighted average share or unit | \$ 0.38 | \$ 0.55 | \$ 2.07 | \$ 2.32 |
| Diluted weighted average Class A dividends per share | \$ 0.42 | \$ 0.42 | \$ 1.70 | \$ 1.70 |
| Diluted FFO payout ratio - Class A | 112.2% | 77.0% | 81.9% | 73.1% |
| Diluted weighted average Class A & B dividends per share or unit | \$ 0.42 | \$ 0.45 | \$ 1.78 | \$ 1.81 |
| Diluted FFO payout ratio (Class A & B combined) | 111.4% | 82.4% | 86.1% | 78.1% |

Notes:

- a - Includes \$5.4 million and \$18.8 million for the three months and year ended December 31, 2003, respectively attributable to the sale of land.

Reckson Associates Realty Corp. (NYSE: RA)
Cash Available for Distribution
(in thousands, except share amounts)

| | Three Months Ended December 31, | | Year Ended December 31, | |
|---|------------------------------------|---------------|----------------------------|---------------|
| | 2003 | 2002 | 2003 | 2002 |
| Basic Funds From Operations | \$ 24,151 | \$ 36,387 | \$ 134,889 | \$ 158,420 |
| Adjustments for basic cash available for distribution: | | | | |
| Less: Straight line rents | 3,878 | 6,529 | 17,267 | 26,247 |
| Committed non-incremental capitalized tenant improvements and leasing costs | 4,989 | 6,230 | 27,634 | 33,407 |
| Actual non-incremental capitalized improvements | 3,263 | 2,653 | 10,388 | 8,832 |
| Add: Restructuring charges - net | 11,580 | - | 11,580 | - |
| Basic Cash Available for Distribution ("CAD") | 23,601 | 20,975 | 91,180 | 89,934 |
| Add: Dividends and distributions on dilutive shares and units | - | - | - | - |
| Diluted CAD (Notes - a, b) | \$ 23,601 | \$ 20,975 | \$ 91,180 | \$ 89,934 |
| Diluted CAD calculations: | | | | |
| Weighted average common shares outstanding | 58,053 | 58,299 | 58,002 | 59,791 |
| Weighted average units of limited partnership interest outstanding | 5,434 | 7,276 | 6,882 | 7,389 |
| Basic weighted average common shares and units outstanding | 63,487 | 65,575 | 64,884 | 67,180 |
| Adjustments for dilutive CAD weighted average shares and units outstanding: | | | | |
| Common stock equivalents | 275 | 168 | 171 | 299 |
| Series A preferred stock | - | - | - | - |
| Series B preferred stock | - | - | - | - |
| Limited partners' preferred interest | - | - | - | - |
| Total diluted weighted average shares and units outstanding | 63,762 | 65,743 | 65,055 | 67,479 |
| Diluted CAD per weighted average share or unit | \$ 0.37 | \$ 0.32 | \$ 1.40 | \$ 1.33 |
| Diluted weighted average Class A dividends per share | \$ 0.42 | \$ 0.42 | \$ 1.70 | \$ 1.70 |
| Diluted CAD payout ratio - Class A | 114.8% | 133.1% | 120.9% | 127.4% |
| Diluted weighted average Class A & B dividends per share or unit | \$ 0.42 | \$ 0.46 | \$ 1.78 | \$ 1.83 |
| Diluted CAD payout ratio (Class A & B combined) | 114.0% | 143.6% | 127.2% | 137.5% |

Notes:

- a - Includes \$5.4 million and \$18.8 million for the three months and year ended December 31, 2003, respectively attributable to the sale of land.
- b - Excludes net restructuring charges of \$11.6 million for the three months and year ended December 31, 2003 attributable to the Industrial portfolio transaction.