Brixmor Property Group Inc.
Form 10-K
February 19, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 10-K

þ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2014
or

¨ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from_____ to_____
Commission File Number: 001-36160 (Brixmor Property Group)
Commission File Number: 333-201464-01 (Brixmor Operating Partnership LP)
Brixmor Property Group Inc.
Brixmor Operating Partnership LP
(Exact Name of Registrant as Specified in Its Charter)

Maryland (Brixmor Property Group Inc.)	45-2433192
Delaware (Brixmor Operating Partnership LP)	80-0831163
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

420 Lexington Avenue, New York, New York 10170
(Address of Principal Executive Offices) (Zip Code)
212-869-3000
(Registrant's Telephone Number, Including Area Code)
Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, par value $0.01 per share.	New York Stock Exchange

Securities registered pursuant to section 12(g) of the Act: None
Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Brixmor Property Group Inc. Yes þ No ¨ Brixmor Operating Partnership LP Yes þ No ¨
Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
Brixmor Property Group Inc. Yes ¨ No þ Brixmor Operating Partnership LP Yes ¨ No þ
Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Brixmor Property Group Inc. Yes þ No ¨ Brixmor Operating Partnership LP Yes þ No ¨
Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Brixmor Property Group Inc. Yes þ No ¨ Brixmor Operating Partnership LP Yes þ No ¨
Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Brixmor Property Group Inc.				Brixmor Operating Partnership LP			
Large accelerated filer	þ	Non-accelerated filer	¨	Large accelerated filer	¨	Non-accelerated filer	þ
Smaller reporting company	¨	Accelerated filer	¨	Smaller reporting company	¨	Accelerated filer	¨

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Brixmor Property Group Inc. Yes ¨ No þ Brixmor Operating Partnership LP Yes ¨ No þ

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrants' most recently completed second fiscal quarter.

Brixmor Property Group Inc. $1,882,589,693 Brixmor Operating Partnership LP N/A

(APPLICABLE ONLY TO CORPORATE REGISTRANTS)

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

As of February 1, 2015, Brixmor Property Group Inc. had 297,319,676 shares of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the definitive proxy statement to be filed by Brixmor Property Group Inc. with the Securities and Exchange Commission pursuant to Regulation 14A relating to the registrant's Annual Meeting of Stockholders to be held on June 3, 2015 will be incorporated by reference in this Form 10-K in response to Items 10, 11, 12, 13 and 14 of Part III. The definitive proxy statement will be filed with the SEC not later than 120 days after the registrant's fiscal year ended December 31, 2014.

EXPLANATORY NOTE
This report combines the annual reports on Form 10-K for the period ended December 31, 2014 of Brixmor Property Group Inc. and Brixmor Operating Partnership LP. Unless stated otherwise or the context otherwise requires, references to the "Parent Company" or "BPG" mean Brixmor Property Group Inc. and its consolidated subsidiaries; and references to the "Operating Partnership" mean Brixmor Operating Partnership LP and its consolidated subsidiaries. The terms the "Company," "Brixmor," "we," "our" and "us" mean BPG and the Operating Partnership, collectively.

The Parent Company is a real estate investment trust ("REIT") which owns 100% of the common stock of BPG Subsidiary Inc. ("BPG Sub"), which, in turn, is the sole owner of Brixmor OP GP LLC, or the General Partner, the sole general partner of the Operating Partnership. As of December 31, 2014, the Parent Company beneficially owned, through its direct and indirect interest in BPG Sub and the General Partner, approximately 97.5% of the outstanding partnership common units of interest (the "OP Units") in the Operating Partnership. Certain investments funds affiliated with The Blackstone Group L.P. and certain current and former members of the Company's management collectively owned the remaining 2.5% interest in the Operating Partnership.

The Company believes combining the annual reports on Form 10-K of the Parent Company and the Operating Partnership into this single report provides the following benefits:

- Enhances investors' understanding of the Parent Company and the Operating Partnership by enabling investors to view the business as a whole in the same manner as management views and operates the business;
- Eliminates duplicative disclosure and provides a more streamlined and readable presentation; and
- Creates time and cost efficiencies through the preparation of one combined report instead of two separate reports.

Management operates the Parent Company and the Operating Partnership as one business. The management of the Parent Company consists of the same individuals as the management of the Operating Partnership. These individuals are officers of both the Parent Company and the Operating Partnership.

We believe it is important to understand the few differences between the Parent Company and the Operating Partnership in the context of how the Parent Company and the Operating Partnership operate as a consolidated company. The Parent Company is a REIT, whose only material asset is its indirect interest in the Operating Partnership. As a result, the Parent Company does not conduct business itself other than issuing public equity from time to time. The Parent Company does not incur any material indebtedness. The Operating Partnership holds substantially all of our assets. Except for net proceeds from public equity issuances by the Parent Company, which are contributed to the Operating Partnership in exchange for OP Units, the Operating Partnership generates all remaining capital required by the Company's business. Sources of this capital include the Operating Partnership's operations, its direct or indirect incurrence of indebtedness, and the issuance of OP Units.

Stockholders' equity, partners' capital, and non-controlling interests are the primary areas of difference between the consolidated financial statements of the Parent Company and those of the Operating Partnership. The Operating Partnership's capital includes OP Units owned by the Parent Company through BPG Sub and the General Partner as well as OP Units owned by certain investments funds affiliated with The Blackstone Group L.P. and certain current and former members of the our management. OP Units owned by third parties are accounted for in partners' capital in the Operating Partnership's financial statements and outside of stockholders' equity in non-controlling interests in the Parent Company's financial statements.

In order to highlight the differences between the Parent Company and the Operating Partnership, there are sections in this report that separately discuss the Parent Company and the Operating Partnership, including separate financial statements, controls and procedures sections, certification of periodic report under Section 302 of the Sarbanes-Oxley Act of 2002 and certification pursuant to 18 U.S.C Section 1350 as adopted pursuant to Section 906 of the

Sarbanes-Oxley Act of 2002. In the sections that combine disclosure for the Parent Company and the Operating Partnership, this report refers to actions or holdings as being actions or holdings of the Company.

The Parent Company consolidates the Operating Partnership for financial reporting purposes, and the Parent Company does not have material assets other than its indirect investment in the Operating Partnership. Therefore, while stockholders' equity and partners' capital differ as discussed above, the assets and liabilities of the Parent Company and the Operating Partnership are materially the same on their respective financial statements.

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Forward-Looking Statements

This report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 which reflect our current views with respect to, among other things, our operations and financial performance. You can identify these forward-looking statements by the use of words such as “outlook,” “believes,” “expects,” “potential,” “continues,” “may,” “will,” “should,” “seeks,” “approximately,” “ “intends,” “plans,” “estimates,” “anticipates,” “targets” or the negative version of these words or other comparable words. Such forward-looking statements are subject to various risks and uncertainties. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. We believe these factors include but are not limited to those described under the section entitled “Risk Factors” in this report, as such factors may be updated from time to time in our periodic filings with the SEC, which are accessible on the SEC’s website at www.sec.gov.These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this report and in our other periodic filings. The forward-looking statements speak only as of the date of this report, and we undertake no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

PART I

Item 1. Business

Brixmor Property Group Inc. and subsidiaries (collectively, "BPG") is an internally-managed REIT. Brixmor Operating Partnership LP and subsidiaries (collectively, the "Operating Partnership") is the entity through which BPG conducts substantially all of its operations and owns substantially all of its assets. BPG owns 100% of the common stock of BPG Subsidiary Inc. ("BPG Sub"), which, in turn, is the sole member of Brixmor OP GP LLC (the "General Partner"), the sole general partner of the Operating Partnership. Unless otherwise expressly stated or the context otherwise requires, "we," "us," and "our" as used herein refer to each of BPG and the Operating Partnership, collectively. We operate the largest wholly-owned portfolio of grocery-anchored community and neighborhood shopping centers in the United States. Our portfolio is comprised of 521 shopping centers totaling approximately 87 million square feet of gross leasable area (the "Portfolio"). 520 of these shopping centers are 100% owned. Our high quality national Portfolio is well diversified by geography, tenancy and retail format, with 71% of our shopping centers anchored by market-leading grocers. Our four largest tenants by annualized base rent are The Kroger Co., The TJX Companies, Inc., Wal-Mart Stores, Inc. and Publix Super Markets, Inc. Our community and neighborhood shopping centers provide a mix of necessity and value-oriented retailers and are primarily located in the top 50 Metropolitan Statistical Areas, surrounded by dense populations in established trade areas. We are led by a proven management team that is supported by a fully-integrated, scalable retail real estate operating platform.

On November 4, 2013, we completed an initial public offering ("IPO") in which we sold 47.4 million shares of our common stock, at an IPO price of $20.00 per share. We received net proceeds from the sale of shares in the IPO of $893.9 million after deducting $54.9 million in underwriting discounts, expenses and transaction costs. Of the total proceeds received, $824.7 million was used to pay down amounts outstanding under our unsecured credit facility.

In connection with the IPO, we acquired interests in 43 properties (the "Acquired Properties") from certain investment funds affiliated with The Blackstone Group L.P. (together with such affiliated funds, "Blackstone") in exchange for 15.9 million partnership common units of interest (the "OP Units") in the Operating Partnership having a value equivalent to the value of the Acquired Properties. In connection with the acquisition of the Acquired Properties in 2013, we repaid $66.6 million of indebtedness to Blackstone attributable to certain of the Acquired Properties with a portion of the net proceeds of the IPO. During 2014, we repaid the remaining $7.6 million of indebtedness to Blackstone attributable to certain of the Acquired Properties.

Also in connection with the IPO we created a separate series of interest in the Operating Partnership ("Series A") that allocated to certain funds affiliated with The Blackstone Group L.P. and Centerbridge Partners, L.P. (owners of the Operating Partnership prior to the IPO) (the "pre-IPO owners") all of the economic consequences of ownership of the Operating Partnership's interest in 47 properties that the Operating Partnership historically held in its portfolio (the "Non-Core Properties"). During 2013, we disposed of 11 of the Non-Core Properties. During 2014, the Operating Partnership caused its ownership interests in all but one of the remaining 36 Non-Core Properties to be transferred to the pre-IPO owners. The one remaining Non-Core Property was transferred to the lender in satisfaction of the property's mortgage balance and, following such transfer, on March 28, 2014, the Series A was terminated.

We refer to the acquisition of the Acquired Properties and the distribution of the Non-Core Properties as the "IPO Property Transfers" and the 522 properties that comprised our portfolio immediately following the IPO Property Transfers as our "IPO Portfolio". Unless the context requires otherwise, when describing our portfolio of properties throughout this Form 10-K, we are referring to our Portfolio defined above.

As of December 31, 2014, BPG beneficially owned, through its direct and indirect interest in BPG Sub and the General Partner, 97.5% of the outstanding OP Units. Certain investments funds affiliated with The Blackstone Group L.P. and certain members of our current and former management collectively owned the remaining 2.5% of the outstanding OP Units. We use the term "Outstanding OP Units" to refer to the OP Units not held by BPG, BPG Sub or the General Partner. Holders of Outstanding OP Units may redeem their OP Units for cash based upon the market value of an equivalent number of shares of BPG's common stock or, at our election, exchange their OP Units for shares of our common stock on a one-for-one basis subject to customary conversion rate adjustments for splits, unit distributions and reclassifications. The number of OP Units in the Operating Partnership beneficially owned by BPG is equivalent to the number of outstanding shares of BPG's common stock, and the entitlement of all OP Units to quarterly distributions and payments in liquidation is substantially the same as those of BPG's common stockholders. BPG's common stock is publicly traded on the New York Stock Exchange ("NYSE") under the ticker symbol "BRX."

Because the Operating Partnership is managed by BPG, and BPG conducts substantially all of its operations through the Operating Partnership, we refer to BPG's executive officers as Operating Partnership's executive officers, and although, as a partnership, the Operating Partnership does not have a board of directors, we refer to BPG's board of directors as the Operating Partnership's board of directors.

Our Shopping Centers

The following table provides summary information regarding our Portfolio as of December 31, 2014.

Number of shopping centers	521
Gross leasable area (sq. ft.)	86.8 million
Percent grocery-anchored shopping centers (1)	71%
Average shopping center GLA (sq. ft.)	166,657
Occupancy	93%
Average ABR/SF	$12.14
Percent of ABR in top 50 U.S. MSAs	65%
Average effective age (2)	14 years
Percent of grocer anchors that are #1 or #2 in their respective markets (3)	80%
Average sales per square foot of GLA ("PSF") of reporting grocers (4)	$542
Average population density (5)	184,000
Average household income (5)	$79,000

(1) Based on total number of shopping centers.

(2) Effective age is calculated based on the year of the most recent redevelopment of the shopping center or based on year built if no redevelopment has occurred.

(3) References to grocer anchors that are #1 or #2 are based on a combination of industry sources and management estimates of market share in these grocers' respective markets and include all grocers identified by management as "specialty" grocers. Grocers that operate within a market under a shared banner but are owned by different parent companies and grocers that operate within a market under different banners but share a parent company are grouped as a single grocer.

(4) Based on the most recent tenant reported information available as of December 31, 2014.

(5) Demographics based on five-mile radius and weighted by ABR. Based on U.S. Census data.

Business Objectives and Strategies

Our primary objective is to maximize total returns to our stockholders through a combination of growth and value-creation at the asset level supported by stable cash flows. We seek to achieve this through ownership of a large high quality, diversified portfolio of primarily grocery-anchored community and neighborhood shopping centers and by creating meaningful net operating income ("NOI") growth from this portfolio (see "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Same Property NOI" - for information regarding our use of NOI, which is a non-GAAP measure). The major drivers of this growth will be a combination of occupancy increases across both our anchor and small shop space, positive rent spreads from below-market in-place rents and significant near-term lease rollover, through annual contractual rent increases across the portfolio and the realization of embedded anchor space repositioning / redevelopment opportunities. Our key strategies to achieve these objectives are summarized as follows and detailed below:

- Leveraging our operating expertise to proactively lease and manage our assets
- Achieving occupancy increases across both anchor and small shop space
- Capitalizing on below-market expiring leases
- Pursuing value-creating anchor space repositioning / redevelopment opportunities
- Preserving portfolio diversification
- Maintaining a flexible capital structure positioned for growth

Leveraging our Operating Expertise to Proactively Lease and Manage our Assets. We proactively manage our shopping centers with an emphasis on driving high occupancy rates with a solid base of nationally and regionally recognized tenants that generate substantial daily traffic. Our expansive relationships with leading retailers afford us early access to their strategies and expansion plans, as well as to their senior management. We believe these relationships, combined with the national breadth and scale of our portfolio, give us a competitive advantage as a key landlord able to support the real estate strategies of our diverse landscape of retailers. Our operating platform, along with the corresponding regional and local market expertise, enables us to efficiently capitalize on market and retailing trends. We also seek opportunities to refurbish, renovate and redevelop existing shopping centers, as appropriate, including expanding or repositioning existing tenants.

We direct our leasing efforts at the corporate level through our national accounts team and at the regional level through our field network. We believe this strategy enables us to provide our national and regional retailers with a centralized, single point of contact, facilitates reviews of our entire shopping center portfolio and provides for standardized lease templates that streamline the lease execution process, while also accounting for market-specific trends.

Achieving Occupancy Increases Across Both Anchor and Small Shop Space. During 2014 we experienced strong leasing momentum in our Portfolio and executed 787 new leases for an aggregate of approximately 3.8 million sq. ft., including 81 new anchor leases for spaces of at least 10,000 sq. ft., of which 38 were new leases for spaces of at least 20,000 sq. ft. As a result, our occupancy increased to 92.8% at December 31, 2014 from 92.4% at December 31, 2013 and the occupancy for spaces of at least 10,000 sq. ft. remained at 97.1% as of December 31, 2014. We believe that there is additional opportunity for further occupancy gains in our portfolio and that such improvement in anchor occupancy will drive strong new and renewal lease spreads and enable us to lease additional small shop space.

Capitalizing on Below-Market Expiring Leases. Our focus is to unlock opportunity and create value at the asset level and increase cash flow by increasing rental rates through the renewal of expiring leases or re-leasing of space to new tenants with limited downtime. As part of our targeted leasing strategy, we constantly seek to maximize rental rates and improve the tenant quality and credit profile of our portfolio. We believe our above average lease expiration schedule, as compared to our historic annual expirations, with below-market expiring rents will enable us to renew leases or sign new leases at higher rates. During 2014 in our Portfolio, we experienced new lease rent spreads of 31.2% and blended lease spreads of 12.6%. For the last six quarters ended December 31, 2014, blended lease spreads have been 11% or better. We believe that this performance will continue given our future expiration schedule of 11.0% of our leased GLA due to expire in 2015, 14.6% in 2016 and 13.2% in 2017, with an average expiring ABR/SF of $11.41 compared to an average ABR/SF of $12.53 for new and renewal leases signed during 2014, with an average ABR/SF of $13.45 for new leases and $12.15 for renewal leases. This represents a significant near-term opportunity to mark a substantial percentage of the portfolio to market.

Pursuing Value-Creating Anchor Space Repositioning / Redevelopment Opportunities. We evaluate our Portfolio on an ongoing basis to identify value-creating anchor space repositioning / redevelopment opportunities. These efforts are tenant-driven and focus on renovating, re-tenanting and repositioning assets and generally present higher risk-adjusted returns than new developments. Such initiatives are focused on upgrading our centers with strong, best-in-class anchors and transforming such properties' overall merchandise mix and tenant quality. Potential new projects include value-creation opportunities that have been previously identified within our Portfolio, as well as new opportunities created by the lack of meaningful community and neighborhood shopping center development in the United States. We may occasionally seek to acquire non-owned anchor spaces and land parcels at, or adjacent, to our shopping centers in order to facilitate redevelopment projects. In addition, as we own a vast majority of our anchor spaces greater than 35,000 sq. ft., we have important operational control in the positioning of our shopping centers in the event an anchor ceases to operate and flexibility in working with new and existing anchor tenants as they seek to expand or reposition their stores.

During 2014, we completed 18 anchor space repositioning / redevelopment projects in our Portfolio, with average targeted NOI yields of 13%. The aggregate cost of these projects was approximately $75.6 million. We expect average targeted NOI yields of 13% and an aggregate cost of $95.9 million for our 28 currently active anchor space repositioning / redevelopment projects.

As a result of the historically low number of new shopping center developments in the United States, redevelopment opportunities are critical in allowing us to meet space requirements for new store growth and accommodate the evolving prototypes of our retailers. We expect to maintain our current pace of anchor space repositioning /

redevelopment projects over the foreseeable future. We believe such projects are critical to the success of our company, as it provides incremental growth in NOI, drives small shop leasing, improves the value and quality of our shopping centers and increases consumer traffic. We intend to fund these efforts through cash from operations.

Preserving Portfolio Diversification. We seek to achieve diversification by the geographic distribution of our shopping centers and the breadth of our tenant base and tenant business lines. We believe this diversification serves to insulate us from macro-economic cycles and reduces our exposure to any single market or retailer.

The shopping centers in our Portfolio are strategically located across 38 states and throughout more than 170 MSAs, with 64.6% of our ABR derived from shopping centers located in the top 50 MSAs with no one MSA accounting for more than 6.5% of our ABR, in each case as of December 31, 2014.

In total, we have approximately 5,500 diverse national, regional and local retailers with approximately 9,500 leases in our Portfolio. As a result, our 10 largest tenants accounted for only 17.6% of our ABR, and our two largest tenants, The Kroger Co. and The TJX Companies, together accounted for only 6.5% of our ABR as of December 31, 2014. Our largest shopping center represents only 1.5% of our ABR as of December 31, 2014.

Maintaining a Flexible Capital Structure Positioned for Growth. The capital structure resulting from our IPO and related transactions provides us with financial flexibility and capacity to fund our current growth capital needs, as well as future opportunities. In 2013, we completed a $2.75 billion unsecured credit facility with a lending group comprised of top-tier financial institutions under which we had $730.5 million of undrawn capacity as of December 31, 2014. During 2014 we completed a term loan for an additional $600.0 million with top-tier financial institutions. See "Management's Discussion and Analysis of Financial Condition and Results of Operations-Our Liquidity and Capital Resources."

We believe we have strong access to multiple forms of capital, including unsecured corporate level debt, preferred equity and additional credit facilities, which will provide us with a competitive advantage over smaller, more highly leveraged or privately-held shopping center companies. During 2014, we received investment grade credit ratings from all three major credit rating agencies.

We intend to continue to enhance our financial and operating flexibility through ongoing commitment to ladder and extend the duration of our debt, and further expand our unencumbered asset pool.

The strategies discussed above are periodically reviewed by our Board of Directors and while it does not have any present intention to amend or revise its strategy, the Board of Directors may do so at anytime without a vote of the Company's shareholders.

Competition

We face considerable competition in the leasing of real estate, which is a highly competitive market. We compete with a number of other companies in providing leases to prospective tenants and in re-leasing space to current tenants upon expiration of their respective leases. We believe that the principal competitive factors in attracting tenants in our market areas are location, co-tenants and physical conditions of our shopping centers. In this regard, we proactively manage and, where and when appropriate, redevelop and upgrade, our shopping centers, with an emphasis on maintaining high occupancy rates with a strong base of nationally and regionally recognized anchor tenants that generate substantial daily traffic. In addition, we believe that the breadth of our national portfolio of shopping centers, and the local knowledge and market intelligence derived from our regional operating team, as well as the close relationships we have established with certain major, national and regional retailers, allow us to maintain a competitive position.

Environmental Exposure

We are subject to federal, state and local environmental regulations that apply generally to the ownership of real property and the operations conducted on real property. Under various federal, state and local laws, ordinances and regulations, we may be considered an owner or operator of real property or may have arranged for the disposal or treatment of hazardous or toxic substances or petroleum product releases at a property and, therefore, may become liable for the costs of removal or remediation of certain hazardous substances released on or in our property or disposed of by us or our tenants, as well as certain other potential costs which could relate to hazardous or toxic substances (including governmental fines and injuries to persons and property). Such liability may be imposed whether or not we knew of, or were responsible for, the presence of these hazardous or toxic substances. As is common with community and neighborhood shopping centers, many of our properties had or have on-site dry cleaners and/or on-site gasoline retailing facilities. These operations could potentially result in environmental contamination at the properties. The cost of investigation, remediation or removal of such substances may be

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substantial, and the presence of such substances, or the failure to properly remediate such substances, may adversely affect our ability to sell or rent such property or to borrow using such property as collateral.

We are aware that soil and groundwater contamination exists at some of our properties. The primary contaminants of concern at these properties include perchloroethylene and trichloroethylene (associated with the operations of on-site dry cleaners) and petroleum hydrocarbons (associated with the operations of on-site gasoline retailing facilities). There may also be asbestos-containing materials at some of our properties. While we do not expect the environmental conditions at our properties, for which exposure has been mitigated through insurance coverage specific to environmental conditions, considered as a whole, to have a material adverse effect on us, there can be no assurance that this will be the case. Further, no assurance can be given that any environmental studies performed have identified or will identify all material environmental conditions that may exist with respect to any of the properties in our portfolio.

Employees

As of December 31, 2014, we had approximately 443 employees. Four of our employees are covered by a collective bargaining agreement, and we consider our employee relations to be good.

Financial Information about Industry Segments

Our principal business is the ownership and operation of community and neighborhood shopping centers. We do not distinguish or group our operations on a geographical basis when measuring performance. Accordingly, we believe we have a single reportable segment for disclosure purposes in accordance with GAAP. In the opinion of our management, no material part of our and our subsidiaries' business is dependent upon a single tenant, the loss of any one of which would have a material adverse effect on us, and no single tenant accounts for 5% or more of our consolidated revenues. During 2014, no single shopping center and no one tenant accounted for more than 5% of our consolidated assets or consolidated revenues.

REIT Qualification

We made a tax election to be treated as a REIT for U.S. federal income tax purposes commencing with our taxable year ended December 31, 2011 and expect to continue to operate so as to qualify as a REIT. So long as we qualify as a REIT, we generally will not be subject to U.S. federal income tax on net taxable income that we distribute annually to our stockholders. In order to qualify as a REIT for U.S. federal income tax purposes, we must continually satisfy tests concerning, among other things, the real estate qualification of sources of our income, the composition and values of our assets, the amounts we distribute to our stockholders and the diversity of ownership of our stock. In order to comply with REIT requirements, we may need to forego otherwise attractive opportunities and limit our expansion opportunities and the manner in which we conduct our operations. See "Risk Factors-Risks Related to our REIT Status and Certain Other Tax Items."

Corporate Headquarters

Brixmor Property Group Inc., a Maryland corporation, was incorporated in Delaware on May 27, 2011, changed its name to Brixmor Property Group Inc. on June 17, 2013 and changed its jurisdiction of incorporation to Maryland on November 4, 2013. Our principal executive offices are located at 420 Lexington Avenue, New York, New York 10170, and our telephone number is (212) 869-3000.

Our website address is www.brixmor.com. Information on our website is not incorporated by reference herein and is not a part of this Annual Report on Form 10-K. We make available free of charge on our website or provide a link on our website to our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, and any amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act, as soon as reasonably practicable after those reports are electronically filed with, or furnished to, the SEC. We also make available through our website other reports filed with or furnished to the SEC under the Exchange Act, including our proxy statements and reports filed by officers and directors under Section 16(a) of the Exchange Act. To access these filings, go to the "Financial Information" portion of our "Investors" page on our website, and then click on "SEC Filings." You may also read and copy any document we file at the SEC's Public Reference Room located at 100 F Street, N.E., Washington, DC 20549. Call the SEC at 1-800-SEC-0330 for further information on the public reference room. In addition, these reports and the other documents we file with the SEC are available at a website maintained by the SEC at htttp:\\www.sec.gov.

From time to time, we may use our website as a channel of distribution of material information. Financial and other material information regarding our company is routinely posted on and accessible at www.brixmor.com. In addition, you may automatically receive e-mail alerts and other information about our company by enrolling your e-mail address by visiting “Email Alerts” under the “Information Request” section of the “Investors” portion of our website at http:\\www.brixmor.com.

Item 1A. Risk Factors

Risks Related to Our Properties and Our Business

Adverse global, national and regional economic, market and real estate conditions may adversely affect our performance.

Properties in our portfolio consist of community and neighborhood shopping centers. Our performance is, therefore, subject to risks associated with owning and operating these types of real estate assets, including: (1) changes in national, regional and local economic climates; (2) local conditions, including an oversupply of space in, or a reduction on demand for, properties similar to those in our portfolio; (3) the attractiveness of properties in our portfolio to tenants; (4) the financial stability of tenants, including the ability of tenants to pay rent; (5) competition from other available properties; (6) changes in market rental rates; (7) changes in demographics (including number of households and average household income) surrounding our properties; (8) the need to periodically fund the costs to repair, renovate and re-lease space; (9) changes in operating costs, including costs for maintenance, utilities, insurance and real estate taxes; (10) earthquakes, tornadoes, hurricanes and other natural disasters, civil unrest, terrorist acts or acts of war, which may result in uninsured or underinsured losses; (11) the fact that the expenses of owning and operating properties are not necessarily reduced when circumstances such as market factors and competition cause a reduction in income from the properties; and (12) changes in laws and governmental regulations, including those governing usage, zoning, the environment and taxes.

Additionally, because properties in our portfolio consist of shopping centers, our performance is linked to general economic conditions in the market for retail space. The market for retail space has been and may continue to be adversely affected by weakness in the national, regional and local economies, the adverse financial condition of some large retailing companies, the consolidation in the retail sector, the excess amount of retail space in certain markets and increasing consumer purchases via the internet. To the extent that any of these conditions worsen, they are likely to affect market rents and overall demand for retail space. In addition, we may face challenges in property management and maintenance or incur increased operating costs, such as real estate taxes, insurance and utilities, which may make properties unattractive to tenants. The loss of rental revenues from a number of our tenants and our inability to replace such tenants may adversely affect our profitability and ability to meet our debt and other financial obligations.

We face considerable competition in the leasing market and may be unable to renew leases or re-lease space as leases expire. Consequently, we may be required to make rent or other concessions and/or significant capital expenditures to improve our properties in order to retain and attract tenants, which could adversely affect our financial condition and results of operations.

We compete with a number of other companies in providing leases to prospective tenants and in re-leasing space to current tenants upon expiration of their respective leases. If our tenants decide not to renew or extend their leases upon expiration, we may not be able to re-lease the space. Even if the tenants do renew or we can re-lease the space, the terms of renewal or re-leasing, including the cost of required renovations or concessions to tenants, may be less favorable or more costly than current lease terms or than expectations for the space. As of December 31, 2014, leases are scheduled to expire on a total of approximately 11.0% of leased GLA at our properties in our Portfolio during 2015. We may be unable to promptly renew the leases or re-lease this space, or the rental rates upon renewal or re-leasing may be significantly lower than expected rates, which could adversely affect our financial condition and results of operations.

We face considerable competition for the tenancy of our lessees and the business of retail shoppers.
There are numerous shopping venues that compete with our properties in attracting retailers to lease space and shoppers to patronize their properties. In addition, tenants at our properties face continued competition from retailers at regional malls, outlet malls and other shopping centers, catalog companies and internet sales. In order to maintain our attractiveness to retailers and shoppers, we are required to reinvest in our properties in the form of capital improvements. If we fail to reinvest in and redevelop our properties so as to maintain their attractiveness to retailers

and shoppers, our revenue and profitability may suffer. If retailers or shoppers perceive that shopping at other venues, online or by phone is more convenient, cost-effective or otherwise more attractive, our revenues and profitability may also suffer.

Our performance depends on the collection of rent from the tenants at the properties in our portfolio, those tenants' financial condition and the ability of those tenants to maintain their leases.
A substantial portion of our income is derived from rental income from real property. As a result, our performance depends on the collection of rent from tenants at the properties in our portfolio. Our income would be negatively affected if a significant number of the tenants at the properties in our portfolio or any major tenants, among other things: (1) decline to extend or renew leases upon expiration; (2) renew leases at lower rates; (3) fail to make rental payments when due; (4) experience a downturn in their business; or (5) become bankrupt or insolvent.

Any of these actions could result in the termination of the tenant's lease and our loss of rental income. In addition, under certain lease agreements, lease terminations by an anchor tenant or a failure by that anchor tenant to occupy the premises could also result in lease terminations or reductions in rent by other tenants in such shopping centers. In these events, we cannot be certain that any tenant whose lease expires will renew or that we will be able to re-lease space on economically advantageous terms. The loss of rental revenues from a number of tenants and difficulty replacing such tenants, particularly in the case of a substantial tenant with leases in multiple locations, may adversely affect our profitability and our ability to meet debt and other financial obligations.

We may be unable to collect balances due from tenants that file for bankruptcy protection.
If a tenant or lease guarantor files for bankruptcy, we may not be able to collect all pre-bankruptcy amounts owed by that party. In addition, a tenant that files for bankruptcy protection may terminate its lease with us, in which event we would have a general unsecured claim against such tenant that would likely be worth less than the full amount owed to us for the remainder of the lease term, which could adversely affect our financial condition and results of operations.

Real estate property investments are illiquid, and it may not be possible to dispose of assets when appropriate or on favorable terms.
Real estate property investments generally cannot be disposed of quickly, and a return of capital and realization of gains, if any, from an investment generally occur upon the disposition or refinancing of the underlying property. Our ability to dispose of properties on advantageous terms depends on factors beyond our control, including competition from other sellers and the availability of attractive financing for potential buyers of our properties, and we cannot predict the various market conditions affecting real estate investments that will exist at any particular time in the future. Furthermore, we may be required to expend funds to correct defects or to make improvements before a property can be sold. We cannot assure our stockholders that we will have funds available to correct such defects or to make such improvements and, therefore, we may be unable to sell the property or may have to sell it at a reduced cost. As a result of these real estate market characteristics, we may be unable to realize our investment objectives by sale, other disposition or refinancing at attractive prices or within any desired period of time. The ability to sell assets in our portfolio may also be restricted by certain covenants in our debt agreements and the credit agreement governing our Unsecured Credit Facility. As a result, we may be required to dispose of assets on less than favorable terms, if at all, and we may be unable to vary our portfolio in response to economic or other conditions, which could adversely affect our financial position.

Our expenses may remain constant or increase, even if income from our properties decreases, causing our financial condition and results of operations to be adversely affected.
Costs associated with our business, such as mortgage payments, real estate and personal property taxes, insurance, utilities and corporate expenses, are relatively inflexible and generally do not decrease, and may increase, when a property is not fully occupied, rental rates decrease, a tenant fails to pay rent or other circumstances cause our revenues to decrease. If we are unable to decrease our operating costs when our revenue declines, our financial

condition, results of operations and ability to make distributions to our stockholders may be adversely affected. In addition, inflationary price increases could result in increased operating costs for us and our tenants and, to the extent we are unable to pass along those price increases or are unable to recover operating expenses from tenants, our operating expenses may increase, which could adversely affect our financial condition, results of operations and ability to make distributions to our stockholders. Conversely, deflation can result in a decline in general price levels caused by a decreased in the supply of money or credit. The predominant effects of deflation are high unemployment, credit contraction and weakened consumer demand.

Our cash flows and operating results could be adversely affected by required payments of debt or related interest and other risks of our debt financing.
We are generally subject to risks associated with debt financing. These risks include: (1) our cash flow may not be sufficient to satisfy required payments of principal and interest; (2) we may not be able to refinance existing indebtedness on our properties as necessary or the terms of the refinancing may be less favorable to us than the terms of existing debt; (3) required debt payments are not reduced if the economic performance of any property declines; (4) debt service obligations could reduce funds available for distribution to our stockholders and funds available for capital investment; (5) any default on our indebtedness could result in acceleration of those obligations and possible loss of property to foreclosure; and (6) the risk that necessary capital expenditures for purposes such as re-leasing space cannot be financed on favorable terms. During 2015, we have $623.3 million of mortgage loans scheduled to mature and we have approximately $29.7 million of scheduled mortgage amortization payments. We currently intend to repay the scheduled maturities and amortization payments with operating cash and borrowings on our revolving credit facility. If a property is mortgaged to secure payment of indebtedness and we cannot make the mortgage payments, we may have to surrender the property to the lender with a consequent loss of any prospective income and equity value from such property. Any of these risks could place strains on our cash flows, reduce our ability to grow and adversely affect our results of operations.

We utilize a significant amount of indebtedness in the operation of our business.
As of December 31, 2014, we had approximately $6.0 billion aggregate principal amount of indebtedness outstanding. Our leverage could have important consequences to us. For example, it could (1) result in the acceleration of a significant amount of debt for non-compliance with the terms of such debt or, if such debt contains cross default or cross-acceleration provisions, other debt; (2) result in the loss of assets, including our shopping centers, due to foreclosure or sale on unfavorable terms, which could create taxable income without accompanying cash proceeds; (3) materially impair our ability to borrow unused amounts under existing financing arrangements or to obtain additional financing or refinancing on favorable terms or at all; (4) require us to dedicate a substantial portion of our cash flow to paying principal and interest on our indebtedness, reducing the cash flow available to fund our business, to pay dividends, including those necessary to maintain our REIT qualification, or to use for other purposes; (5) increase our vulnerability to an economic downturn; (6) limit our ability to withstand competitive pressures; or (7) reduce our flexibility to respond to changing business and economic conditions.

If any of the foregoing occurs, our business, financial condition, liquidity, results of operations and prospects could be materially and adversely affected, and the trading price of our common stock or other securities could decline significantly.

We may be unable to obtain financing through the debt and equity markets, which would have a material adverse effect on our growth strategy and our financial condition and results of operations.
We cannot assure you that we will be able to access the capital and credit markets to obtain additional debt or equity financing or that we will be able to obtain financing on terms favorable to us. Our inability to obtain financing could have negative effects on our business. Among other things, we could have great difficulty acquiring, re-developing or maintaining our properties, which would materially and adversely affect our business strategy and portfolio, and may result in our (1) liquidity being adversely affected; (2) inability to repay or refinance our indebtedness on or before its maturity; (3) making higher interest and principal payments or selling some of our assets on terms unfavorable to us to service our indebtedness; or (4) issuing additional capital stock, which could further dilute the ownership of our existing stockholders.

Our variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly.

Borrowings under our Unsecured Credit Facility bear interest at variable rates and expose us to interest rate risk. If interest rates were to increase, our debt service obligations on the variable rate indebtedness would increase even though the amount borrowed remained the same, and our net income and cash flows will correspondingly decrease. Assuming all capacity under our Unsecured Credit Facility was fully drawn, each quarter point change in interest rates would result in a $3.1 million change in annual interest expense on our indebtedness under our new Unsecured Credit Facility. We have entered into interest rate swaps that involve the exchange of floating for fixed rate interest payments in order to reduce interest rate volatility. However, we may not maintain interest rate swaps with respect to all of our variable rate indebtedness, and any swaps we enter into may not fully mitigate our interest rate risk.

Mortgage debt obligations expose us to the possibility of foreclosure, which could result in the loss of our investment in a property or group of properties subject to mortgage debt.
As of December 31, 2014, mortgage debt outstanding was approximately $3.2 billion, excluding the impact of unamortized premiums. If a property or group of properties is mortgaged to secure payment of debt and we are unable to meet mortgage payments, the holder of the mortgage or lender could foreclose on the property, resulting in a loss of our investment. Alternatively, if we decide to sell assets in the current market to raise funds to repay matured debt, it is possible that these properties will be disposed of at a loss. Also, certain of the mortgages contain customary negative covenants which, among other things, limit our ability, without the prior consent of the lender, to further mortgage the property, to enter into new leases or materially modify existing leases with respect to the property.

Covenants in our debt agreements may restrict our operating activities and adversely affect our financial condition.
Our debt agreements contain financial and/or operating covenants, including, among other things, certain coverage ratios, as well as limitations on the ability to incur secured and unsecured debt. These covenants may limit our operational flexibility and acquisition and disposition activities. Moreover, if any of the covenants in these debt agreements are breached and not cured within the applicable cure period, we could be required to repay the debt immediately, even in the absence of a payment default. As a result, a default under applicable debt covenants could have an adverse effect on our financial condition or results of operations.

Current and future redevelopment or real estate property acquisitions may not yield expected returns.
We are involved in several redevelopment projects and may invest in additional redevelopment projects and property acquisitions in the future. Redevelopment and property acquisitions are subject to a number of risks, including: (1) abandonment of redevelopment or acquisition activities after expending resources to determine feasibility; (2) construction and/or lease-up delays; (3) cost overruns, including construction costs that exceed original estimates; (4) failure to achieve expected occupancy and/or rent levels within the projected time frame, if at all; (5) inability to operate successfully in new markets where new properties are located; (6) inability to successfully integrate new properties into existing operations; (7) difficulty obtaining financing on acceptable terms or paying operating expenses and debt service costs associated with redevelopment properties prior to sufficient occupancy; (8) delays or failures to obtain necessary zoning, occupancy, land use and other governmental permits; (9) exposure to fluctuations in the general economy due to the significant time lag between commencement and completion of redevelopment projects; and (10) changes in zoning and land use laws. If any of these events occur, overall project costs may significantly exceed initial cost estimates, which could result in reduced returns or losses from such investments. In addition, we may not have sufficient liquidity to fund such projects, and delays in the completion of a redevelopment project may provide various tenants the right to withdraw from a property.

An uninsured loss on properties or a loss that exceeds the limits of our insurance policies could result in a loss of our investment or related revenue in our portfolio.
We carry comprehensive liability, fire, extended coverage, rental loss and acts of terrorism insurance with policy specifications and insured limits customarily carried for similar properties. There are, however, certain types of losses, such as from hurricanes, tornadoes, floods, terrorism, wars or earthquakes, which may be uninsurable, or the cost of insuring against such losses may not be economically justifiable. In addition, tenants generally are required to indemnify and hold us harmless from liabilities resulting from injury to persons or damage to personal or real property, on the premises, due to activities conducted by tenants or their agents on the properties (including without limitation any environmental contamination), and at the tenant’s expense, to obtain and keep in full force during the term of the lease, liability and property damage insurance policies. However, tenants may not properly maintain their insurance policies or have the ability to pay the deductibles associated with such policies. In addition, if the damaged properties are subject to recourse indebtedness, we would continue to be liable for the indebtedness, even if these

properties were irreparably damaged. Should a loss occur that is uninsured or in an amount exceeding the combined aggregate limits for the policies noted above, or in the event of a loss that is subject to a substantial deductible under an insurance policy, we could lose all or part of our capital invested in, and anticipated revenue from, one or more of the properties, which could have a material adverse effect on our operating results and financial condition.

Environmental conditions that exist at some of our properties could result in significant unexpected costs.
We are subject to federal, state and local environmental regulations that apply generally to the ownership of real property and the operations conducted on real property. Under various federal, state and local laws, ordinances and regulations, we may be considered an owner or operator of real property or may have arranged for the disposal or treatment of hazardous or toxic substances or petroleum product releases at a property and, therefore, may become liable for the costs of removal or remediation of certain hazardous substances released on or in our property or disposed of by us or our tenants, as well as certain other potential costs which could relate to hazardous or toxic substances (including governmental fines and injuries to persons and property). Such liability may be imposed whether or not we knew of, or were responsible for, the presence of these hazardous or toxic substances. As is common with community and neighborhood shopping centers, many of our properties had or have on-site dry cleaners and/or on-site gasoline retailing facilities. These operations could potentially result in environmental contamination at the properties. The cost of investigation, remediation or removal of such substances may be substantial, and the presence of such substances, or the failure to properly remediate such substances, may adversely affect our ability to sell or rent such property or to borrow using such property as collateral.

We are aware that soil and groundwater contamination exists at some of our properties. The primary contaminants of concern at these properties include perchloroethylene and trichloroethylene (associated with the operations of on-site dry cleaners) and petroleum hydrocarbons (associated with the operations of on-site gasoline retailing facilities). There may also be asbestos-containing materials at some of our properties. While we do not expect the environmental conditions at our properties, considered as a whole, to have a material adverse effect on us, there can be no assurance that this will be the case. Further, no assurance can be given that any environmental studies performed have identified or will identify all material environmental conditions that may exist with respect to any of the properties in our portfolio.

Further information relating to recognition of remediation obligation in accordance with GAAP is provided in the consolidated financial statements and notes thereto included in this report.

Compliance with the Americans with Disabilities Act and fire, safety and other regulations may require us to make expenditures that adversely affect our cash flows.
All of the properties in our portfolio are required to comply with the Americans with Disabilities Act (“ADA”). The ADA has separate compliance requirements for “public accommodations” and “commercial facilities,” but generally requires that buildings be made accessible to people with disabilities. Compliance with the ADA requirements could require removal of access barriers, and non-compliance could result in imposition of fines by the United States government or an award of damages to private litigants, or both. Although we believe the properties in our portfolio substantially comply with present requirements of the ADA, we have not conducted an audit or investigation of all of our properties to determine our compliance. While the tenants to whom our properties are leased are obligated by law to comply with the ADA provisions, and typically under tenant leases are obligated to cover costs associated with compliance, if required changes involve greater expenditures than anticipated, or if the changes must be made on a more accelerated basis than anticipated, the ability of these tenants to cover costs could be adversely affected. As a result, we could be required to expend funds to comply with the provisions of the ADA, which could adversely affect our results of operations and financial condition. In addition, we are required to operate the properties in compliance with fire and safety regulations, building codes and other land use regulations, as they may be adopted by governmental agencies and bodies and become applicable to the properties. We may be required to make substantial capital expenditures to comply with, and we may be restricted in our ability to renovate the properties subject to, those requirements. The resulting expenditures and restrictions could have a material adverse effect on our ability to meet our financial obligations.

We have experienced losses in the past, and we may experience similar losses in the future.

For each of the years ended December 31, 2013 and 2012 and the period from January 1, 2011 to June 27, 2011, we experienced net losses. Our losses are primarily attributable to non-cash items, such as depreciation, amortization and impairments. Please see the section entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and the notes thereto included elsewhere in this form 10-K for a discussion of our operational history and the factors accounting for such losses. We cannot assure you that, in the future, we will be profitable or that we will realize growth in the value of our assets.

Our real estate assets may be subject to impairment charges.
On a periodic basis, we assess whether there are any indicators that the value of our real estate assets and other investments may be impaired. A property's value is considered to be impaired only if the estimated aggregate future cash flows (undiscounted and without interest charges) to be generated by the property are less than the carrying value of the property. In our estimate of cash flows, we consider factors such as expected future operating income, trends and prospects, the effects of demand, competition and other factors. If we are evaluating the potential sale of an asset or development alternatives, the undiscounted future cash flows considers the most likely course of action at the balance sheet date based on current plans, intended holding periods and available market information. We are required to make subjective assessments as to whether there are impairments in the value of our real estate assets and other investments. These assessments may have a direct impact on our earnings because recording an impairment charge results in an immediate negative adjustment to earnings. There can be no assurance that we will not take additional charges in the future related to the impairment of our assets. Any future impairment could have a material adverse effect on our results of operations in the period in which the charge is taken.

We face and our tenants face risks relating to cybersecurity attacks that could cause loss of confidential information and other business disruptions.
We rely extensively on computer systems to process transactions and manage our business, and our business is at risk from and may be impacted by cybersecurity attacks. These could include attempts to gain unauthorized access to our data and computer systems. Attacks can be both individual and/or highly organized attempts organized by very sophisticated hacking organizations. We employ a number of measures to prevent, detect and mitigate these threats, which include password protection, frequent password change events, firewall detection systems, frequent backups, a redundant data system for core applications and annual penetration testing; however, there is no guarantee such efforts will be successful in preventing a cyber attack. A cybersecurity attack could compromise the confidential information of our employees, tenants and vendors. A successful attack could disrupt and affect the business operations. Similarly, our tenants rely extensively on computer systems to process transactions and manage their business and thus their businesses are also at risk from and may be impacted by cybersecurity attacks. An interruption in the business operations of our tenants or in their reputation resulting from a cybersecurity attack could indirectly impact our business operations.

We are highly dependent upon senior management, and failure to attract and retain key members of senior management could have a material adverse effect on us.
We are highly dependent on the performance and continued efforts of the senior management team. Our future success is dependent on our ability to continue to attract and retain qualified executive officers and senior management. Any inability to manage our operations effectively could have a material adverse effect on our business, financial condition, results of operations, cash flow, capital resources and liquidity.

We face competition in pursuing acquisition opportunities that could increase our costs.
We continue to evaluate the market for available properties and may acquire properties when we believe strategic opportunities exist. Our ability to acquire properties on favorable terms and successfully operate or re-develop them is subject to a number of risks. We may be unable to acquire a desired property because of competition from other real estate investors with substantial capital, including from other REITs and institutional investment funds. Even if we are able to acquire a desired property, competition from other potential acquirers may significantly increase the purchase price.

Risks Related to Our Organization and Structure
Blackstone owns a significant percentage of our stock and has the ability to exercise influence over us.
After completing a secondary offering of our common stock in January 2015, Blackstone beneficially owned shares of our common stock providing them with an aggregate 49.3% of the total voting power of Brixmor Property Group Inc. Under our bylaws and our stockholders' agreement with Blackstone and its affiliates, while Blackstone retains certain

ownership percentages of us, we will agree to nominate to our board a certain number of individuals designated by Blackstone, whom we refer to as the "Blackstone Directors." Accordingly, for so long as Blackstone continues to own a significant percentage of our stock, Blackstone will be able to influence the composition of our board of directors, the approval of actions requiring stockholder approval, our business plans and policies and the appointment and removal of our executive officers. Some of these actions could cause or prevent a change of control of our company or a change in the composition of our board of directors and could preclude any unsolicited acquisition of our company. The concentration of ownership could deprive you of an opportunity to receive a premium for your shares of common stock as part of a sale of our company and ultimately might affect the market price of our common stock.

We assumed existing liabilities of the Acquired Properties acquired in conjunction with the IPO Property Transfers.
As part of the IPO Property Transfers, we assumed existing liabilities of the Acquired Properties and of the legal entities that own these properties. Although we managed these properties for Blackstone prior to the IPO Property Transfers and were generally aware of their liabilities, as well as the insurance in place to address such risks, our recourse against Blackstone is limited by the terms of the agreements entered into with Blackstone in connection with the IPO Property Transfers. Because many liabilities, including tax liabilities, may not be identified within such period, we may have no recourse against Blackstone for our assumed liabilities. In addition, such indemnification is capped and may not be sufficient to cover all liabilities assumed. Moreover, we may choose not to enforce, or to enforce less vigorously, our rights under these indemnification agreements due to our ongoing relationship with Blackstone. We are not entitled to indemnification from any other sources in connection with the IPO Property Transfers.

BPG's board of directors may approve the issuance of stock, including preferred stock, with terms that may discourage a third party from acquiring us.
BPG's charter permits its board of directors to authorize the issuance of stock in one or more classes or series. Our board of directors may also classify or reclassify any unissued stock and establish the preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications and terms and conditions of redemption of any such stock, which rights may be superior to those of our common stock. Thus, BPG's board of directors could authorize the issuance of shares of a class or series of stock with terms and conditions which could have the effect of discouraging a takeover or other transaction in which holders of some or a majority of BPG's outstanding common stock might receive a premium for their shares over the then current market price of our common stock.

Certain provisions in the organizational documents of the partnership agreement for the Operating Partnership may delay or prevent unsolicited acquisitions of us.
Provisions in the organizational documents of the partnership agreement for the Operating Partnership may delay, defer or prevent a transaction or a change of control that might involve a premium price for BPG's common stock. These provisions could discourage third parties from making proposals involving an unsolicited acquisition of us or change of our control, although some stockholders might consider such proposals, if made, desirable. These provisions include, among others:

- redemption or exchange rights of qualifying parties;
- transfer restrictions on the OP Units held directly or indirectly by BPG;
- our inability in some cases to amend the charter documents of the partnership agreement of the Operating Partnership without the consent of the holders of the Outstanding OP Units;
- the right of the holders of the Outstanding OP Units to consent to mergers involving us under specified circumstances; and
- the right of the holders of the Outstanding OP Units to consent to transfers of the general partnership interest.

Any potential change of control transaction may be further limited as a result of provisions of the partnership unit designation for the OP Units, which require us to preserve the rights of OP Unit holders and may restrict us from amending the partnership agreement of our Operating Partnership in a manner that would have an adverse effect on the rights of Blackstone or other OP Unit holders.

BPG's bylaws generally may be amended only by its board of directors, which could limit your control of certain aspects of BPG's corporate governance.

BPG's board of directors has the sole power to amend BPG's bylaws, except that, so long as the stockholders' agreement remains in effect, certain amendments to BPG's bylaws will require the consent of Blackstone and amendments to BPG's bylaws that would allow BPG's board of directors to repeal its exemption of any transaction between BPG and any other person from the "business combination" provisions of the Maryland General Corporation Law (the "MGCL") or the exemption of any acquisition of BPG's stock from the "control share" provisions of the MGCL must be approved by BPG's stockholders. Thus, BPG's board may amend the bylaws in a way that may be detrimental to your interests.

BPG's board of directors may change significant corporate policies without stockholder approval.
BPG's investment, financing, borrowing and dividend policies and our policies with respect to all other activities, including growth, debt, capitalization and operations, will be determined by BPG's board of directors. These policies may be amended or revised at any time and from time to time at the discretion of BPG's board of directors without a vote of our stockholders. BPG's charter also provides that BPG's board of directors may revoke or otherwise terminate our REIT election without approval of BPG's stockholders, if it determines that it is no longer in BPG's best interests to attempt to qualify, or to continue to qualify, as a REIT. In addition, BPG's board of directors may change BPG's policies with respect to conflicts of interest provided that such changes are consistent with applicable legal requirements. A change in these policies or the termination of BPG's REIT election could have an adverse effect on our financial condition, our results of operations, our cash flow, the per share trading price of BPG's common stock and our ability to satisfy our debt service obligations and to pay dividends to BPG's stockholders.

BPG's rights and the rights of BPG's stockholders to take action against BPG's directors and officers are limited.
BPG's charter eliminates the liability of BPG's directors and officers to us and BPG's stockholders for money damages to the maximum extent permitted under Maryland law. Under current Maryland law and BPG's charter, BPG's directors and officers do not have any liability to BPG or BPG's stockholders for money damages other than liability resulting from:

- actual receipt of an improper benefit or profit in money, property or services; or
- active and deliberate dishonesty by the director or officer that was established by a final judgment and is material to the cause of action adjudicated.

BPG's charter authorizes BPG and BPG's bylaws require BPG to indemnify each of BPG's directors or officers who is or is threatened to be made a party to or witness in a proceeding by reason of his or her service in those or certain other capacities, to the maximum extent permitted by Maryland law, from and against any claim or liability to which such person may become subject or which such person may incur by reason of his or her status as a present or former director or officer of BPG. In addition, BPG may be obligated to pay or reimburse the expenses incurred by BPG's present and former directors and officers without requiring a preliminary determination of their ultimate entitlement to indemnification. As a result, BPG and BPG's stockholders may have more limited rights to recover money damages from BPG's directors and officers than might otherwise exist absent these provisions in BPG's charter and bylaws or that might exist with other companies, which could limit your recourse in the event of actions that are not in BPG's best interests.

BPG's charter contains a provision that expressly permits Blackstone, BPG's non-employee directors and certain of our pre-IPO owners, and their affiliates, to compete with us.
Blackstone may compete with us for investments in properties and for tenants. There is no assurance that any conflicts of interest created by such competition will be resolved in our favor. Moreover, Blackstone is in the business of making investments in companies and acquires and holds interests in businesses that compete directly or indirectly with us. BPG's charter provides that, to the maximum extent permitted from time to time by Maryland law, BPG renounce any interest or expectancy that BPG has in, or any right to be offered an opportunity to participate in, any business opportunities that are from time to time presented to or developed by BPG's directors or their affiliates, other than to those directors who are employed by BPG or BPG's subsidiaries, unless the business opportunity is expressly offered or made known to such person in his or her capacity as a director, and none of Blackstone or Centerbridge, one of our pre-IPO owners, or any of their respective affiliates, or any director who is not employed by BPG or any of his or her affiliates, will have any duty to refrain from engaging, directly or indirectly, in the same business activities or similar business activities or lines of business in which we or our affiliates engage or propose to engage or to

refrain from otherwise competing with us or our affiliates. Blackstone also may pursue acquisition opportunities that may be complementary to our business, and, as a result, those acquisition opportunities may not be available to us. BPG's charter provides that, to the maximum extent permitted from time to time by Maryland law, Blackstone, Centerbridge and each of BPG's non-employee directors (including those designated by Blackstone), and any of their affiliates, may:

- acquire, hold and dispose of shares of BPG’s stock or OP Units for his or her own account or for the account of others, and exercise all of the rights of a stockholder of Brixmor Property Group Inc. or a limited partner of our Operating Partnership, to the same extent and in the same manner as if he, she or it were not BPG’s director or stockholder; and
- in his, her or its personal capacity or in his, her or its capacity as a director, officer, trustee, stockholder, partner, member, equity owner, manager, advisor or employee of any other person, have business interests and engage, directly or indirectly, in business activities that are similar to ours or compete with us, that involve a business opportunity that we could seize and develop or that include the acquisition, syndication, holding, management, development, operation or disposition of interests in mortgages, real property or persons engaged in the real estate business.

BPG’s charter also provides that, to the maximum extent permitted from time to time by Maryland law, in the event that Blackstone, Centerbridge, any non-employee director, or any of their respective affiliates, acquires knowledge of a potential transaction or other business opportunity, such person will have no duty to communicate or offer such transaction or business opportunity to us or any of our affiliates and may take any such opportunity for itself, himself or herself or offer it to another person or entity unless the business opportunity is expressly offered to such person in his or her capacity as our director. These provisions may limit our ability to pursue business or investment opportunities that we might otherwise have had the opportunity to pursue, which could have an adverse effect on our financial condition, our results of operations, our cash flow, the per share trading price of our common stock and our ability to satisfy our debt service obligations and to pay dividends to our stockholders.

Conflicts of interest could arise in the future between the interests of BPG’s stockholders and the interests of holders of OP Units.
Because BPG controls the general partner of the Operating Partnership, BPG has fiduciary duties to the other limited partners in the operating partnership, the discharge of which may conflict with the interests of BPG’s stockholders. The limited partners of the Operating Partnership have agreed that, in the event of a conflict between the duties owed by BPG’s directors to BPG and, in BPG’s capacity as the controlling stockholder of the sole member of the general partner of the Operating Partnership, the fiduciary duties owed by the general partner of the Operating Partnership to such limited partners, BPG is under no obligation to give priority to the interests of such limited partners. However, those persons holding OP Units will have the right to vote on certain amendments to the operating partnership agreement (which require approval by a majority in interest of the limited partners, including BPG Sub) and individually to approve certain amendments that would adversely affect their rights. These voting rights may be exercised in a manner that conflicts with the interests of BPG’s stockholders. For example, BPG is unable to modify the rights of limited partners to receive distributions as set forth in the operating partnership agreement in a manner that adversely affects their rights without their consent, even though such modification might be in the best interest of BPG’s stockholders.

We are required to disclose in our periodic reports filed with the Securities and Exchange Commission specified activities engaged in by our “affiliates.”
In August 2012, Congress enacted the Iran Threat Reduction and Syria Human Rights Act of 2012 (“ITRSHRA”), which expands the scope of U.S. sanctions against Iran. More specifically, Section 219 of the ITRSHRA amended the Securities Exchange Act of 1934, as amended (the “Exchange Act”) to require companies subject to Securities and Exchange Commission (“SEC”) reporting obligations under Section 13 of the Exchange Act to disclose in their periodic reports specified dealings or transactions involving Iran or other individuals and entities targeted by certain Office of Foreign Assets Control sanctions engaged in by the reporting company or any of its affiliates during the period covered by the relevant periodic report. In some cases, ITRSHRA requires companies to disclose these types of transactions even if they would otherwise be permissible under U.S. law. These companies are required to separately file with the SEC a notice that such activities have been disclosed in the relevant periodic report, and the SEC is required to post this notice of disclosure on its website and send the report to the U.S. President and certain U.S. Congressional committees. The U.S. President thereafter is required to initiate an investigation and, within 180 days

of initiating such an investigation, to determine whether sanctions should be imposed. Under ITRSHRA, we are required to report if we or any of our "affiliates" knowingly engaged in certain specified activities during the period covered by the report. Because the SEC defines the term "affiliate" broadly, it includes any entity controlled by us as well as any person or entity that controls us or is under common control with us. Because we may be deemed to be a controlled affiliate of Blackstone, affiliates of Blackstone may also be considered our affiliates. Disclosure of such activity, even if such activity is not subject to sanctions under applicable law, and any sanctions actually imposed on us or our affiliates as a result of these activities, could harm our reputation and have a negative impact on our business.

Risks Related to our REIT Status and Certain Other Tax Items

If BPG does not maintain its qualification as a REIT, it will be subject to tax as a regular corporation and could face a substantial tax liability.

BPG expects to continue to operate so as to qualify as a REIT under the Code. However, qualification as a REIT involves the application of highly technical and complex Code provisions for which only a limited number of judicial or administrative interpretations exist. Notwithstanding the availability of cure provisions in the Code, BPG could fail to meet various compliance requirements, which could jeopardize its REIT status. Furthermore, new tax legislation, administrative guidance or court decisions, in each instance potentially with retroactive effect, could make it more difficult or impossible for BPG to qualify as a REIT. If BPG fails to qualify as a REIT in any tax year, then:

- BPG would be taxed as a regular domestic corporation, which under current laws, among other things, means being unable to deduct distributions to stockholders in computing taxable income and being subject to federal income tax on its taxable income at regular corporate income tax rates;
- any resulting tax liability could be substantial and could have a material adverse effect on BPG's book value;
- unless BPG were entitled to relief under applicable statutory provisions, BPG would be required to pay taxes, and thus, BPG's cash available for distribution to stockholders would be reduced for each of the years during which BPG did not qualify as a REIT and for which BPG had taxable income; and
- BPG generally would not be eligible to requalify as a REIT for the subsequent four full taxable years.

REITs, in certain circumstances, may incur tax liabilities that would reduce BPG's cash available for distribution to you.

Even if BPG qualifies and maintains its status as a REIT, BPG may become subject to U.S. federal income taxes and related state and local taxes. For example, net income from the sale of properties that are "dealer" properties sold by a REIT (a "prohibited transaction" under the Code) will be subject to a 100% tax. BPG may not make sufficient distributions to avoid excise taxes applicable to REITs. Similarly, if BPG were to fail an income test (and did not lose its REIT status because such failure was due to reasonable cause and not willful neglect) BPG would be subject to tax on the income that does not meet the income test requirements. BPG also may decide to retain net capital gain BPG earns from the sale or other disposition of BPG's investments and pay income tax directly on such income. In that event, BPG's stockholders would be treated as if they earned that income and paid the tax on it directly. However, stockholders that are tax-exempt, such as charities or qualified pension plans, would have no benefit from their deemed payment of such tax liability unless they file U.S. federal income tax returns and thereon seek a refund of such tax. BPG also may be subject to state and local taxes on its income or property, including franchise, payroll, mortgage recording and transfer taxes, either directly or at the level of the other companies through which BPG indirectly own its assets, such as BPG's TRSs, which are subject to full U.S. federal, state, local and foreign corporate-level income taxes. Any taxes BPG pays directly or indirectly will reduce BPG's cash available for distribution to you.

Complying with REIT requirements may cause BPG to forego otherwise attractive opportunities and limit its expansion opportunities.

In order to qualify as a REIT for U.S. federal income tax purposes, BPG must continually satisfy tests concerning, among other things, BPG's sources of income, the nature of its investments in commercial real estate and related assets, the amounts BPG distributes to its stockholders and the ownership of BPG's stock. BPG may also be required to make distributions to stockholders at disadvantageous times or when BPG does not have funds readily available for distribution. Thus, compliance with REIT requirements may hinder BPG's ability to operate solely on the basis of maximizing profits.

Complying with REIT requirements may force BPG to liquidate or restructure otherwise attractive investments.

In order to qualify as a REIT, BPG must also ensure that at the end of each calendar quarter, at least 75% of the value of its assets consists of cash, cash items, government securities and qualified REIT real estate assets. The remainder of BPG's investments in securities cannot include more than 10% of the outstanding voting securities of any one issuer or 10% of the total value of the outstanding securities of any one issuer unless BPG and such issuer jointly elect for such issuer to be treated as a "taxable REIT subsidiary" under the Code. The total value of all of BPG's investments in taxable REIT subsidiaries cannot exceed 25% of the value of BPG's total assets. In addition, no more than 5% of the value of BPG's assets can consist of the securities of any one issuer other than a taxable REIT subsidiary. If BPG fails to comply with these requirements, BPG must dispose of a portion of its assets within 30 days after the end of the calendar quarter in order to avoid losing its REIT status and suffering adverse tax consequences.

Complying with REIT requirements may limit BPG's ability to hedge effectively and may cause BPG to incur tax liabilities.
The REIT provisions of the Code substantially limit BPG's ability to hedge its liabilities. Any income from a hedging transaction BPG enters into to manage risk of interest rate changes with respect to borrowings made or to be made to acquire or carry real estate assets, if clearly identified under applicable Treasury Regulations, does not constitute "gross income" for purposes of the 75% or 95% gross income tests that BPG must satisfy in order to maintain its qualification as a REIT. To the extent that BPG enters into other types of hedging transactions, the income from those transactions is likely to be treated as non-qualifying income for purposes of both of the gross income tests. As a result of these rules, BPG intends to limit its use of advantageous hedging techniques or implement those hedges through a domestic TRS. This could increase the cost of BPG's hedging activities because its TRS would be subject to tax on gains or expose itself to greater risks associated with changes in interest rates than BPG would otherwise want to bear. In addition, losses in BPG's TRS will generally not provide any tax benefit, except for being carried forward against future taxable income in the TRS.

Complying with REIT requirements may force BPG to borrow to make distributions to stockholders.
From time to time, BPG's taxable income may be greater than its cash flow available for distribution to stockholders. If BPG does not have other funds available in these situations, BPG may be unable to distribute substantially all of its taxable income as required by the REIT provisions of the Code. Thus, BPG could be required to borrow funds, sell a portion of its assets at disadvantageous prices or find another alternative. These options could increase BPG's costs or reduce its equity.

BPG's charter does not permit any person to own more than 9.8% of BPG's outstanding common stock or of BPG's outstanding stock of all classes or series, and attempts to acquire BPG's common stock or BPG's stock of all other classes or series in excess of these 9.8% limits would not be effective without an exemption from these limits by BPG's board of directors.
For BPG to qualify as a REIT under the Code, not more than 50% of the value of BPG's outstanding stock may be owned directly or indirectly, by five or fewer individuals (including certain entities treated as individuals for this purpose) during the last half of a taxable year. For the purpose of assisting BPG's qualification as a REIT for federal income tax purposes, among other purposes, BPG's charter prohibits beneficial or constructive ownership by any person of more than a certain percentage, currently 9.8%, in value or by number of shares, whichever is more restrictive, of the outstanding shares of BPG's common stock or 9.8% in value of the outstanding shares of BPG's stock, which BPG refers to as the "ownership limit." The constructive ownership rules under the Code and BPG's charter are complex and may cause shares of the outstanding common stock owned by a group of related persons to be deemed to be constructively owned by one person. As a result, the acquisition of less than 9.8% of BPG's outstanding common stock or BPG's stock by a person could cause a person to own constructively in excess of 9.8% of BPG's outstanding common stock or BPG's stock, respectively, and thus violate the ownership limit. There can be no assurance that BPG's board of directors, as permitted in the charter, will not decrease this ownership limit in the future. Any attempt to own or transfer shares of BPG's stock in excess of the ownership limit without the consent of BPG's board of directors will result either in the shares in excess of the limit being transferred by operation of the charter to a charitable trust, and the person who attempted to acquire such excess shares will not have any rights in such excess shares, or in the transfer being void.

The ownership limit may have the effect of precluding a change in control of BPG by a third party, even if such change in control would be in the best interests of BPG's stockholders or would result in receipt of a premium to the price of BPG's stock (and even if such change in control would not reasonably jeopardize BPG's REIT status). The exemptions to the ownership limit granted to date may limit BPG's board of directors' power to increase the ownership limit or grant further exemptions in the future.

Failure to qualify as a domestically-controlled REIT could subject BPG's non-U.S. stockholders to adverse federal income tax consequences.
BPG will be a domestically-controlled REIT if, at all times during a specified testing period, less than 50% in value of its shares are held directly or indirectly by non-U.S. stockholders. Because its shares are publicly traded, BPG cannot guarantee that it will, in fact, be a domestically-controlled REIT. If BPG fails to qualify as a domestically-controlled REIT, its non-U.S. stockholders that otherwise would not be subject to federal income tax on the gain attributable to a sale of BPG's shares would be subject to taxation upon such a sale if either (a) the shares were not considered to be "regularly traded" under applicable Treasury regulations on an established securities market, such as the NYSE, or (b) the shares were considered to be "regularly traded" on an established securities market and the selling non-U.S. stockholder owned, actually or constructively, more than 5% in value of the outstanding shares at any time during specified testing periods. If gain on the sale or exchange of BPG's shares was subject to taxation for these reasons, the non-U.S. stockholder would be subject to federal income tax with respect to any gain on a net basis in a manner similar to the taxation of a taxable U.S. stockholder, subject to any applicable alternative minimum tax and special alternative minimum tax in the case of nonresident alien individuals, and corporate non-U.S. stockholders may be subject to an additional branch profits tax.

BPG may choose to make distributions in BPG's own stock, in which case you may be required to pay income taxes without receiving any cash dividends.
In connection with BPG's qualification as a REIT, BPG is required to annually distribute to its stockholders at least 90% of its REIT taxable income (which does not equal net income, as calculated in accordance with GAAP), determined without regard to the deduction for dividends paid and excluding net capital gain. In order to satisfy this requirement, BPG may make distributions that are payable in cash and/or shares of BPG's stock (which could account for up to 90% of the aggregate amount of such distributions) at the election of each stockholder. Taxable stockholders receiving such distributions will be required to include the full amount of such distributions as ordinary dividend income to the extent of BPG's current or accumulated earnings and profits, as determined for U.S. federal income tax purposes. As a result, U.S. stockholders may be required to pay income taxes with respect to such distributions in excess of the cash portion of the distribution received. Accordingly, U.S. holders receiving a distribution of BPG's shares may be required to sell shares received in such distribution or may be required to sell other stock or assets owned by them, at a time that may be disadvantageous, in order to satisfy any tax imposed on such distribution. If a U.S. stockholder sells the stock that it receives as part of the distribution in order to pay this tax, the sales proceeds may be less than the amount it must include in income with respect to the distribution, depending on the market price of BPG's stock at the time of the sale. Furthermore, with respect to certain non-U.S. holders, BPG may be required to withhold U.S. tax with respect to such distribution, including in respect of all or a portion of such distribution that is payable in stock, by withholding or disposing of part of the shares included in such distribution and using the proceeds of such disposition to satisfy the withholding tax imposed. In addition, if a significant number of BPG's stockholders determine to sell shares of BPG's stock in order to pay taxes owed on dividend income, such sale may put downward pressure on the market price of BPG's stock.

Various tax aspects of such a taxable cash/stock distribution are uncertain and have not yet been addressed by the Internal Revenue Service ("IRS"). No assurance can be given that the IRS will not impose requirements in the future with respect to taxable cash/stock distributions, including on a retroactive basis, or assert that the requirements for such taxable cash/stock distributions have not been met.

Dividends payable by REITs do not qualify for the reduced tax rates available for some dividends.
The maximum tax rate applicable to qualified dividend income payable to certain non-corporate U.S. stockholders has been reduced by legislation to 20%. Dividends payable by REITs, however, generally are not eligible for the reduced rates. Although this legislation does not adversely affect the taxation of REITs or dividends payable by REITs, the more favorable rates applicable to regular corporate qualified dividends could cause certain non-corporate investors to perceive investments in REITs to be relatively less attractive than investments in the stocks of non-REIT corporations

that pay dividends, which could adversely affect the value of the shares of REITs, including BPG’s stock.

BPG depends on external sources of capital to finance its growth.
As with other REITs, but unlike corporations generally, BPG’s ability to finance its growth must largely be funded by external sources of capital because BPG generally will have to distribute to its stockholders 90% of its taxable income in order to qualify as a REIT, including taxable income where BPG does not receive corresponding cash.

BPG’s access to external capital will depend upon a number of factors, including general market conditions, the market’s perception of BPG’s growth potential, BPG’s current and potential future earnings, cash distributions and the market price of BPG’s stock.

BPG may be subject to adverse legislative or regulatory tax changes that could increase BPG’s tax liability, reduce BPG’s operating flexibility and reduce the price of BPG’s stock.
In recent years, numerous legislative, judicial and administrative changes have been made in the provisions of U.S. federal income tax laws applicable to investments similar to an investment in shares of BPG’s stock. Additional changes to the tax laws are likely to continue to occur, and BPG cannot assure you that any such changes will not adversely affect the taxation of a stockholder. Any such changes could have an adverse effect on an investment in BPG’s shares or on the market value or the resale potential of BPG’s assets. You are urged to consult with your tax advisor with respect to the impact of recent legislation on your investment in BPG’s shares and the status of legislative, regulatory or administrative developments and proposals and their potential effect on an investment in BPG’s shares. Although REITs generally receive certain tax advantages compared to entities taxed as regular corporations, it is possible that future legislation would result in a REIT having fewer tax advantages, and it could become more advantageous for a company that invests in real estate to elect to be treated for U.S. federal income tax purposes as a corporation. As a result, BPG’s charter provides BPG’s board of directors with the power, under certain circumstances, to revoke or otherwise terminate BPG’s REIT election and cause BPG to be taxed as a regular corporation, without the approval of BPG’s stockholders.

Liquidation of assets may jeopardize BPG’s REIT qualification.
To qualify as a REIT, BPG must comply with requirements regarding its assets and its sources of income. If BPG was compelled to liquidate its investments to repay obligations to its lenders, BPG may be unable to comply with these requirements, ultimately jeopardizing BPG’s qualification as a REIT, or BPG may be subject to a 100% tax on any resultant gain if BPG sells assets that are treated as dealer property or inventory.

BPG’s ownership of and relationship with any TRS is restricted, and a failure to comply with the restrictions would jeopardize BPG’s REIT status and may result in the application of a 100% excise tax.
A REIT may own up to 100% of the stock of one or more TRSs. A TRS may earn income that would not be qualifying income if earned directly by the parent REIT. Both the subsidiary and the REIT must jointly elect to treat the subsidiary as a TRS. A corporation of which a TRS directly or indirectly owns more than 35% of the voting power or value of the stock will automatically be treated as a TRS. Overall, no more than 25% of the value of a REIT’s assets may consist of stock or securities of one or more TRSs. The value of BPG’s interests in and thus the amount of assets held in a TRS may also be restricted by BPG’s need to qualify for an exclusion from regulation as an investment company under the Investment Company Act. A TRS will pay federal, state and local income tax at regular corporate rates on any income that it earns. In addition, the TRS rules limit the deductibility of interest paid or accrued by a TRS to its parent REIT to assure that the TRS is subject to an appropriate level of corporate taxation. The rules also impose a 100% excise tax on certain transactions between a TRS and its parent REIT that are not conducted on an arm’s-length basis.

Any TRS BPG owns, as a domestic TRS, will pay federal, state and local income tax on its taxable income, and its after-tax net income is available for distribution to BPG but is not required to be distributed to BPG. The aggregate value of the TRS stock and securities owned by BPG cannot exceed 25% of the value of BPG’s total assets (including the TRS stock and securities). Although BPG’s plan to monitor its investments in TRSs, there can be no assurance that BPG will be able to comply with the 25% limitation discussed above or to avoid application of the 100% excise tax discussed above.

Risks Related to Ownership of BPG’s Common Stock

The cash available for distribution to stockholders may not be sufficient to pay dividends at expected levels, nor can we assure you of our ability to make distributions in the future. We may use borrowed funds to make distributions.
If cash available for distribution generated by our assets decreases in future periods from expected levels, our inability to make expected distributions could result in a decrease in the market price of BPG’s common stock. See “Item 5. Market For Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.” All distributions will be made at the discretion of BPG’s board of directors and will depend on our earnings, our financial condition, maintenance of BPG’s REIT qualification and other factors as BPG’s board of

directors may deem relevant from time to time. We may not be able to make distributions in the future. In addition, some of our distributions may include a return of capital. To the extent that we decide to make distributions in excess of our current and accumulated earnings and profits, such distributions would generally be considered a return of capital for federal income tax purposes to the extent of the holder's adjusted tax basis in their shares. A return of capital is not taxable, but it has the effect of reducing the holder's adjusted tax basis in its investment. To the extent that distributions exceed the adjusted tax basis of a holder's shares, they will be treated as gain from the sale or exchange of such stock. If we borrow to fund distributions, our future interest costs would increase, thereby reducing our earnings and cash available for distribution from what they otherwise would have been.

If securities or industry analysts do not publish research or reports about our business, or if they downgrade their recommendations regarding BPG's common stock, BPG's share price and trading volume could decline.
The trading market for BPG's shares is influenced by the research and reports that industry or securities analysts publish about us or our business. If any of the analysts who cover us downgrades BPG's common stock or publishes inaccurate or unfavorable research about our business, BPG's share price may decline. If analysts cease coverage of us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause BPG's common stock price or trading volume to decline and BPG's shares to be less liquid. An inactive market may also impair our ability to raise capital by selling shares and may impair our ability to acquire additional properties or other businesses by using BPG's shares as consideration, which in turn could materially adversely affect our business. In addition, the stock market in general, and the NYSE and REITs in particular, have recently experienced extreme price and volume fluctuations. These broad market and industry factors may decrease the market price of BPG's shares, regardless of our actual operating performance. For these reasons, among others, the market price of BPG's shares may decline substantially and quickly.

BPG's share price may decline due to the large number of BPG's shares eligible for future sale.
The market price of BPG's common stock could decline as a result of sales of a large number of shares of BPG's common stock in the market or the perception that such sales could occur. These sales, or the possibility that these sales may occur, also might make it more difficult for BPG to sell shares of BPG's common stock in the future at a time and at a price that we deem appropriate. BPG had a total of 297,319,676 shares of common stock outstanding as of February 1, 2015.

As of February 1, 2015, 146,670,383 shares of BPG's outstanding common stock were held by Blackstone. In accordance with the registration rights agreement we entered into with Blackstone. BPG has filed an effective registration statement on Form S-3 under the Securities Act pursuant to which Blackstone may offer and sell from time to time shares of BPG's common stock held by Blackstone, including shares received upon redemption of OP Units. These shares are also eligible for sale in the public market in accordance with and subject to the limitation on sales by affiliates as provided in Rule 144 under the Securities Act of 1933, as amended (the "Securities Act"). As of February 1, 2015, 6,927,074 OP Units were held by Blackstone (6,727,906) and our current and former executive officers (199,168). The OP Unit holders have the right to require the Operating Partnership to redeem part or all of the OP Units for cash, based upon the value of an equivalent number of shares of BPG's common stock at the time of the election to redeem, or, at our election, exchange them for an equivalent number of shares of BPG's common stock, subject to the ownership limit and other restrictions on ownership and transfer set forth in BPG's charter. These exchanges, or the possibility that these exchanges may occur, also might make it more difficult for holders of our common stock to sell such stock in the future at a time and at a price that they deem appropriate.

BPG filed a registration statement on Form S-8 under the Securities Act to register 15,000,000 shares of BPG's common stock or securities convertible into or exchangeable for shares of BPG's common stock that may be issued pursuant to BPG's 2013 Omnibus Incentive Plan. Such Form S-8 registration statement automatically became effective upon filing. Accordingly, shares registered under such registration statement will be available for sale in the open market.

BPG's charter provides that BPG may issue up to 3,000,000,000 shares of common stock, and 300,000,000 shares of preferred stock, $0.01 par value per share. Moreover, under Maryland law and BPG's charter, BPG's board of directors has the power to increase the aggregate number of shares of stock or the number of shares of stock of any class or series that BPG is authorized to issue without stockholder approval. Similarly, the agreement of limited partnership of the Operating Partnership authorizes us to issue an unlimited number of additional OP Units of the Operating Partnership, which may be exchangeable for shares of BPG's common stock.

The market price of BPG’s common stock could be adversely affected by market conditions and by our actual and expected future earnings and level of cash dividends.
Securities markets worldwide experience significant price and volume fluctuations. This market volatility, as well as general economic, market or political conditions, could reduce the market price of shares without regard to our operating performance. For example, the trading prices of equity securities issued by REITs have historically been affected by changes in market interest rates. One of the factors that may influence the market price of BPG’s common stock is the annual yield from distributions on our common stock as compared to yields on other financial instruments. An increase in market interest rates, or a decrease in our distributions to stockholders, may lead prospective purchasers of shares of BPG’s common stock to demand a higher distribution rate or seek alternative investments. As a result, if interest rates rise, it is likely that the market price of BPG’s common stock will decrease as market rates on interest-bearing securities increase. In addition, BPG’s operating results could be below the expectations of public market analysts and investors, and in response the market price of BPG’s shares could decrease significantly. The market value of the equity securities of a REIT is also based upon the market’s perception of the REIT’s growth potential and its current and potential future cash distributions, whether from operations, sales or refinancings, and is secondarily based upon the real estate market value of the underlying assets. For that reason, BPG’s common stock may trade at prices that are higher or lower than our net asset value per share. To the extent we retain operating cash flow for investment purposes, working capital reserves or other purposes, these retained funds, while increasing the value of our underlying assets, may not correspondingly increase the market price of BPG’s common stock. Our failure to meet the market’s expectations with regard to future earnings and cash distributions likely would adversely affect the market price of BPG’s common stock and, in such instances, you may be unable to resell your shares at a price that is in excess of your investment in the shares.

Item 1B. Unresolved Staff Comments
None.

Item 2. Properties
Our Portfolio at December 31, 2014 consisted of 521 shopping centers, including 520 wholly owned shopping centers and one shopping center held through an unconsolidated joint venture. 64.6% of the ABR in our Portfolio as of December 31, 2014 is derived from shopping centers located in the top 50 U.S. MSAs by population. Our top markets by ABR include the MSAs of New York, Philadelphia and Houston.

With an average shopping center size of approximately 166,657 sq. ft. as of December 31, 2014, our Portfolio is comprised predominantly of community shopping centers (63% of our shopping centers) as of December 31, 2014, with the balance comprised of neighborhood shopping centers. Our shopping centers have an appropriate mix of anchor and small shop GLA, with approximately one-third of the portfolio GLA comprised of small shop space. Our shopping centers are anchored by a mix of leading grocers, national and regional discount and general merchandise retailers and category-dominant anchors. We believe that the necessity- and value-oriented merchandise mix of the retail tenants in our centers reduces our exposure to macro-economic cycles and consumer purchases via the internet, generating more predictable property-level cash flows. Such retailers provide goods and services that consumers purchase regularly such as food, health care items and household supplies. Such retailers also sell items such as clothing at lower prices than other traditional retailers.

Overall, in our Portfolio we have a broad and highly diversified retail tenant base that includes approximately 5,500 tenants, with no one tenant representing more than 3.3% of the total ABR generated from our shopping centers as of December 31, 2014. Our three largest tenants are The Kroger Co., The TJX Companies and Wal-Mart, representing 3.3%, 3.2% and 1.9% of total Portfolio ABR as of December 31, 2014, respectively.

The following chart lists our top 20 tenants by ABR (owned only) in our Portfolio as of December 31, 2014, illustrating the diversity of our tenant base.

Retailer	Owned Leases	GLA	Percent of Portfolio GLA	ABR	Percent of Portfolio ABR
The Kroger Co.	68	4,366,884	5.0%	$30,164,951	3.3%
The TJX Companies, Inc.	93	2,966,734	3.4%	28,975,579	3.2%
Wal-Mart Stores, Inc.	29	3,523,320	4.1%	17,132,841	1.9%
Publix Super Markets, Inc.	39	1,801,416	2.1%	16,650,717	1.8%
Dollar Tree Stores, Inc.	130	1,491,921	1.7%	15,194,586	1.7%
Ahold USA, Inc.	21	1,259,102	1.5%	14,064,340	1.5%
Sears Holdings Corporation	26	2,400,905	2.8%	10,367,548	1.1%
Office Depot, Inc.	41	940,798	1.1%	9,926,883	1.1%
PetSmart, Inc.	31	678,994	0.8%	9,578,526	1.0%
Bed Bath & Beyond Inc.	31	754,873	0.9%	9,390,742	1.0%
Ross Stores, Inc.	30	844,474	1.0%	9,118,572	1.0%
Best Buy Co., Inc.	16	660,392	0.8%	8,778,043	1.0%
Burlington Stores, Inc.	16	1,220,369	1.4%	8,553,421	0.9%
Big Lots, Inc.	45	1,448,043	1.7%	8,525,582	0.9%
Safeway Inc.	15	826,323	1.0%	8,164,737	0.9%
Staples, Inc.	31	680,559	0.8%	7,625,640	0.8%
Kohl’s Corporation	12	1,002,715	1.2%	7,269,745	0.8%
PETCO Animal Supplies, Inc.	34	462,905	0.5%	7,077,644	0.8%
DICK’S Sporting Goods, Inc.	12	492,031	0.6%	6,400,866	0.7%
Hobby Lobby Stores, Inc.	16	943,615	1.1%	6,178,498	0.7%
TOP 20 RETAILERS	736	28,766,373	33.1%	$239,139,462	26.1%

The following table sets forth certain information as of December 31, 2014, regarding the shopping centers in our Portfolio on a state-by-state basis:

	State	Number of Properties	GLA	Percent Leased		Percent Billed		ABR	ABR / SF	Percent of Number of Properties		Percent of GLA		Percent of ABR	
1	Alabama	4	989,814	93.0	%	92.9	%	$7,015	$7.69	0.8	%	1.1	%	0.8	%
2	Arizona	2	288,110	85.2	%	82.4	%	2,022	8.24	0.4	%	0.3	%	0.2	%
3	California	29	5,780,124	97.5	%	96.7	%	89,115	16.49	5.6	%	6.7	%	9.7	%
4	Colorado	6	1,478,489	95.6	%	93.4	%	18,266	12.98	1.2	%	1.7	%	2.0	%
5	Connecticut	15	2,266,237	93.0	%	92.4	%	28,524	14.54	2.9	%	2.6	%	3.1	%
6	Delaware	1	191,974	100.0	%	100.0	%	2,303	12.00	0.2	%	0.2	%	0.3	%
7	Florida	58	9,035,525	90.5	%	88.8	%	100,002	12.61	11.1	%	10.4	%	10.9	%
8	Georgia	37	5,288,487	89.1	%	87.9	%	44,671	9.55	7.1	%	6.1	%	4.9	%
9	Illinois	24	4,791,912	92.5	%	90.3	%	49,946	11.82	4.6	%	5.5	%	5.5	%
10	Indiana	12	1,966,959	89.2	%	88.1	%	14,816	8.90	2.3	%	2.3	%	1.6	%
11	Iowa	5	783,917	91.5	%	86.3	%	4,748	7.38	1.0	%	0.9	%	0.5	%
12	Kansas	2	376,292	88.3	%	85.9	%	2,873	11.26	0.4	%	0.4	%	0.3	%
13	Kentucky	12	2,575,550	93.8	%	92.9	%	20,187	8.96	2.3	%	3.0	%	2.2	%
14	Louisiana	4	612,368	94.9	%	91.5	%	3,568	6.14	0.8	%	0.7	%	0.4	%
15	Maine	2	391,746	92.2	%	92.2	%	2,571	13.34	0.4	%	0.5	%	0.3	%
16	Maryland	5	777,424	97.8	%	97.4	%	9,562	12.63	1.0	%	0.9	%	1.0	%
17	Massachusetts	10	1,709,273	93.6	%	92.6	%	18,718	14.57	1.9	%	2.0	%	2.0	%
18	Michigan	19	3,743,589	91.5	%	88.4	%	31,832	10.94	3.6	%	4.3	%	3.5	%
19	Minnesota	10	1,485,108	92.4	%	89.6	%	15,411	11.80	1.9	%	1.7	%	1.7	%
20	Mississippi	3	406,316	78.5	%	78.5	%	3,170	10.09	0.6	%	0.5	%	0.3	%
21	Missouri	6	874,795	92.5	%	91.3	%	6,043	7.59	1.2	%	1.0	%	0.7	%
22	Nevada	3	609,661	92.7	%	89.9	%	7,879	13.95	0.6	%	0.7	%	0.9	%
23	New Hampshire	5	769,577	95.3	%	94.6	%	7,836	13.41	1.0	%	0.9	%	0.9	%
24	New Jersey	17	2,982,931	93.8	%	89.0	%	39,802	15.28	3.3	%	3.4	%	4.3	%
25	New Mexico	2	83,800	100.0	%	100.0	%	919	10.97	0.4	%	0.1	%	0.1	%
26	New York	33	4,351,377	94.4	%	93.8	%	60,834	15.27	6.3	%	5.0	%	6.6	%
27	North Carolina	22	4,405,619	90.7	%	89.5	%	40,103	11.14	4.2	%	5.1	%	4.4	%
28	Ohio	24	4,544,924	91.5	%	90.1	%	42,143	10.71	4.6	%	5.2	%	4.6	%
29	Oklahoma	1	186,851	100.0	%	100.0	%	1,760	9.42	0.2	%	0.2	%	0.2	%
30	Pennsylvania	37	6,061,182	95.9	%	94.7	%	66,928	13.32	7.1	%	7.0	%	7.3	%
31	Rhode Island	1	148,126	99.1	%	99.1	%	1,531	10.43	0.2	%	0.2	%	0.2	%
32	South Carolina	8	1,394,993	87.2	%	82.8	%	12,718	10.65	1.5	%	1.6	%	1.4	%
33	Tennessee	16	3,238,229	94.0	%	92.6	%	28,803	9.91	3.1	%	3.7	%	3.1	%
34	Texas	67	9,548,208	94.1	%	93.2	%	104,089	12.51	12.9	%	11.0	%	11.4	%
35	Vermont	1	224,514	97.7	%	97.7	%	1,902	8.67	0.2	%	0.3	%	0.2	%
36	Virginia	11	1,446,496	89.3	%	89.2	%	13,930	11.34	2.1	%	1.7	%	1.5	%
37	West Virginia	2	251,500	95.4	%	95.4	%	1,969	8.21	0.4	%	0.3	%	0.2	%
38	Wisconsin	5	766,509	92.2	%	87.1	%	7,110	10.07	1.0	%	0.9	%	0.8	%

TOTAL	521	86,828,506	92.8 %	91.3 %	$915,619	$12.14	100.0 %	100.0 %	100.0 %

The following table sets forth certain information by unit size for our Portfolio as of December 31, 2014.

	Number of Units	GLA	Percent Leased		Percent Billed		Percent of Vacant GLA		ABR	ABR/SF
≥ 35,000 SF	580	36,191,704	98.7	%	98.0	%	7.6	%	$273,657,310	$8.62
20,000 – 34,999 SF	558	14,704,352	96.6	%	94.7	%	8.1	%	132,333,693	9.47
10,000 - 19,999 SF	730	9,916,157	92.4	%	89.4	%	12.1	%	110,476,988	12.39
5,000 - 9,999 SF	1,382	9,524,928	85.0	%	82.5	%	22.9	%	119,979,934	15.49
< 5,000 SF	8,013	16,491,365	81.3	%	79.5	%	49.3	%	279,171,380	21.38
TOTAL	11,263	86,828,506	92.8	%	91.3	%	100.0	%	$915,619,305	$12.14
TOTAL ≥ 10,000 SF	1,868	60,812,213	97.1	%	95.8	%	27.8	%	$516,467,991	$9.45
TOTAL < 10,000 SF	9,395	26,016,293	82.6	%	80.6	%	72.2	%	399,151,314	19.19

The following table sets forth, as of December 31, 2014, a schedule of lease expirations for leases in place within our Portfolio for each of the next ten years and thereafter, assuming no exercise of renewal options or base rent escalations over the lease term and including ground leases:

	Number of Leases	Leased GLA	Percent of Leased GLA		ABR / SF	Percent of ABR	
Month to Month	398	1,136,285	1.4	%	$13.50	1.7	%
2015	1,467	8,827,844	11.0	%	10.79	10.4	%
2016	1,600	11,732,641	14.6	%	11.27	14.4	%
2017	1,592	10,641,702	13.2	%	12.06	14.0	%
2018	1,305	9,467,047	11.8	%	12.21	12.6	%
2019	1,206	9,928,083	12.3	%	11.46	12.4	%
2020	550	6,961,305	8.6	%	10.46	8.0	%
2021	257	3,432,806	4.3	%	11.21	4.2	%
2022	235	3,550,475	4.4	%	10.67	4.1	%
2023	262	3,584,245	4.4	%	10.12	4.0	%
2024+	612	11,307,824	14.0	%	11.47	14.2	%

We believe that all of the properties in our portfolio are suitable for use as a community or neighborhood shopping center.

More specific information with respect to each of our property interests is set forth in Exhibit 99.2, which is incorporated herein by reference.

Leases

Our anchor tenants generally have leases with original terms ranging from 10 to 20 years. Such leases frequently contain renewal options for one or more additional periods. Smaller tenants typically have leases with terms ranging from three to five years, which may or may not contain renewal options. Leases in our portfolio generally provide for the payment of fixed monthly rentals. Leases may also provide for the payment of additional rent based upon a percentage of the tenant's gross sales above a certain threshold level. Leases typically contain contractual increases in base rentals over both the primary terms and renewal periods. Our leases generally include tenant reimbursements for common area costs, insurance and real estate taxes. Utilities are generally paid by tenants either through separate meters or reimbursement.

The foregoing general description of the characteristics of the leases of our portfolio is not intended to describe all leases, and material variations in the lease terms exist.

Insurance

We maintain commercial liability, fire, extended coverage, earthquake, business interruption and rental loss insurance covering all of the properties in our portfolio. We select coverage specifications and insured limits which we believe to be appropriate given the relative risk of loss, the cost of the coverage and industry practice and the nature of the shopping centers in our portfolio. In addition, tenants generally are required to indemnify and hold us harmless from liabilities resulting from injury to persons or damage to personal or real property due to activities conducted by tenants or their agents on the properties (including without limitation any environmental contamination), and at the tenant's expense, to obtain and keep in full force during the term of the lease, liability and property damage insurance policies. In the opinion of our management, all of the properties in our portfolio are currently adequately insured. We do not carry insurance for generally uninsured losses such as loss from war. See "Risk Factors-Risks Related to Our Properties and Our Business-Any uninsured loss on properties or a loss that exceeds the limits of our insurance policies could result in a loss of our investment or related revenue in our portfolio."

Item 3. Legal Proceedings

We are not presently involved in any material litigation arising outside the ordinary course of our business. However, we are involved in routine litigation arising in the ordinary course of business, none of which we believe, individually or in the aggregate, taking into account existing reserves, will have a material impact on our results of operations or financial condition.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

The following table sets forth for the years ended December 31, 2014 and 2013 the high and low closing sales prices for each quarter of BPG's common stock, which began trading on the New York Stock Exchange, or NYSE, on October 30, 2013 under the trading symbol "BRX," and the quarterly declared dividend per share of common stock for the year ended December 31, 2014 and 2013:

	Stock Price		
Period	High	Low	Cash Dividends Declared
2014:			
First Quarter	$22.08	$20.13	$0.200
Second Quarter	23.04	20.95	0.200
Third Quarter	23.99	22.26	0.200
Fourth Quarter	25.24	21.97	0.225
2013:			
Fourth Quarter (1) (2)	20.94	19.66	0.127

(1) As BPG's common stock was not listed on a national securities exchange until October 30, 2013, the high/low closing sales prices for the fourth quarter are for October 30, 2013 through December 31, 2013.

(2) BPG's Board of Directors declared a quarterly cash dividend of $0.20 per common share (equivalent to $0.80 per annum). This initial quarterly dividend was pro-rated to $0.127 per common share to reflect the period commencing on November 4, 2013, the IPO completion date, and ending on December 31, 2013. This pro-rated dividend was paid on January 15, 2014 to stockholders of record on January 6, 2014.

As of February 1, 2015, the number of holders of record of BPG's common stock was 29. This figure does not represent the actual number of beneficial owners of BPG's common stock because shares of BPG's common stock are frequently held in "street name" by securities dealers and others for the benefit of beneficial owners who may vote the shares.

The Internal Revenue Code of 1986, as amended (the "Code"), generally requires that a REIT distribute annually at least 90% of its REIT taxable income, determined without regard to the deduction for dividends paid and excluding net capital gains, and imposes tax on any taxable income retained by a REIT, including capital gains. To satisfy the requirements for qualification as a REIT and generally not be subject to U.S. federal income and excise tax, BPG intends to make regular quarterly distributions of all or substantially all of BPG's REIT taxable income to holders of BPG's common stock out of assets legally available for such purposes.

BPG's future distributions will be at the sole discretion of BPG's board of directors. When determining the amount of future distributions, we expect that BPG's board of directors will consider, among other factors, (1) the amount of cash generated from our operating activities, (2) our expectations of future cash flows, (3) our determination of near-term cash needs for debt repayments, existing or future share repurchases, and selective acquisitions of new properties, (4) the timing of significant redevelopment and re-leasing activities and the establishment of additional cash reserves for anticipated tenant improvements and general property capital improvements, (5) our ability to continue to access additional sources of capital, (6) the amount required to be distributed to maintain BPG's status as a REIT and to reduce any income and excise taxes that BPG otherwise would be required to pay, (7) any limitations on our distributions contained in our credit or other agreements, including, without limitation, in our Unsecured Credit Facility, and (8) the sufficiency of legally-available assets.

To the extent BPG is prevented by provisions of our financing arrangements or otherwise from distributing 100% of BPG's REIT taxable income or otherwise do not distribute 100% of BPG's REIT taxable income, BPG will be subject to income tax, and potentially excise tax, on the retained amounts. If our operations do not generate sufficient cash flow to allow BPG to satisfy the REIT distribution requirements, we may be required to fund distributions from working capital, borrow funds, sell assets or reduce such distributions. BPG's board of directors reviews the alternative funding sources available to us from time to time. For more information regarding risk factors that could materially adversely affect our actual results of operations, please see Item 1A. "Risk Factors."

Because Brixmor Property Group Inc. is a holding company and has no material assets other than its ownership of shares of common stock of BPG Sub and no material operations other than those conducted by BPG Sub, we fund any distributions from legally-available assets authorized by our board of directors in three steps:

- first, the Operating Partnership makes distributions to those of its partners which are holders of OP Units, including BPG Sub. When the Operating Partnership makes such distributions, in addition to BPG Sub and its wholly owned subsidiary, the other partners of the Operating Partnership are also entitled to receive equivalent distributions pro rata based on their partnership interests in the Operating Partnership;
- second, BPG Sub distributes to Brixmor Property Group Inc. its share of such distributions; and
- third, Brixmor Property Group Inc. distributes the amount authorized by its board of directors and declared by Brixmor Property Group Inc. to its common stockholders on a pro rata basis.

BPG's Total Stockholder Return Performance

The following performance chart compares, for the period from October 30, 2013 through December 31, 2014, the cumulative total stockholder return on the BPG's common stock with the cumulative total return of the S&P 500 Index and the cumulative total return of the FTSE NAREIT Equity Shopping Centers Index. Equity real estate investment trusts are defined as those which derive more than 75% of their income from equity investments in real estate assets. All stockholder return performance assumes the reinvestment of dividends. The information in this paragraph and the following performance chart are deemed to be furnished, not filed.

Sales of Unregistered Equity Securities

There were no unregistered sales of equity securities during the year ended December 31, 2014.

Issuer Purchases of Equity Securities
BPG did not repurchase any of its equity securities during the year ended December 31, 2014.

Item 6. Selected Financial Data

The following table shows our selected consolidated financial data for BPG and the Operating Partnership and their respective subsidiaries for the periods indicated. This information should be read together with the audited financial statements and notes thereto of BPG and its subsidiaries and the Operating Partnership and its subsidiaries and with "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this Annual Report.
The Successor period in the following table reflects our selected financial data for BPG and the Operating Partnership and their respective subsidiaries for the period following the Acquisition through the end of the 2014 fiscal year, and the Predecessor period in the following table reflects our selected financial data for BPG and the Operating Partnership and their respective subsidiaries for the periods prior to the Acquisition.

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BRIXMOR PROPERTY GROUP INC. AND SUBSIDIARIES
COMBINED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)

	Successor (Consolidated)				Predecessor (Combined Consolidated)	
	Year Ended December 31,			Period from June 28, 2011 through December 31,	Period from January 1, 2011 through June 27,	Year Ended December 31,
	2014	2013	2012	2011	2011	2010
Revenues						
Rental income	$960,715	$887,466	$851,311	$429,178	$412,745	$837,488
Expense reimbursements	268,035	242,803	225,710	112,355	114,828	227,740
Other revenues	7,849	16,135	11,233	5,331	7,588	15,531
Total revenues	1,236,599	1,146,404	1,088,254	546,864	535,161	1,080,759
Operating expenses						
Operating costs	129,148	116,522	118,876	59,440	64,381	121,187
Real estate taxes	179,504	168,468	155,142	77,455	76,744	157,477
Depreciation and amortization	441,630	438,547	488,524	283,653	168,644	375,884
Provision for doubtful accounts	11,537	10,899	11,542	8,465	10,360	14,900
Impairment of real estate assets	—	1,531	—	—	—	224,687
Acquisition related costs	—	—	541	41,362	5,647	4,821
General and administrative	80,175	121,082	88,936	49,874	57,363	94,570
Total operating expenses	841,994	857,049	863,561	520,249	383,139	993,526
Other income (expense)						
Dividends and interest	602	832	1,138	641	815	2,203
Gain on bargain purchase	—	—	—	328,826	—	—
Interest expense	(262,812)	(343,193)	(376,237)	(199,131)	(189,299)	(366,251)
Gain (loss) on sale of real estate assets and acquisition of joint venture interest	378	2,223	501	—	—	(111)
Gain (loss) on extinguishment of debt, net	(13,761)	(20,028)	—	917	—	—
Other	(8,431)	(11,014)	(504)	1,197	(3,731)	5,549
Total other income (expense)	(284,024)	(371,180)	(375,102)	132,450	(192,215)	(358,610)
Income (loss) before equity in income of unconsolidated joint ventures	110,581	(81,825)	(150,409)	159,065	(40,193)	(271,377)
Income tax benefit	—	—	—	—	—	16,494
Equity in income (loss) of unconsolidated joint ventures	370	1,167	687	(160)	(381)	(2,116)
Gain on disposition of investments in unconsolidated joint ventures	1,820	—	—	—	—	—
Impairment of investment in unconsolidated joint ventures	—	—	(314)	—	—	(1,734)
Income (loss) from continuing operations	112,771	(80,658)	(150,036)	158,905	(40,574)	(258,733)

Discontinued operations						
Income (loss) from discontinued operations	4,909	3,505	(2,447)	(5,769)	2,091	6,767
Gain on disposition of operating properties	15,171	3,392	5,369	—	—	—
Impairment of real estate held for sale	—	(45,122)	(13,599)	—	(8,608)	(68,020)
Income (loss) from discontinued operations	20,080	(38,225)	(10,677)	(5,769)	(6,517)	(61,253)
Net income (loss)	132,851	(118,883)	(160,713)	153,136	(47,091)	(319,986)
Net (income) loss attributable to non-controlling interests	(43,849)	25,349	38,146	(37,785)	(752)	(1,400)
Net income (loss) attributable to Brixmor Property Group Inc.	89,002	(93,534)	(122,567)	115,351	(47,843)	(321,386)
Preferred stock dividends	(150)	(162)	(296)	(137)	—	—
Net income (loss) attributable to common stockholders	$88,852	$(93,696)	$(122,863)	$115,214	$(47,843)	$(321,386)
Per common share:						
Income (loss) from continuing operations:						
Basic	$0.36	$(0.33)	$(0.64)	$0.66		
Diluted	$0.36	$(0.33)	$(0.64)	$0.66		
Net income (loss) attributable to common stockholders:						
Basic	$0.36	$(0.50)	$(0.68)	$(0.02)		
Diluted	$0.36	$(0.50)	$(0.68)	$(0.02)		
Weighted average number of vested common shares:						
Basic	243,390	188,993	180,675	180,675		
Diluted	244,588	188,993	180,675	180,675		

BRIXMOR PROPERTY GROUP INC. AND SUBSIDIARIES
SELECT BALANCE SHEET INFORMATION
(in thousands)

	Successor				Predecessor
Balance Sheet Data as of the end of each year	2014	2013	2012	2011	2010
Real estate, net	$9,253,015	$9,647,558	$9,098,130	$9,496,903	$9,873,096
Total assets	$9,702,402	$10,171,916	$9,603,729	$10,032,266	$10,711,209
Debt obligations, net [1]	$6,042,997	$5,981,289	$6,499,356	$6,694,549	$7,700,237
Total liabilities	$6,722,099	$6,865,929	$7,305,908	$7,553,277	$8,731,832
Redeemable non-controlling interests	$—	$21,467	$21,467	$21,559	$21,559
Total equity	$2,980,303	$3,284,520	$2,276,354	$2,457,430	$1,957,818

[1] Debt includes mortgage and secured loans, notes payable, and credit agreements, including unamortized premium or net of unamortized discount.

BRIXMOR OPERATING PARTNERSHIP LP AND SUBSIDIARIES
COMBINED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)

	Successor (Consolidated)				Predecessor (Combined Consolidated)	
	Year Ended December 31,			Period from June 28, 2011 through December 31,	Period from January 1, 2011 through June 27,	Year Ended December 31,
	2014	2013	2012	2011	2011	2010
Revenues						
Rental income	$960,715	$887,466	$851,311	$429,178	$412,745	$837,488
Expense reimbursements	268,035	242,803	225,710	112,355	114,828	227,740
Other revenues	7,849	16,135	11,233	5,331	7,588	15,531
Total revenues	1,236,599	1,146,404	1,088,254	546,864	535,161	1,080,759
Operating expenses						
Operating costs	129,148	116,522	118,876	59,440	64,381	121,187
Real estate taxes	179,504	168,468	155,142	77,455	76,744	157,477
Depreciation and amortization	441,630	438,547	488,524	283,653	168,644	375,884
Provision for doubtful accounts	11,537	10,899	11,542	8,465	10,360	14,900
Impairment of real estate assets	—	1,531	—	—	—	224,687
Acquisition related costs	—	—	—	—	5,647	4,821
General and administrative	80,175	121,078	88,931	49,874	57,363	94,570
Total operating expenses	841,994	857,045	863,015	478,887	383,139	993,526
Other income (expense)						
Dividends and interest	602	825	1,125	641	815	2,203
Interest expense	(262,812)	(343,193)	(376,237)	(199,131)	(189,299)	(366,251)
Gain (loss) on sale of real estate assets and acquisition of joint venture interest	378	2,223	501	—	—	(111)
Gain (loss) on extinguishment of debt, net	(13,761)	(20,028)	—	917	—	—
Other	(8,431)	(11,005)	(513)	1,224	(3,731)	5,549
Total other income (expense)	(284,024)	(371,178)	(375,124)	(196,349)	(192,215)	(358,610)
Income (loss) before equity in income of unconsolidated joint ventures	110,581	(81,819)	(149,885)	(128,372)	(40,193)	(271,377)
Income tax benefit	—	—	—	—	—	16,494
Equity in income (loss) of unconsolidated joint ventures	370	1,167	687	(160)	(381)	(2,116)
Gain on disposition of investments in unconsolidated joint ventures	1,820	—	—	—	—	—
Impairment of investment in unconsolidated joint ventures	—	—	(314)	—	—	(1,734)
Income (loss) from continuing operations	112,771	(80,652)	(149,512)	(128,532)	(40,574)	(258,733)
Discontinued operations						

Income (loss) from discontinued operations	4,909	3,505	(2,447)	(5,769)	2,091	6,767
Gain on disposition of operating properties	15,171	3,392	5,369	—	—	—
Impairment on real estate held for sale	—	(45,122)	(13,599)	—	(8,608)	(68,020)
Income (loss) from discontinued operations	20,080	(38,225)	(10,677)	(5,769)	(6,517)	(61,253)
Net income (loss)	132,851	(118,877)	(160,189)	(134,301)	(47,091)	(319,986)
Net income attributable to non-controlling interests	(1,181)	(1,355)	(1,306)	(653)	(752)	(1,400)
Net income (loss) attributable to Brixmor Operating Partnership LP	$131,670	$(120,232)	$(161,495)	$(134,954)	$(47,843)	$(321,386)
Net income (loss) attributable to:						
Series A interest	$21,014	$3,451	$—	$—	$—	$—
Partnership common units	110,656	(123,683)	(161,495)	(134,954)	(47,843)	(321,386)
Net income (loss) attributable to Brixmor Operating Partnership LP	$131,670	$(120,232)	$(161,495)	$(134,954)	$(47,843)	$(321,386)
Per common unit:						
Income (loss) from continuing operations:						
Basic	$0.36	$(0.33)	$(0.63)	$(0.54)		
Diluted	$0.36	$(0.33)	$(0.63)	$(0.54)		
Net income (loss) attributable to partnership common units:						
Basic	$0.36	$(0.50)	$(0.68)	$(0.57)		
Diluted	$0.36	$(0.50)	$(0.68)	$(0.57)		
Weighted average number of partnership common units:						
Basic	302,540	250,109	238,834	238,834		
Diluted	303,738	250,109	238,834	238,834		

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BRIXMOR OPERATING PARTNERSHIP LP AND SUBSIDIARIES
SELECT BALANCE SHEET INFORMATION
(in thousands)

	Successor				Predecessor
Balance Sheet Data as of the end of each year	2014	2013	2012	(unaudited) 2011	2010
Real estate, net	$9,253,015	$9,647,558	$9,098,130	$9,496,903	$9,873,096
Total assets	$9,702,055	$10,170,810	$9,597,910	$9,980,278	$10,711,209
Debt obligations, net (1)	$6,042,997	$5,981,289	$6,499,356	$6,694,549	$7,700,237
Total liabilities	$6,722,099	$6,865,919	$7,305,906	$7,553,137	$8,731,832
Redeemable non-controlling interests	$—	$21,467	$21,467	$21,559	$21,559
Total capital	$2,979,956	$3,283,424	$2,270,537	$2,405,582	$1,957,818

(1) Debt includes mortgage and secured loans, notes payable, and credit agreements, including unamortized premium or net of unamortized discount.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations
The following discussion should be read in conjunction with the Consolidated Financial Statements and the accompanying notes thereto. Historical results and percentage relationships set forth in the Consolidated Statements of Operations and contained in the Consolidated Financial Statements and accompanying notes, including trends which might appear, should not be taken as indicative of future operations.

Executive Summary
Our Company
Brixmor Property Group Inc. and subsidiaries (collectively, "BPG") is an internally-managed REIT Brixmor Operating Partnership LP and subsidiaries (collectively, the "Operating Partnership") is the entity through which BPG conducts substantially all of its operations and owns substantially all of its assets. BPG owns 100% of the common stock of BPG Subsidiary Inc. ("BPG Sub"), which, in turn, is the sole member of Brixmor OP GP LLC (the "General Partner"), the sole general partner of the Operating Partnership. Unless otherwise expressly stated or the context otherwise requires, "we," "us," and "our" as used herein refer to each of BPG and the Operating Partnership, collectively. We operate the largest wholly-owned portfolio of grocery-anchored community and neighborhood shopping centers in the United States. Our high quality nation portfolio is diversified by geography, tenancy and retail format, and our shopping centers are primarily anchored by market-leading grocers. BPG has been organized and operated in conformity with the requirements for qualification and taxation as a REIT under the United States federal income tax laws, commencing with our taxable year ended December 31, 2011, and has maintained such requirements for our taxable year ended December 31, 2014, and expect to satisfy such requirements for subsequent taxable years.

As of December 31, 2014, BPG beneficially owned, through its direct and indirect interest in BPG Sub and the General Partner, 97.5% of the outstanding OP Units. Certain investments funds affiliated with The Blackstone Group L.P. and certain members of our current and former management collectively owned the remaining 2.5% of the outstanding OP Units. We use the term "Outstanding OP Units" to refer to the OP Units not held by BPG, BPG Sub or the General Partner. Holders of Outstanding OP Units may redeem their OP Units for cash based upon the market value of an equivalent number of shares of BPG's common stock or, at our election, exchange their OP Units for shares of our common stock on a one-for-one basis subject to customary conversion rate adjustments for splits, unit distributions and reclassifications. The number of OP Units in the Operating Partnership beneficially owned by BPG is equivalent to the number of outstanding shares of BPG's common stock, and the entitlement of all OP Units to quarterly distributions and payments in liquidation is substantially the same as those of BPG's common stockholders.

Our primary objective is to maximize total returns to BPG's stockholders through a combination of growth and value-creation at the asset level supported by stable cash flows. We seek to achieve this through ownership of a large, high quality, diversified portfolio of primarily grocery-anchored community and neighborhood shopping centers and by creating meaningful NOI growth from this portfolio. We expect that the major drivers of this growth will be a combination of occupancy increases across both our anchor and small shop space, positive rent spreads from below-market in-place rents and significant near-term lease rollover, annual contractual rent increases across the portfolio and the realization of embedded anchor space repositioning / redevelopment opportunities.

We expect the following set of core competencies to position us to execute on our growth strategies:

- Anchor Space Repositioning / Redevelopment Expertise - We have been a top redeveloper over the past decade, according to Chain Store Age magazine, having completed anchor space repositioning / redevelopment projects totaling approximately $1 billion since January 1, 2003.

- Expansive Retailer Relationships - We believe that given the scale of our asset base and our nationwide footprint, we have a competitive advantage in supporting the growth plans of the nation's largest retailers. We believe that we are the largest landlord by gross leasable area ("GLA") to Kroger and TJX Companies, as well as a key landlord to all major grocers and most major retail category leaders. We believe that our strong relationships with leading retailers affords us insight into their strategies and priority access to their expansion plans, enabling us to efficiently provide these retailers with space in multiple locations.

- Fully-Integrated Operating Platform - We operate with a fully-integrated, comprehensive platform both leveraging our national presence and demonstrating our commitment to a regional and local presence. We provide our tenants with personalized service through our network of three regional offices in Atlanta, Chicago and Philadelphia, as well as via 12 leasing and property management satellite offices throughout the country. We believe that this strategy enables us to obtain critical market intelligence and to benefit from the regional and local expertise of our workforce.

- Experienced Management - Senior members of our management team are experienced real estate operators with deep industry expertise and retailer relationships and have an average of 24 years of experience in the real estate industry and an average tenure of 15 years with the Operating Partnership.

Factors That May Influence our Future Results

We derive our revenues primarily from rents (including percentage rents based on tenants' sales levels) and expense reimbursements due to us from tenants under existing leases at each of our properties. Expense reimbursements consist of payments made by tenants to us under contractual lease obligations for their proportional share of the property's operating expenses, insurance and real estate taxes and certain capital expenditures related to maintenance of the properties.

The amount of rental income and expense reimbursements we receive is primarily dependent on our ability to maintain or increase rental rates and on our ability to lease available space, including renewing expiring leases. Factors that could affect our rental income include: (1) changes in national, regional or local economic climates; (2) local conditions, including an oversupply of space in, or a reduction in demand for, properties similar to those in our portfolio; (3) the attractiveness of properties in our portfolio to our tenants; (4) the financial stability of tenants, including the ability of tenants to pay rents; (5) in the case of percentage rents, our tenants' sales volumes; (6) competition from other available properties; (7) changes in market rental rates; and (8) changes in the regional demographics of our properties.

Our operating expenses include property-related costs, including repairs and maintenance, roof repair, landscaping, parking lot repair, snow removal, utilities, property insurance costs, security, ground rent expense related to ground lease payments for which we are the lessee and various other property related costs. Increases in our operating expenses, to the extent they are not offset by revenue increases, impact our overall performance. For a further discussion of these and other factors that could impact our future results, performance or transactions, see Item 1A. "Risk Factors."

Initial Public Offering and IPO Property Transfers

On November 4, 2013, BPG completed an IPO in which it sold 47.4 million shares of common stock, at an IPO price of $20.00 per share. We received net proceeds from the sale of shares in the IPO of $893.9 million after deducting $54.9 million in underwriting discounts, expenses and transaction costs. Of the total proceeds received, $824.7 million was used to pay down amounts outstanding under our unsecured credit facility (see attached financial statements for additional information).

In connection with the IPO, we acquired interests in the Acquired Properties from certain investment funds affiliated with Blackstone in exchange for 15.9 million OP Units in the Operating Partnership having a value equivalent to the value of the Acquired Properties. In connection with the acquisition of the Acquired Properties during 2013, we repaid $66.6 million of indebtedness to Blackstone attributable to certain of the Acquired Properties with a portion of the net proceeds of the IPO. During 2014, we repaid the remaining $7.6 million of indebtedness to Blackstone attributable to certain of the Acquired Properties.

Also in connection with the IPO we created a separate series of interest in the Operating Partnership that allocated to certain funds affiliated with the pre-IPO owners all of the economic consequences of ownership of the Operating Partnership's interest in the Non-Core Properties. During 2013, we disposed of 11 of the Non-Core Properties. During 2014, the Operating Partnership caused its ownership interests in all but one of the remaining 36 Non-Core Properties to be transferred to the pre-IPO owners. The one remaining Non-Core Property was transferred to the lender in satisfaction of the property's mortgage balance and, following such transfer, on March 28, 2014, the Series A was terminated. The operating results of the 44 wholly-owned Non-Core Properties, including the gain on disposition, are included in Discontinued operations on the Consolidated Statements of Operations. The operating results of the remaining three Non-Core Properties, which we owned a 20% interest, are included in Equity in income of unconsolidated joint ventures within continuing operations, through their distribution date, on the Consolidated Statements of Operations.

Portfolio and Financial Highlights

- As of December 31, 2014, we owned interests in 521 shopping centers, including 520 wholly owned shopping centers and one shopping center held through an unconsolidated joint venture.

- Billed occupancy for the Portfolio was 91.3% and 90.7% as of December 31, 2014 and 2013, respectively. Leased occupancy for the Portfolio was 92.8% and 92.4% at December 31, 2014 and 2013, respectively.

- During 2014, we executed 2,082 leases in our Portfolio totaling 13.1 million square feet of GLA, including 787 new leases totaling 3.8 million square feet of GLA and 1,295 renewals totaling 9.2 million square feet of GLA. The average annualized cash base rent ABR under the new leases increased 31.2% from the prior tenant's ABR and increased 12.6% for both new and renewal leases on comparable space from the ABR under the prior leases. The average ABR per leased square foot of these new leases in our Portfolio is $13.45 and the average ABR per leased square foot of these new and renewal leases in our Portfolio is $12.53. The cost per square foot for tenant improvements and leasing commissions for new leases was $16.21 and $2.80, respectively. The cost per square foot for tenant improvements and leasing commissions for renewal leases was $0.75 and $0.04, respectively.

- During 2013, we executed 2,244 leases in our Portfolio totaling 12.8 million square feet of GLA, including 787 new leases totaling 3.4 million square feet of GLA and 1,457 renewals totaling 9.4 million square feet of GLA. The ABR under the new leases increased 29.5% from the prior tenant's ABR and increased 9.8% for both new and renewal leases on comparable space from the ABR under the prior leases. The average ABR per leased square foot of these new leases in our Portfolio is $13.69 and the average ABR per leased square foot of these new and renewal leases in our Portfolio is $12.38. The cost per square foot for tenant improvements and leasing commissions for new leases was $12.58 and $2.98, respectively. The cost per square foot for tenant improvements and leasing commissions for renewal leases was $0.70 and $0.04, respectively.

Acquisition Activity

- During 2013, in addition to the Acquired Properties, we acquired one retail building which was adjacent to one of our existing shopping centers for a purchase price of $5.1 million and the remaining 70% interest in a shopping center held through an unconsolidated joint venture for a net purchase price of $18.7 million.

Disposition Activity

- During the year ended December 31, 2014, we transferred our ownership interests in 35 Non Core-Properties to the pre-IPO owners. The 35 Non-Core Properties distributed to the pre-IPO owners had a carrying value of $179.0 million and a fair value of $195.2 million, resulting in a gain of $16.2 million. The remaining Non-Core Property was transferred to the lender in satisfaction of the property's mortgage balance resulting in a $6.1 million gain on extinguishment of debt. In addition, we disposed of one shopping center and one land parcel for aggregate net proceeds of $6.8 million.

- During the year ended December 31, 2013, we disposed of 18 shopping centers and three land parcels for aggregate net proceeds of $59.0 million.

Results of Operations
The results of operations discussion is combined for BPG and the Operating Partnership because there are no material differences in the results of operations between the two reporting entities.
Comparison of the Year Ended December 31, 2014 to the Year Ended December 31, 2013
Revenues (in thousands)

	Year Ended December 31,		
	2014	2013	$ Change
Revenues			
Rental income	$960,715	$887,466	$73,249
Expense reimbursements	268,035	242,803	25,232
Other revenues	7,849	16,135	(8,286)
Total revenues	$1,236,599	$1,146,404	$90,195

Rental income
The increase in rental income for the year ended December 31, 2014 of $73.2 million, as compared to the corresponding period in 2013, was primarily due to a $72.3 million increase in ABR driven by (i) an increase in billed occupancy from 90.7% as of December 31, 2013 to 91.3% as of December 31, 2014, (ii) an increase in leasing spreads of 12.6% for both new and renewal leases, and (iii) $46.8 million of ABR from the Acquired Properties, partially offset by (iv) a decrease in the amortization of above and below market lease intangibles and lease settlement income due to the expiration and termination of leases.

Expense reimbursements
The increase in expense reimbursements for the year ended December 31, 2014 of $25.2 million, as compared to the corresponding period in 2013, was primarily due to (i) an $11.2 million increase in reimbursable expenses related to the Acquired Properties, (ii) an increase in the recovery percentage for properties owned for the entirety of both periods to 86.8% for 2014, as compared to 85.2% for the same period in 2013. The increased percentage of recoveries from tenants is primarily attributable to increased occupancy of our portfolio, and (iii) a $7.7 million increase in reimbursable operating expenses from properties owned for the entirety of both periods.

Other revenues
The decrease in other revenues for the year ended December 31, 2014 of $8.3 million as compared to the corresponding period in 2013, was primarily due to $6.1 million of non-cash management fee income recorded in connection the vesting of equity incentive awards in the Acquired Properties in 2013. Certain of our employees have been granted equity incentive awards in the Acquired Properties. These awards were granted with service conditions and performance and market conditions. As the awards were granted to the employees under our management agreement with the owners of the Acquired Properties, we considered the amounts earned by the employees for the amortization of the awards at their fair value as measured at each reporting period to be a component of our management fees, and then recorded a corresponding amount for compensation expense. In connection with the IPO, based on the terms of these awards, all of such awards granted to our employees vested. In exchange for the vested incentive awards, the holders received vested Operating Partnership Units. At the time of the IPO, we recorded $6.1 million of additional management fee income and additional compensation expense based upon the fair value of the Operating Partnership Units issued at the date of grant. The remaining decrease is primarily due to a decrease in fee revenues resulting from the acquisition of the Acquired Properties at the time of the IPO, which were managed by the Company prior to the IPO and a reduction in the number of properties managed subsequent to the IPO.

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Operating Expenses (in thousands)

	Year Ended December 31,		
	2014	2013	$ Change
Operating expenses			
Operating costs	$129,148	$116,522	$12,626
Real estate taxes	179,504	168,468	11,036
Depreciation and amortization	441,630	438,547	3,083
Provision for doubtful accounts	11,537	10,899	638
Impairment of real estate assets	—	1,531	(1,531)
General and administrative	80,175	121,082	(40,907)
Total operating expenses	$841,994	$857,049	$(15,055)

Operating costs

The increase in operating costs for the year ended December 31, 2014 of $12.6 million, as compared to the corresponding period in 2013, was due to $8.2 million of operating costs for the Acquired Properties, increased weather related expenses including snow removal expenses, utility expenses, roof and parking lot repairs and maintenance expenses.

Real estate taxes

The increase in real estate taxes for the year ended December 31, 2014 of $11.0 million, as compared to the corresponding period in 2013, was primarily due to the acquisition of the Acquired Properties, the purchase of 100% ownership in a previously unconsolidated joint venture and increased tax assessments on several of our properties primarily in Texas, California and Illinois.

Depreciation and amortization

The increase in depreciation and amortization for the year ended December 31, 2014 of $3.1 million, as compared to the corresponding period in 2013, was primarily due to $34.9 million of depreciation and amortization recorded in connection with the Acquired Properties, partially offset by a decrease in intangible asset amortization due to tenant lease expirations and lease terminations.

Provision for doubtful accounts

The increase in provisions for doubtful accounts for the year ended December 31, 2014 of $0.6 million, as compared to the corresponding period in 2013, was primarily due to the Acquired Properties.

General and administrative

The decrease in general and administrative costs for the year ended December 31, 2014 of $40.9 million, as compared to the corresponding period in 2013, was primarily due to a $3.2 million decrease in expense associated with the acceleration of certain of our long term incentive plans in connection with our IPO, a $33.1 million decrease in share based compensation expense in connection with our IPO and a decrease in personnel related expenses associated with the realignment of certain corporate functions in 2013.

Other Income and Expenses (in thousands)

	Year Ended December 31,		
	2014	2013	$ Change
Other income (expense)			
Dividends and interest	$602	$832	$(230)
Interest expense	(262,812)	(343,193)	80,381
Gain on sale of real estate assets and acquisition of joint venture interest	378	2,223	(1,845)
Gain (loss) on extinguishment of debt, net	(13,761)	(20,028)	6,267
Other	(8,431)	(11,014)	2,583
Total other income (expense)	$(284,024)	$(371,180)	$87,156

Dividends and interest
Dividends and interest remained approximately the same for the year ended December 31, 2014, as compared to the corresponding period in 2013.

Interest expense
The decrease in interest expense for the year ended December 31, 2014 of $80.4 million, as compared to the corresponding period in 2013, was primarily due to the 2013 repayment of $2.6 billion of debt with a weighted-average interest rate of 5.71% and the 2014 repayment of $1.0 billion of debt with a weighted-average interest rate of 5.59%, which decreased interest expense by $116.6 million, partially offset by an increase of $36.6 million of interest expense on our Unsecured Credit Facility and Term Loan. The secured mortgage loan and unsecured note repayments were financed primarily from proceeds of borrowings under our Unsecured Credit Facility and Term Loan which had a weighted average interest rate of 2.0% as of December 31, 2014 as well as from proceeds of our initial public offering.

Gain on sale of real estate assets and acquisition of joint venture interest
During the year ended December 31, 2014, we disposed of one land parcel for aggregate proceeds of $2.8 million resulting in a $0.4 million gain. During the year ended December 31, 2013, we disposed of two land parcels for aggregate proceeds of $1.4 million resulting in an aggregate gain of $1.1 million. In addition, we purchased the remaining 70% interest in a shopping center held through an unconsolidated joint venture resulting in a gain of $1.1 million on the step-up of the original 30% interest.

Gain (loss) on extinguishment of debt, net
During the year ended December 31, 2014, we repaid $1.0 billion of debt resulting in a $13.8 million loss on extinguishment of debt, net. During the year ended December 31, 2013, we repaid $2.6 billion of debt resulting in a$20.0 million loss on extinguishment of debt, net.

Other
The decrease in other for the year ended December 31, 2014 of $2.6 million, as compared to the corresponding period in 2013, was primary due to expenses incurred in 2013 related to our IPO. In addition, during the year ended December 31, 2014, we had $2.6 million of income related to the settlement of a contingency associated with one of our properties, partially offset by $2.4 million of expense related to the termination of one of our corporate office leases.

Equity in Income of Unconsolidated Joint Ventures (in thousands)

	Year Ended December 31,		
	2014	2013	$ Change
Equity in income of unconsolidated joint ventures	$370	$1,167	$(797)

Gain on disposition of investments in unconsolidated joint ventures	$1,820	$—	$1,820

Equity in income of unconsolidated joint ventures
The decrease in equity in income of unconsolidated joint ventures for the year ended December 31, 2014 of $0.8 million, as compared to the corresponding period in 2013, was primarily due to the acquisition of the interests of an unconsolidated joint venture in 2013 and the disposal of our interests in three unconsolidated joint ventures during 2014.

Gain on disposition of investments in unconsolidated joint ventures
During the year ended December 31, 2014 we disposed of our interests in three unconsolidated joint ventures resulting in a gain on disposal of $1.8 million.

Discontinued Operations (in thousands)

	Year Ended December 31,		
	2014	2013	$ Change
Discontinued operations			
Income (loss) from discontinued operations	$4,909	$3,505	$1,404
Gain on disposition of operating properties	15,171	3,392	11,779
Impairment of real estate held for sale	—	(45,122)	45,122
Income (loss) from discontinued operations	$20,080	$(38,225)	$58,305

Income (loss) from discontinued operations
Results from discontinued operations include the results from the following: (i) 34 shopping centers, including 33 Non-Core Properties disposed of during 2014, and (ii) 18 shopping centers disposed of during 2013, including 11 Non-Core Properties. There were no properties classified as held for sale at December 31, 2014.

Gain on disposition of operating properties
During the year ended December 31, 2014, the gain on disposition of operating properties was attributable to the distribution of our interests in 32 of the Non-Core Properties to our pre-IPO owners and the sale of one additional shopping center.

During the year ended December 31, 2013, the gain on disposition of operating properties was attributable to the sale of four shopping centers.

Impairment of real estate held for sale
During the year ended December 31, 2013, as a result of our strategy to dispose of certain shopping centers, we recognized provisions for impairment of $45.1 million relating to 14 shopping centers disposed of during 2013 and 14 properties disposed of during 2014.

Comparison of the Year Ended December 31, 2013 to the Year Ended December 31, 2012
Revenues (in thousands)

	Year Ended December 31,		
	2013	2012	$ Change
Revenues			
Rental income	$887,466	$851,311	$36,155
Expense reimbursements	242,803	225,710	17,093
Other revenues	16,135	11,233	4,902
Total revenues	$1,146,404	$1,088,254	$58,150

Rental income

The increase in rental income for 2013 of $36.2 million, as compared to the corresponding period in 2012, was primarily due to a $34.7 million increase in ABR driven by (i) an increase in billed occupancy from 90.0% as of

December 31, 2012 to 90.7% as of December 31, 2013, (ii) an increase in leasing spreads of 9.8% for both new and renewal leases, (iii) $9.5 million of ABR from the Acquired Properties, (iv) and a $2.5 million increase in the amortization of above and below market lease intangibles and lease settlement income. These increases were partially offset by a $1.6 million decrease in straight line rent.

Expense reimbursements
The increase in expense reimbursements for 2013 of $17.1 million, as compared to the corresponding period in 2012, was primarily due to an increase in reimbursable expenses and an increase in the recovery percentage which increased to 85.2% for 2013, as compared to 82.4% for the same period in 2012. The increased percentage of recoveries from tenants is primarily attributable to higher occupancy of our portfolio coupled with an increase in real estate taxes which have a higher recovery rate than operating expenses.

Other revenues
The increase in other revenues for 2013 of $4.9 million as compared to the corresponding period in 2012, was primarily due to $6.1 million of non-cash management fee income recorded in connection the vesting of equity incentive awards in the Acquired Properties. Certain of our employees have been granted equity incentive awards in the Acquired Properties. These awards were granted with service conditions and performance and market conditions. As the awards were granted to the employees under our management agreement with the owners of the Acquired Properties, we considered the amounts earned by the employees for the amortization of the awards at their fair value as measured at each reporting period to be a component of our management fees, and then recorded a corresponding amount for compensation expense. In connection with the IPO, based on the terms of these awards, all of such awards granted to our employees vested. In exchange for the vested incentive awards, the holders received vested Operating Partnership Units. At the time of the IPO, we recorded $6.1 million of additional management fee income and additional compensation expense based upon the fair value of the Operating Partnership Units issued at the date of grant.

Operating Expenses (in thousands)

	Year Ended December 31,			
	2013	2012	$ Change	
Operating expenses				
Operating costs	$116,522	$118,876	$(2,354	)
Real estate taxes	168,468	155,142	13,326	
Depreciation and amortization	438,547	488,524	(49,977	)
Provision for doubtful accounts	10,899	11,542	(643	)
Impairment of real estate assets	1,531	—	1,531	
Acquisition related costs	—	541	(541	)
General and administrative	121,082	88,936	32,146	
Total operating expenses	$857,049	$863,561	$(6,512	)

Operating costs
The decrease in operating costs for 2013 of $2.4 million, as compared to the corresponding period in 2012, was due to decreased snow removal costs, decreased tenant related legal costs and decreased insurance costs partially offset by an increase in repairs and maintenance expenses.

Real estate taxes
The increase in real estate taxes for 2013 of $13.3 million, as compared to the corresponding period in 2012, was primarily due to increased assessments at certain properties, primarily in California, Illinois, Texas and New York, partially offset by decreases in assessments due to successful appeals of assessed values.

Depreciation and amortization

The decrease in depreciation and amortization for 2013 of $50.0 million, as compared to the corresponding period in 2012, was primarily due to tenant lease expirations and lease terminations associated with tenant improvements and in-place lease value intangible assets, partially offset by $7.4 million of depreciation and amortization recorded in connection with the Acquired Properties.

Provision for doubtful accounts
The decrease in the provision for doubtful accounts of $0.6 million for 2013, as compared to 2012, was primarily due to improving market conditions and operating environment of our tenants. The provision for doubtful accounts as a percentage of total revenues decreased from 1.06% for 2012 to 0.95% for 2013.

Impairment of real estate assets
During 2013, we recognized a $1.5 million impairment on the disposal of one land parcel. No impairments were recognized on real estate properties during 2012.

General and administrative
The increase in general and administrative costs for 2013 of $32.1 million, as compared to the corresponding period in 2012, primarily due to (i) $36.1 million increased stock-based compensation expense recorded in connection with the IPO partially offset by a $1.8 million decrease in personnel related expenses due to reductions in staff and $1.3 million decrease in professional fees.

Other Income and Expenses (in thousands)

	Year Ended December 31,		
	2013	2012	$ Change
Other income (expense)			
Dividends and interest	$832	$1,138	$(306)
Interest expense	(343,193)	(376,237)	33,044
Gain on sale of real estate assets and acquisition of joint venture interest	2,223	501	1,722
Gain (loss) on extinguishment of debt, net	(20,028)	—	(20,028)
Other	(11,014)	(504)	(10,510)
Total other income (expense)	$(371,180)	$(375,102)	$3,922

Dividends and interest
Dividends and interest remained approximately the same for 2013 as compared to the corresponding period in 2012.

Interest expense
Interest expense decreased by $33.0 million for 2013, as compared to the corresponding period in 2012, primarily due to the 2013 repayment of $2.6 billion of secured mortgage and term loans with a weighted-average interest rate of 5.69% which decreased interest expense by approximately $50.0 million, partially offset by $16.2 million of interest expense on our Unsecured Credit Facility which we entered into in July 2013. The 2013 secured mortgage and term loan repayments were financed primarily from proceeds of our Unsecured Credit Facility which had a weighted average of 2.4% as of December 31, 2013. During 2013, our Debt obligations, net decreased by $518.0 million primarily due to a portion of our IPO proceeds being used to repay outstanding borrowings under the revolving portion of the Unsecured Credit Facility partially offset by debt assumed from the Acquired Properties.

Gain on sales of real estate assets and acquisition of joint venture interest
During 2013, we disposed of two land parcels for aggregate proceeds of $1.4 million resulting in an aggregate gain of $1.1 million. In addition, we purchased the remaining 70% interest in a shopping center held through an unconsolidated joint venture resulting in a gain of $1.1 million on the step-up of the original 30% interest.

During 2012, we sold one land parcel and two buildings for aggregate net proceeds of $1.4 million.

Gain (loss) on extinguishment of debt, net
During 2013, we recognized $20.0 million of losses on extinguishment of debt, net, net resulting from the write-offs of unamortized debt issuance costs and premium/discounts associated with repayments of certain of our debt obligations.

Other
Other increased by $10.5 million for 2013, as compared to the corresponding period in 2012, primarily due to $6.0 million of expenses related to our IPO.

Equity in Income of Unconsolidated Joint Ventures (in thousands)

	Year Ended December 31,		
	2013	2012	$ Change
Equity in income of unconsolidated joint ventures	$1,167	$687	$480
Gain on disposition of investments in unconsolidated joint ventures	$—	$—	$—
Impairment of investment in unconsolidated joint ventures	$—	$(314)	$314

Equity in income of unconsolidated joint ventures increased by $0.5 million for 2013, as compared to corresponding period in 2012, primarily due to increased operating performance of certain of our unconsolidated joint ventures.

During 2012, we recognized provisions for impairment associated with certain of our unconsolidated joint venture investments due to the operating performance of these unconsolidated joint ventures.

Discontinued Operations (in thousands)

	Year Ended December 31,		
	2013	2012	$ Change
Discontinued operations			
Income (loss) from discontinued operations	$3,505	$(2,447)	$5,952
Gain on disposition of operating properties	3,392	5,369	(1,977)
Impairment of real estate held for sale	(45,122)	(13,599)	(31,523)
Income (loss) from discontinued operations	$(38,225)	$(10,677)	$(27,548)

Income from discontinued operations
Results from discontinued operations include the results from: (i) 34 shopping centers, including 33 Non-Core Properties disposed of during 2014, (ii) 18 shopping centers disposed of in 2013; and (iii) 19 shopping centers and one retail building disposed of during 2012.

Gain on disposition of operating properties
During 2013, the gain on disposition of operating properties was attributable to the sale of four shopping centers for aggregate proceeds of $12.4 million.

In connection with the sale of shopping centers in 2012, we recognized a gain of $5.4 million.

Impairment of real estate assets held for sale
During 2013, as a result of our strategy to dispose of certain shopping centers, we recognized provisions for impairment of $45.1 million relating to 14 shopping centers disposed of during 2013 and 14 properties disposed of during the three months ended March 31, 2014.

During 2012, we recognized provisions for impairment of $13.6 million in connection with the disposal of 19 shopping centers.

For purposes of measuring the provision, fair value was determined based upon the contracts with buyers and then adjusted to reflect associated disposition costs.

Liquidity and Capital Resources

We anticipate that our cash flows from the sources listed below will provide adequate capital for the next 12 months for all anticipated uses, including all scheduled principal and interest payments on our outstanding indebtedness, current and anticipated tenant improvements, stockholder distributions to maintain BPG's qualification as a REIT and other capital obligations associated with conducting our business.

Our primary expected sources and uses and capital are as follows:

Sources

- cash and cash equivalents;
- operating cash flow;
- available borrowings under our existing revolving credit facility;
- issuance of long-term debt; and
- asset sales.

Uses

Short term:

- leasing costs and tenant improvements allowances;
- active anchor space repositioning/redevelopments;
- recurring maintenance capital expenditures;
- debt repayment requirements;
- corporate and administrative costs; and
- distribution payments.

Long term:

- major active redevelopments, renovation or expansion programs at individual properties;
- acquisitions; and
- debt maturities.

During 2014, BPG and the Operating Partnership received investment grade credit ratings from all three major credit rating agencies. Moody's Investors Service assigned an investment grade issuer rating of Baa3 with a stable outlook. Standard & Poor's Ratings Services assigned a BBB- corporate credit rating with a stable outlook. Fitch Ratings assigned an initial Issuer Default Rating of BBB- with a stable outlook.

Our cash flow activities are summarized as follows (dollars in thousands):

Brixmor Property Group Inc.

	Year Ended December 31,		
	2014	2013	2012
Cash flows provided by operating activities	$479,210	$331,990	$268,847
Cash flows used in investing activities	$(200,832)	$(86,367)	$(118,702)
Cash flows used in financing activities	$(331,698)	$(234,806)	$(204,653)

Brixmor Operating Partnership LP

	Year Ended December 31,		
	2014	2013	2012
Cash flows provided by operating activities	$479,217	$331,988	$269,509
Cash flows used in investing activities	$(200,822)	$(86,361)	$(118,499)
Cash flows used in financing activities	$(330,951)	$(230,102)	$(159,147)

Operating Activities
Cash and cash equivalents for BPG were $60.6 million and $113.9 million as of December 31, 2014 and December 31, 2013, respectively. Cash and cash equivalents for the Operating Partnership were $60.5 million and $113.0 million as of December 31, 2014 and December 31, 2013, respectively.

Our net cash flow provided by operating activities primarily consist of cash inflows from tenant rental payments and tenant expense reimbursements and cash outflows for property operating expenses, real estate taxes, general and administrative expenses and interest payments.

For the year ended December 31, 2014, the Company's net cash flow provided by operating activities increased $147.2 million as compared to the corresponding period in 2013. The increase is primarily due to (i) an increase in Same Property NOI, (ii) increased NOI due to the acquisition of the Acquired Properties, (iii) a decrease in interest expense due to a reduction in our outstanding indebtedness as well as a decrease in the weighted average interest rate on outstanding indebtedness, (iv) a decrease in general and administrative expenses and (v) an increase in working capital due to an increase in cash flows from receivables and restricted cash, partially offset by (vi) a decrease in accounts payable accrued expenses and other liabilities due to timing of payments.

Investing Activities
Net cash flow used in investing activities is impacted by the nature, timing and extent of improvements made to our shopping centers, allowances provided to our tenants, and our acquisition and disposition programs. Capital used to fund these activities, and the source thereof, can vary significantly from period to period based on, for example, negotiations with tenants and their willingness to pay higher base rents over the terms of their respective leases as well as the availability of operating cash flows. Net cash flow used in investing activities is also impacted by the level of recurring property capital expenditures in a given period. Recurring capital expenditures are costs to maintain properties and their common areas including new roofs, paving of parking lots and other general upkeep items. Recurring capital expenditures per square foot for the year ended December 31, 2014, 2013 and 2012, were $0.28, $0.26 and $0.28, respectively.

For the year ended December 31, 2014, the Company's net cash flow used in investing activities increased $114.5 million as compared to the corresponding period in 2013. The increase was primarily due to a $52.2 million decrease in proceeds from sales of real estate assets and a $64.2 million increase in capital expenditures and investments in real estate assets, partially offset by a $6.4 million decrease in acquisitions of real estate assets.

Currently, our anchor space repositioning/redevelopments in our Portfolio relate to 28 projects for which we anticipate incurring approximately $95.9 million in improvements, of which $66.2 million had not yet been incurred as of December 31, 2014.

Financing Activities
Our net cash flow used in financing activities is impacted by the nature, timing and extent of issuances of debt and equity, principal and other payments associated with our outstanding indebtedness and prevailing market conditions associated with each source of capital.

For the year ended December 31, 2014, BPG’s net cash used in financing activities increased $96.9 million as compared to the corresponding period in 2013. The increase was due to (i) an increase of $125.7 million of distributions to common stockholders, (ii) an increase of $41.9 million in distributions to non-controlling interests and (iii) a decrease of $893.7 million in proceeds from issuance of common stock, partially offset by (iv) a decrease of $24.5 million in deferred financing costs and (v) a decrease of $938.8 million in debt obligation repayments, net of proceeds from borrowings.

For the year ended December 31, 2014, the Operating Partnership's net cash used in financing activities increased $101.0 million as compared to the corresponding period in 2013. The increase was due to (i) an increase of $157.3 million of distributions to partners, (ii) an increase of $13.1 million in distributions to non-controlling interests and (iv) a $893.7 million decrease in partners contributions, partially offset by (v) a decrease of $24.5 million in deferred financing costs and (vi) a decrease of $938.8 million in debt obligation repayments, net of proceeds from borrowings.

Debt transactions

On March 18, 2014, the Operating Partnership entered into an unsecured $600.0 million term loan (the "Term Loan") which matures on March 18, 2019. The obligations under the Term Loan were guaranteed by both BPG Sub and Brixmor OP GP LLC, the general partner of the Operating Partnership, (together, the "Parent Guarantors"). In February 2015, the Term Loan was amended to terminate the guarantees and release and discharge the Parent Guarantors from their respective obligations under the guarantees. The Term Loan bears interest, at the Operating Partnership's option, at a rate equal to a margin over either (a) a base rate determined by reference to the highest of (1) the administrative agent's prime lending rate, (2) the federal funds effective rate plus half of 1%, and (3) the LIBOR rate that would be payable on such day for a LIBOR rate loan with a one-month interest period plus 1% or (b) a LIBOR rate determined by reference to the BBA LIBOR rate for the interest period relevant to a particular borrowing. The margin associated with the Term Loan is based on a total leverage based grid and ranges from 0.35% to 0.75%, for base rate loans, and 1.35% to 1.75% for LIBOR rate loans. The margin on the Term Loan was 1.40% as of December 31, 2014. Pursuant to the terms of the Term Loan, the Company among other things is subject to maintenance of various financial covenants. The Company is currently in compliance with these covenants. Proceeds from the Term Loan were used to repay outstanding borrowings on the Company's Unsecured Credit Facility.

In addition, during the year ended December 31, 2014, the Company repaid $763.3 million of mortgages and secured loans, $110.2 million of unsecured notes, and $174.8 million of financing liabilities, resulting in a net loss on extinguishment of $13.8 million. These repayments were funded primarily from borrowings under the Company's Unsecured Credit Facility.

In addition, in January 2015, the Operating Partnership issued $700.0 million aggregate principal amount of 3.850% Senior Notes due 2025 (the "2025 Notes"), the proceeds of which were used to repay outstanding borrowings under its $1.25 billion senior unsecured revolving credit facility that had been used to repay indebtedness and financial liabilities over the course of 2014. The 2025 Notes bear interest at a rate of 3.850% per annum accruing from January 21, 2015. Interest on the 2025 Notes is payable semi-annually on February 1 and August 1 of each year, commencing August 1, 2015. The 2025 Notes will mature on February 1, 2025. The 2025 Notes are the Operating Partnership's unsecured and unsubordinated obligations and rank equally in right of payment with all of the Operating Partnership's existing and future unsecured and unsubordinated indebtedness. The Operating Partnership may redeem the 2025 Notes at any time in whole or in part at the applicable make-whole redemption price specified in the Indenture. If the 2025 Notes are redeemed on or after November 1, 2024 (three months prior to the maturity date), the redemption price will be equal to 100% of the principal amount of the 2025 Notes being redeemed plus accrued and unpaid interest thereon to, but not including, the redemption date.

During 2015, we have $623.3 million of mortgage loans scheduled to mature and we have approximately $29.7 million of scheduled mortgage amortization payments. We currently intend to repay the scheduled maturities and amortization payments with operating cash and borrowings on our revolving credit facility.

Contractual Obligations

Our contractual debt obligations relate to our notes payable, mortgages and secured loans and financing liabilities with maturities ranging from one year to 15 years, and non-cancelable operating leases pertaining to our shopping centers and corporate offices.

The following table summarizes our debt maturities (excluding options and fair market debt adjustments) and obligations under non-cancelable operating leases as of December 31, 2014.

Contractual Obligations	Payment due by period				
(in thousands)	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Debt [1]	$5,979,810	$652,956	$2,126,996	$2,139,602	$1,060,256
Interest payments [2]	816,188	246,652	332,925	173,531	63,080
Operating leases	126,939	7,440	13,868	12,868	92,763
Total	$6,922,937	$907,048	$2,473,789	$2,326,001	$1,216,099

(1) Debt includes scheduled amortization and scheduled maturities for mortgages and secured loans, credit facilities and notes payable.

(2) We incur variable rate interest on $519.5 million and $600.0 million of debt related to the Unsecured Credit Facility and Term Loan, respectively. The margin associated with Unsecured Credit Facility borrowings is based on a total leverage based grid and ranges from 0.40% to 1.00%, for base rate loans, and 1.40% to 2.00%, for LIBOR rate loans. The rate on the Unsecured Credit Facility was 1.69% as of December 31, 2014. The margin associated with the Term Loan is based on a total leverage based grid and ranges from 0.35% to 0.75%, for base rate loans, and 1.35% to 1.75% for LIBOR rate loans. The rate on the Term Loan was 1.59% as of December 31, 2014.

As of December 31, 2014, we had $243.5 million of notes payable outstanding, excluding the impact of unamortized premiums, with a weighted average interest rate of 5.43%. The agreements related to these notes payable contain certain covenants, including the maintenance of certain financial coverage ratios. As of December 31, 2014, we were in compliance with the covenants.

Same Property Net Operating Income

Same Property NOI is calculated (using properties owned as of the end of both reporting periods and for the entirety of both periods excluding properties classified as discontinued operations), as rental income (minimum rent, percentage rents, tenant recoveries and other property income) less rental operating expenses (property operating expenses, real estate taxes and bad debt expense) of the properties owned by us. Same Property NOI excludes corporate level income (including transaction and other fees), lease termination income, straight-line rent and amortization of above- and below-market leases of the same property pool from the prior year reporting period to the current year reporting period.

Same Property NOI is a supplemental, non-GAAP financial measure utilized to evaluate the operating performance of real estate companies and is frequently used by securities analysts, investors and other interested parties in understanding business and operating results regarding the underlying economics of our business operations. It includes only the net operating income of properties owned for the full period presented, which eliminates disparities in net income due to the acquisition or disposition of properties during the period presented, and therefore provides a more consistent metric for comparing the performance of properties. Management uses Same Property NOI to review operating results for comparative purposes with respect to previous periods or forecasts, and also to evaluate future prospects. Same Property NOI is not intended to be a performance measure that should be regarded as an alternative to, or more meaningful than, net income (determined in accordance with GAAP) or other GAAP financial measures. Non-GAAP financial measures have limitations as they do not include all items of income and expense that affect operations, and accordingly, should always be considered as supplemental to financial results presented in accordance with GAAP. Computation of Same Property NOI may differ in certain respects from the methodology utilized by other REITs and, therefore, may not be comparable to such other REITs.

Comparison of the Year Ended December 31, 2014 to the Year Ended December 31, 2013

	Year Ended December 31,		
	2014	2013	Change
Number of properties	478	478	—
Percent billed	91.3%	90.8%	0.5%
Percent leased	92.9%	92.6%	0.3%
Revenues			
Rental income	$839,155	$813,894	$25,261
Expense reimbursements	253,787	241,192	12,595
Percentage rents	5,743	6,342	(599)
	1,098,685	1,061,428	37,257
Operating expenses			
Operating costs	(121,285)	(116,880)	(4,405)
Real estate taxes	(170,502)	(167,307)	(3,195)
Provision for doubtful accounts	(10,930)	(10,880)	(50)
	(302,717)	(295,067)	(7,650)
Same property NOI	$795,968	$766,361	$29,607

Same Property NOI increased $29.6 million or 3.9% for the year ended December 31, 2014, as compared to the same period in 2013, primarily due to (i) a $25.3 million increase in rental income driven by an increase in billed occupancy to 91.3% from 90.8%, and (ii) an increase in the expense recovery percentage to 87.0% from 84.9% driven by increased occupancy of our portfolio partially offset by (iii) increased weather related expenses including snow removal expenses, utility expenses, roof and parking lot repairs and maintenance expenses.

The following table provides a reconciliation of Net income (loss) attributable to Brixmor Property Group Inc. to Same Property NOI for the periods presented (dollars in thousands):

	Year Ended December 31,	
	2014	2013
Net income (loss) attributable to Brixmor Property Group Inc.	$89,002	$(93,534)
Adjustments:		
Revenue adjustments [1]	(67,536)	(76,087)
Depreciation and amortization	441,630	438,547
Impairment of real estate assets	—	1,531
General and administrative	80,175	121,082
Total other (income) expense	284,024	371,180
Equity in income of unconsolidated joint ventures	(370)	(1,167)
Gain on disposition of investments in unconsolidated joint ventures	(1,820)	—
Pro rata share of same property NOI of unconsolidated joint ventures	737	719
(Income) loss from discontinued operations	(20,080)	38,225
Net income (loss) attributable to non-controlling interests	43,849	(25,349)
Non-same property NOI	(53,643)	(8,786)
Same property NOI	$795,968	$766,361

(1) Includes adjustments for lease settlement income, straight-line rents, above- and below-market rent amortization, net and fee income from managed properties and unconsolidated joint ventures.

Comparison of the Year Ended December 31, 2013 to the Year Ended December 31, 2012

	Year Ended December 31,		
	2013	2012	Change
Number of properties	479	479	—
Percent billed	90.8%	90.0%	0.8%
Percent leased	92.6%	91.3%	1.3%
Revenues			
Rental income	$814,232	$790,046	$24,186
Expense reimbursements	241,328	227,919	13,409
Percentage rents	6,342	6,115	227
	1,061,902	1,024,080	37,822
Operating expenses			
Operating costs	(116,923)	(118,582)	1,659
Real estate taxes	(167,393)	(156,584)	(10,809)
Provision for doubtful accounts	(10,902)	(11,534)	632
	(295,218)	(286,700)	(8,518)
Same property NOI	$766,684	$737,380	$29,304

Same Property NOI increased $29.3 million or 4.0% for the year ended December 31, 2013, as compared to the same period in 2012, primarily due to (i) a $24.2 million increase in rental income driven by an increase in billed occupancy to 90.8% from 90.0% and an increase in ABR per square foot to $11.82 from $11.60, and (ii) an increase in the expense recovery percentage to 84.9% from 82.8% driven by higher occupancy and an increase in real estate taxes which have a higher recovery rate than operating expenses.

The following table provides a reconciliation of Net income (loss) attributable to Brixmor Property Group Inc. to Same Property NOI for the periods presented (dollars in thousands):

	Year Ended December 31,	
	2013	2012
Net income (loss) attributable to Brixmor Property Group Inc.	$(93,534)	$(122,567)
Adjustments:		
Revenue adjustments [1]	(76,087)	(66,711)
Depreciation and amortization	438,547	488,524
Impairment of real estate assets	1,531	—
General and administrative	121,082	88,936
Acquisition related costs	—	541
Total other (income) expense	371,180	375,102
Equity in income of unconsolidated joint ventures	(1,167)	(687)
Impairment of investments in unconsolidated joint ventures	—	314
Pro rata share of same property NOI of unconsolidated joint ventures	719	617
(Income) loss from discontinued operations	38,548	11,035
Net income (loss) attributable to non-controlling interests	(25,349)	(38,146)
Non-same property NOI	(8,786)	422
Same property NOI	$766,684	$737,380

(1) Includes adjustments for lease settlement income, straight-line rents, above- and below-market rent amortization, net and fee income from managed properties and unconsolidated joint ventures.

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Funds From Operations

FFO is a supplemental non-GAAP financial measure utilized to evaluate the operating performance of real estate companies. The National Association of Real Estate Investment Trusts ("NAREIT") defines FFO as net income (loss) in accordance with GAAP excluding (i) gain (loss) on disposition of operating properties, and (ii) extraordinary items, plus (iii) depreciation and amortization of operating properties, (iv) impairment of operating properties and real estate equity investments, and (v) after adjustments for joint ventures calculated to reflect funds from operations on the same basis.

FFO attributable to stockholders and non-controlling interests convertible into common stock is FFO as further adjusted to exclude net income (loss) attributable to non-controlling interests not convertible into common stock. We believe FFO attributable to stockholders and non-controlling interests convertible into common stock is a meaningful supplemental measure that is more reflective of our operating performance by excluding FFO attributable to non-controlling interests not convertible into common stock.

We present FFO and FFO attributable to stockholders and non-controlling interests convertible into common stock as we consider them important supplemental measures of our operating performance and we believe they are frequently used by securities analysts, investors and other interested parties in the evaluation of REITs. FFO and FFO attributable to stockholders and non-controlling interests convertible into common stock should not be considered as alternatives to net income (determined in accordance with GAAP) as indicators of financial performance and are not alternatives to cash flow from operating activities (determined in accordance with GAAP) as measures of liquidity. Non-GAAP financial measures have limitations as they do not include all items of income and expense that affect operations, and accordingly, should always be considered as supplemental to financial results presented in accordance with GAAP. Computation of FFO and FFO attributable to stockholders and non-controlling interests convertible into common stock may differ in certain respects from the methodology utilized by other REITs and, therefore, may not be comparable to similarly titled measures presented by such other REITs. Investors are cautioned that items excluded from FFO and FFO attributable to stockholders and non-controlling interests convertible into common stock are significant components in understanding and addressing financial performance.

Our reconciliation of Brixmor Property Group Inc's net income (loss) to FFO and FFO attributable to stockholders and non-controlling interest convertible into common stock for the years ended December 31, 2014, 2013 and 2012 is as follows (in thousands, except per share amounts):

	Year Ended December 31,		
	2014	2013	2012
Net income (loss)	$132,851	$(118,883)	$(160,713)
Gain on disposition of operating properties	(15,549)	(3,392)	(5,369)
Gain on disposition of unconsolidated joint ventures	(1,820)	—	(24)
Depreciation and amortization-real estate related-continuing operations	438,565	436,547	485,772
Depreciation and amortization-real estate related-discontinued operations	606	11,687	21,910
Depreciation and amortization-real estate related-unconsolidated joint ventures	168	180	817
Impairment of operating properties	—	43,582	13,599
Impairment of unconsolidated joint ventures	—	—	314
FFO	554,821	369,721	356,306
Adjustments attributable to non-controlling interests not convertible into common stock	(6,415)	(7,155)	(1,306)
FFO attributable to stockholders and non-controlling interests convertible into common stock	$548,406	$362,566	$355,000
FFO per share/OP Unit - diluted	$1.80	$1.44	$1.47
Weighted average shares/OP Units outstanding - basic and diluted [1]	304,359	252,009	240,905

(1) Basic and diluted shares/OP Units outstanding reflects an assumed conversion of certain BPG Sub shares and OP Units to common stock of the Company and the vesting of certain restricted stock awards.

EBITDA and Adjusted EBITDA

Earnings before interest, tax, depreciation and amortization (“EBITDA”) is calculated as the sum of net income (loss) in accordance with GAAP before interest expense, income taxes, depreciation and amortization. Adjusted EBITDA represents EBITDA as adjusted for (i) acquisition related costs, (ii) gain (loss) on disposition of operating properties, (iii) impairment of real estate assets and real estate equity investments, (iv) gain (loss) on disposition of unconsolidated joint ventures, (v) gain (loss) on extinguishment of debt, (vi) other items that are not indicative of the Company’s operating performance and (vii) after adjustments attributable to non-controlling interests not convertible into common stock.

EBITDA and Adjusted EBITDA are supplemental, non-GAAP measures utilized in various financial ratios and are helpful to securities analysts, investors and other interested parties in the evaluation of REITs, as a measure of Brixmor’s operational performance because EBITDA and Adjusted EBITDA exclude various items that do not relate to or are not indicative of its operating performance. In addition, it includes the results of operations of real estate properties that have been sold or classified as real estate held for sale at the end of the reporting period. Accordingly, the use of EBITDA and Adjusted EBITDA in various ratios provides a meaningful performance measure as it relates to its ability to meet various coverage tests for the stated period. EBITDA and Adjusted EBITDA should not be considered as alternatives to net income (determined in accordance with GAAP) as indicators of financial performance and are not alternatives to cash flow from operating activities (determined in accordance with GAAP) as a measure of liquidity.

Non-GAAP financial measures have limitations as they do not include all items of income and expense that affect operations and, accordingly, should always be considered as supplemental to financial results presented in accordance with GAAP. Computation of EBITDA and Adjusted EBITDA may differ in certain respects from the methodology utilized by other REITs and, therefore, may not be comparable to such other REITs. Investors are cautioned that items excluded from EBITDA and Adjusted EBITDA are significant components in understanding and addressing financial performance.

The following table provides a reconciliation of EBITDA and Adjusted EBITDA to Brixmor Property Group Inc's net income (loss) (dollars in thousands):

	Year Ended December 31,		
	2014	2013	2012
Net income (loss)	$132,851	$(118,883)	$(160,713)
Interest expense-continuing operations	262,812	343,193	376,237
Interest expense-discontinued operations	259	6,682	11,106
Interest expense-unconsolidated joint ventures	174	651	1,589
Federal and state taxes	3,870	2,851	2,172
Depreciation and amortization-continuing operations	441,630	438,547	488,524
Depreciation and amortization-discontinued operations	606	11,687	21,910
Depreciation and amortization-unconsolidated joint ventures	168	180	817
EBITDA	$842,370	$684,908	$741,642
Acquisition-related costs	—	—	541
Gain on disposition of operating properties	(15,549)	(3,392)	(5,369)
Gain from development/land sales and acquisition of joint venture interests	—	(2,223)	(501)
Gain on disposition of unconsolidated joint ventures	(1,820)	—	(24)
Loss on extinguishment of debt, net	7,686	17,769	—
Impairment of operating properties and land sales	—	1,531	—
Impairment of real estate held for sale	—	45,122	13,599
Impairments of real estate joint ventures	—	—	314
Non-operating items (1)	7,536	—	—
Adjustments to non-controlling interests not convertible into common stock	(596)	(4,059)	(1,306)
Total adjustments	(2,743)	54,748	7,254
Adjusted EBITDA	$839,627	$739,656	$748,896

(1) Non-operating items consist of the following: (i) shareholder equity offering expenses of $2,834; (ii) executive severance expenses of $2,278; and (iii) corporate office lease termination fees of $2,424.

Our Critical Accounting Policies

Our discussion and analysis of the historical financial condition and results of operations is based upon our Consolidated Financial Statements, which have been prepared in accordance with GAAP. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the Consolidated Financial Statements and accompanying notes. Actual results could ultimately differ from those estimates. For a discussion of recently-issued and adopted accounting standards, see Note 1 to financial statements contained elsewhere in this annual report on Form 10-K.

Revenue Recognition and Receivables

Rental revenue is recognized on a straight-line basis over the terms of the related leases. The cumulative difference between rental revenue recognized in the Consolidated Statements of Operations and contractual payment terms is recorded as deferred rent and presented on the accompanying Consolidated Balance Sheets within Receivables.

The Company commences recognizing revenue based on an evaluation of a number of factors. In most cases, revenue recognition under a lease begins when the lessee takes possession of or controls the physical use of the leased asset. Generally, this occurs on the lease commencement date.

Certain leases also provide for percentage rents based upon the level of sales achieved by a lessee. These percentage rents are recognized upon the achievement of certain pre-determined sales levels. Leases also typically provide for reimbursement of common area maintenance, property taxes and other operating expenses by the lessee which are recognized in the period the applicable expenditures are incurred.

The determination of who is the owner, for accounting purposes, of tenant improvements (where provided) determines the nature of the leased asset and when revenue recognition under a lease begins. If the Company is the owner, for accounting purposes, of the tenant improvements, then the leased asset is the finished space and revenue recognition begins when the lessee takes possession of the finished space, typically when the improvements are substantially complete. If the Company concludes it is not the owner, for accounting purposes, of the tenant improvements (the lessee is the owner), then the leased asset is the unimproved space and any tenant improvement allowances funded under a lease are accounted for as lease incentives which are amortized as a reduction of revenue recognized over the term of the lease. In these circumstances, the Company commences revenue recognition when the lessee takes possession of the unimproved space for the lessee to construct their own improvements. In making this assessment, the Company considers a number of factors, each of which individually is not determinative.

Gains from the sale of depreciated operating properties are generally recognized under the full accrual method, provided that various criteria relating to the terms of the sale and subsequent involvement by the Company with the applicable property are met.

The Company periodically evaluates the collectability of its receivables related to base rents, straight-line rent, expense reimbursements and those attributable to other revenue generating activities. The Company analyzes its receivables and historical bad debt levels, tenant credit-worthiness and current economic trends when evaluating the adequacy of its allowance for doubtful accounts. In addition, tenants in bankruptcy are analyzed and estimates are made in connection with the expected recovery of pre-petition and post-petition claims.

Real Estate
Real estate assets are recorded in the Consolidated Balance Sheets at historical cost, less accumulated depreciation and amortization. Upon acquisition of real estate operating properties, management estimates the fair value of acquired tangible assets (consisting of land, buildings, and tenant improvements), identifiable intangible assets and liabilities (consisting of above and below-market leases, in-place leases and tenant relationships), and assumed debt based on an evaluation of available information. Based on these estimates, the estimated fair value is allocated to the acquired assets and assumed liabilities.

The fair values of tangible assets are determined as if the acquired property is vacant. Fair value is determined using an exit price approach, which contemplates the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. If, up to one year from the acquisition date, information regarding the fair value of the assets acquired and liabilities assumed is received and estimates are refined, appropriate adjustments are made to the purchase price allocation on a retrospective basis. The Company expenses transaction costs associated with business combinations in the period incurred.

In allocating the fair value to identifiable intangible assets and liabilities of an acquired operating property, the value of above-market and below-market leases is estimated based on the present value (using an interest rate reflecting the risks associated with leases acquired) of the difference between: (i) the contractual amounts to be paid pursuant to the leases negotiated and in-place at the time of acquisition and (ii) management's estimate of fair market lease rates for the property or an equivalent property, measured over a period equal to the remaining non-cancelable term of the lease. The capitalized above-market or below-market intangible is amortized as a reduction of, or increase to, rental income over the remaining non-cancelable term of each lease, which includes renewal periods with fixed rental terms that are considered to be below-market.

In determining the value of in-place leases and tenant relationships, management evaluates the specific characteristics of each lease and the Company's overall relationship with each tenant. Factors considered include, but are not limited to: the nature of the existing relationship with a tenant, the credit risk associated with a tenant, expectations surrounding lease renewals, estimated carrying costs of a property during a hypothetical expected lease-up period, current market conditions and costs to execute similar leases. Management also considers information obtained about a property in connection with its pre-acquisition due diligence. Estimated carrying costs include: real estate taxes, insurance, other property operating costs and estimates of lost rentals at market rates during the hypothetical lease-up periods. Costs to execute similar leases include: commissions and legal costs to the extent that such costs are not already incurred with a new lease that has been negotiated in connection with the purchase of a property. The value assigned to in-place leases is amortized to expense over the remaining term of each lease. The value assigned to tenant relationships is amortized over the initial terms of the leases.

Certain real estate assets are depreciated using the straight-line method over the estimated useful lives of the assets. The estimated useful lives are as follows:

Building and building and land improvements	20 - 40 years
Furniture, fixtures, and equipment	5 - 10 years
Tenant improvements	The shorter of the term of the related lease or useful life

Costs to fund major replacements and betterments, which extend the life of the asset, are capitalized and depreciated over their respective useful lives, while costs for ordinary repairs and maintenance activities are expensed as incurred.

When a real estate asset is identified by management as held-for-sale, the Company discontinues depreciating the asset and estimates its sales price, net of estimated selling costs. If, in management's opinion, the estimated net sales price of an asset is less than its net carrying value, an adjustment is recorded to reflect the estimated fair value. Additionally, the real estate asset and related operations are classified as discontinued operations and separately presented within the Consolidated Statements of Operations and within Other assets on the Consolidated Balance Sheets. Properties classified as real estate held-for-sale generally represent properties that are under contract for sale and are expected to close within 12 months.

On a periodic basis, management assesses whether there are indicators that the value of the Company's real estate assets (including any related intangible assets or liabilities) may be impaired.

If an indicator is identified, a real estate asset is considered impaired only if management's estimate of current and projected operating cash flows (undiscounted and unleveraged), taking into account the anticipated and probability weighted holding period, are less than a real estate asset's carrying value. Various factors are considered in the estimation process, including expected future operating income, trends and prospects and the effects of demand, competition, and other economic factors. If management determines that the carrying value of a real estate asset is impaired, a loss will be recorded for the excess of its carrying amount over its fair value.

In situations in which a lease or leases associated with a significant tenant have been, or are expected to be, terminated early, the Company evaluates the remaining useful lives of depreciable or amortizable assets in the asset group related to the lease that will be terminated (i.e., tenant improvements, above and below market lease intangibles, in-place lease value and leasing commissions). Based upon consideration of the facts and circumstances surrounding the termination, the Company may write-off or accelerate the depreciation and amortization associated with the asset group. Such write-offs are included within Depreciation and amortization in the Consolidated Statements of Operations.

Stock Based Compensation
The Company accounts for equity awards in accordance with the FASB's Stock Compensation guidance which requires that all share based payments to employees and non-employee directors be recognized in the statement of operations over the service period based on their fair value. Fair value is determined based on the type of award using either the grant date market price of the Company's stock, the Black-Scholes-Merton option-pricing model or a Monte Carlo simulation model. Share-based compensation expense is included in General and administrative in the Company's Consolidated Statements of Operations.

Inflation
The majority of leases contain provisions designed to mitigate the adverse impact of inflation. Such provisions contain clauses enabling us to receive percentage rents, which generally increase as prices rise but may be adversely impacted by tenant sales decreases, and/or escalation clauses which are typically related to increases in the consumer price

index or similar inflation indices. In addition, we believe that many of our existing lease rates are below current market levels for comparable space and that upon renewal or re-rental such rates may be increased to be consistent with, or closer to, current market rates. This belief is based upon an analysis of relevant market conditions, including a comparison of comparable market rental rates, and upon the fact that many of our leases have been in place for a number of years and may not contain escalation clauses sufficient to match the increase in market rental rates over such time. Most of our leases require the tenant to pay its share of operating expenses, including common area maintenance, real estate taxes and insurance, thereby reducing our exposure to increases in costs and operating expenses resulting from inflation. In addition, we periodically evaluate our exposure to interest rate fluctuations, and may enter into interest rate protection agreements which mitigate, but do not eliminate, the effect of changes in interest rates on our floating rate loans.

Off-Balance Sheet Arrangements
We had no material off-balance sheet arrangements as of December 31, 2014.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk
We may be exposed to interest rate changes primarily as a result of long-term debt used to maintain liquidity and fund capital expenditures and expansion of our real estate investment portfolio and operations. Our interest rate risk management objectives are to limit the impact of interest rate changes on earnings and cash flows and to lower our overall borrowing costs. To achieve our objectives we borrow primarily at fixed rates or variable rates with the lowest margins available.
With regard to variable rate financing, we assess interest rate cash flow risk by continually identifying and monitoring changes in interest rate exposures that may adversely impact expected future cash flows and by evaluating hedging opportunities. We maintain risk management control systems to monitor interest rate cash flow risk attributable to both our outstanding or forecasted debt obligations as well as our potential offsetting hedge positions. The risk management control systems involve the use of analytical techniques, including cash flow sensitivity analysis, to estimate the expected impact of changes in interest rates on our future cash flows.

We may use additional derivative financial instruments to hedge exposures to changes in interest rates on loans secured by our properties or unsecured debt obligations. To the extent we do, we are exposed to market and credit risk. Market risk is the adverse effect on the value of the financial instrument that results from a change in interest rates. The market risk associated with interest-rate contracts is managed by establishing and monitoring parameters that limit the types and degree of market risk that may be undertaken. Credit risk is the failure of the counterparty to perform under the terms of the derivative contract. When the fair value derivative contract is positive, the counterparty owes us, which creates credit risk to us. We will minimize the credit risk in derivative instruments by entering into transactions with high-quality counterparties. The Company has entered into derivative financial instruments such as interest rate swap and interest rate cap agreements to manage interest rate risk exposure arising from variable rate debt transactions that result in the receipt or payment of future known and uncertain cash amounts, the value of which are determined by interest rates. The Company's objective in using interest rate derivatives is to add stability to interest expense and to manage its exposure to interest rate movements.

As of December 31, 2014, we had $2.0 billion of outstanding floating rate borrowings under the Unsecured Credit Facility which bore interest at a rate equal to LIBOR plus an interest spread of 150 basis points and $600.0 million of outstanding floating rate borrowings under the Term Loan which bore interest at a rate equal to LIBOR plus an interest spread of 140 basis points. $1.5 billion of the borrowings under the Unsecured Credit Facility are subject to interest rate swap agreements, which effectively convert the interest rate on the borrowings from floating to fixed. During the year ended December 31, 2014, no payment was received from the respective counterparties to the interest rate cap agreements.

If market rates of interest on our variable rate debt increased by 1%, the increase in annual interest expense on our variable rate debt would decrease future earnings and cash flows by approximately $11.2 million (this includes the impact of the $1.5 billion of interest rate swap agreements). If market rates of interest on our variable rate debt decreased by 1%, the decrease in annual interest expense on our variable rate debt would increase future earnings and cash flows by approximately $2.0 million (this includes the impact of the $1.5 billion of interest rate swap agreements). As of December 31, 2014, LIBOR was 0.17%. Even if LIBOR were 0%, our Unsecured Credit Facility and Term Loan are subject to interests spreads of 150 and 140 basis points, respectively. Accordingly, the decrease in LIBOR with respect to these debt instruments would have a nominal effect on future earnings and cash flows. This assumes that the amount outstanding under our variable rate debt remains at approximately $2.6 billion, the balance as of December 31, 2014. The foregoing assumes that our total debt outstanding remains at approximately $6.0 billion, the balance as of December 31, 2014.

Item 8. Financial Statements and Supplementary Data

See the Index to Consolidated Financial Statements and financial statements commencing on page F-1.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure
None.

ITEM 9A. Controls and Procedures
Controls and Procedures (Brixmor Property Group Inc.)
Evaluation of Disclosure Controls and Procedures
BPG maintains disclosure controls and procedures (as that term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) that are designed to ensure that information required to be disclosed in its reports under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosures. BPG's management, with the participation of its principal executive officer and principal financial officer, has evaluated the effectiveness of the design and operation of its disclosure controls and procedures as of the end of the period covered by this report. Based upon that evaluation, BPG's principal executive officer and principal financial officer concluded that, as of the end of the period covered by this report, the design and operation of BPG's disclosure controls and procedures were effective to accomplish their objectives at the reasonable assurance level.

Management's Report on Internal Control Over Financial Reporting
BPG's management is responsible for establishing and maintaining adequate internal control over financial reporting to provide reasonable assurance regarding the reliability of BPG's financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. BPG's internal control over financial reporting includes policies and procedures that pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of BPG's assets; provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of BPG are being made only in accordance with authorizations of management and directors of BPG; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of its assets that could have a material effect on BPG's financial statements.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance and may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Under the supervision and with the participation of its management, including its chief executive officer and chief financial officer, BPG conducted an evaluation of the effectiveness of its internal control over financial reporting based on the framework in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on its evaluation under the framework in Internal Control - Integrated Framework (2013), BPG's management concluded that its internal control over financial reporting was effective as of December 31, 2014.
Ernst & Young LLP, an independent registered public accounting firm, has issued a report, included herein, on the effectiveness of BPG's internal control over financial reporting.

Changes in Internal Control over Financial Reporting
There have been no changes in BPG's internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act) during the year ended December 31, 2014 that have materially affected, or that are reasonably likely to materially affect, BPG's internal control over financial reporting.

Controls and Procedures (Brixmor Operating Partnership LP)
Evaluation of Disclosure Controls and Procedures
The Operating Partnership maintains disclosure controls and procedures (as that term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) that are designed to ensure that information required to be disclosed in its reports under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in

the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosures. The Operating Partnership's management, with the participation of its principal executive officer and principal financial officer, has evaluated the effectiveness of the design and operation of its disclosure controls and procedures as of the end of the period covered by this report. Based upon that evaluation, the Operating Partnership's principal executive officer and principal financial officer concluded that, as of the end of the period covered by this report, the design and operation of the Operating Partnership's disclosure controls and procedures were effective to accomplish their objectives at the reasonable assurance level.

Management's Report on Internal Control Over Financial Reporting

The Operating Partnership's management is responsible for establishing and maintaining adequate internal control over financial reporting to provide reasonable assurance regarding the reliability of the Operating Partnership's financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. The Operating Partnership's internal control over financial reporting includes policies and procedures that pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the Operating Partnership's assets; provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Operating Partnership are being made only in accordance with authorizations of management and directors of the Operating Partnership; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of its assets that could have a material effect on the Operating Partnership's financial statements.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance and may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Under the supervision and with the participation of its management, including its chief executive officer and chief financial officer, the Operating Partnership conducted an evaluation of the effectiveness of its internal control over financial reporting based on the framework in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on its evaluation under the framework in Internal Control - Integrated Framework (2013), the Operating Partnership's management concluded that its internal control over financial reporting was effective as of December 31, 2014.

Ernst & Young LLP, an independent registered public accounting firm, has issued a report, included herein, on the effectiveness of the Operating Partnership's internal control over financial reporting.

Changes in Internal Control over Financial Reporting

There have been no changes in the Operating Partnership's internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act) during the year ended December 31, 2014 that have materially affected, or that are reasonably likely to materially affect, the Operating Partnership's internal control over financial reporting.

Item 9B. Other Information

Pursuant to Section 219 of the Iran Threat Reduction and Syria Human Rights Act of 2012 ("ITRSHRA"), which added Section 13(r) of the Exchange Act, we hereby incorporate by reference herein Exhibit 99.1 of this report, which includes disclosures publicly filed and/or provided to Blackstone by Travelport Limited and Travelport Worldwide Limited, which may be considered our affiliates.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by Item 10 will be included in the sections captioned “Proposal No. 1-Election of Directors,” “The Board of Directors and Certain Governance Matters-Executive Officers of the Company,” “The Board of Directors and Certain Governance Matters-Code of Business Conduct and Ethics and Code of Conduct for Senior Financial Officers,” “The Board of Directors and Certain Governance Matters-Committee Membership-Audit Committee” and “Section 16(a) Beneficial Ownership Reporting Compliance” included in the definitive proxy statement relating to the 2015 Annual Meeting of Stockholders of Brixmor Property Group Inc. to be held on June 3, 2015 and is incorporated herein by reference. Brixmor Property Group Inc. will file such definitive proxy statement with the SEC pursuant to Regulation 14A not later than 120 days after the end of the Company’s 2014 fiscal year covered by this Form 10-K.

Item 11. Executive Compensation

The information required by Item 11 will be included in the sections captioned “Compensation of Our Officers and Directors,” “Report of the Compensation Committee” and “Compensation Committee Interlocks and Insider Participation” included in the definitive proxy statement relating to the 2015 Annual Meeting of Stockholders of Brixmor Property Group Inc. to be held on June 3, 2015 and is incorporated herein by reference. Brixmor Property Group Inc. will file such definitive proxy statement with the SEC pursuant to Regulation 14A not later than 120 days after the end of the Company’s 2014 fiscal year covered by this Form 10-K.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by Item 12 will be included in the sections captioned “Equity Compensation Plan Information” and “Ownership of Securities” included in the definitive proxy statement relating to the 2015 Annual Meeting of Stockholders of Brixmor Property Group Inc. to be held on June 3, 2015 and is incorporated herein by reference. Brixmor Property Group Inc. will file such definitive proxy statement with the SEC pursuant to Regulation 14A not later than 120 days after the end of the Company’s 2014 fiscal year covered by this Form 10-K.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by Item 13 will be included in the sections captioned “Transactions with Related Persons” and “The Board of Directors and Certain Governance Matters - Director Independence and Independence Determinations” included in the definitive proxy statement relating to the 2015 Annual Meeting of Stockholders of Brixmor Property Group Inc. to be held on June 3, 2015 and is incorporated herein by reference. Brixmor Property Group Inc. will file such definitive proxy statement with the SEC pursuant to Regulation 14A not later than 120 days after the end of the Company’s 2014 fiscal year covered by this Form 10-K.

Item 14. Principal Accountant Fees and Services

The information required by Item 14 will be included in the section captioned “Proposal No. 2 - Ratification of Independent Registered Public Accounting Firm - Audit and Non-Audit Fees” included in the definitive proxy statement relating to the 2015 Annual Meeting of Stockholders of Brixmor Property Group Inc. to be held on June 3, 2015 and is incorporated herein by reference. Brixmor Property Group Inc. will file such definitive proxy statement with the SEC pursuant to Regulation 14A not later than 120 days after the end of the Company’s 2014 fiscal year covered by this Form 10-K.

PART IV

Item 15. Exhibits, Financial Statement Schedules
(a) Documents filed as part of this report

All other schedules are omitted because they are not applicable or the required information is shown in the financial statements or notes thereto.

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3. Exhibits.
(b) Exhibits. The following documents are filed as exhibits to this report:

		Incorporated by Reference				
Exhibit Number	Exhibit Description	Form	File No.	Date of Filing	Exhibit Number	Filed Herewith
3.1	Articles of Incorporation of Brixmor Property Group Inc., dated as of November 4, 2013	8-K	001-36160	11/4/2013	3.1	
3.2	Bylaws of Brixmor Property Group Inc., dated as of November 4, 2013	8-K	001-36160	11/4/2013	3.2	
3.3	Amended and Restated Certificate of Limited Partnership of Brixmor Operating Partnership LP	10-K	001-36160	3/12/2014	10.7	
3.4	Amended and Restated Agreement of Limited Partnership of Brixmor Operating Partnership LP, dated as of October 29, 2013, by and between Brixmor OP GP LLC, as General Partner, BPG Subsidiary Inc., as Special Limited Partner, and the other limited partners from time to time party thereto	8-K	001-36160	11/4/2013	10.1	
3.5	Amendment No. 1 to the Amended and Restated Limited Partnership Agreement of Brixmor Operating Partnership LP, dated as of October 29, 2013, by and between Brixmor OP GP LLC, as General Partner, and the limited partners from time to time party thereto	8-K	001-36160	11/4/2013	10.2	
3.6	Amendment No. 2 to the Amended and Restated Agreement of Limited Partnership of Brixmor Operating Partnership LP, dated as of March 11, 2014	8-K	001-36160	3/14/2014	10.1	
3.7	Amendment No. 3 to the Amended and Restated Agreement of Limited Partnership of Brixmor Operating Partnership LP, dated as of March 28, 2014	8-K	001-36160	4/3/2014	10.1	
4.1	Indenture, dated January 21, 2015, between Brixmor Operating Partnership LP, as issuer, and The Bank of New York Mellon, as trustee.	8-K	001-36160	1/21/2015	4.1	
4.2	First Supplemental Indenture, dated January 21, 2015, among Brixmor Operating Partnership LP, as issuer, and Brixmor OP GP LLC and BPG Subsidiary Inc., as possible future guarantors, and The Bank of New York Mellon, as trustee.	8-K	001-36160	1/21/2015	4.2	
4.3	Indenture, dated as of March 29, 1995, between New Plan Realty Trust and The	S-3	33-61383	7/28/1995	4.2	

	First National Bank of Boston, as Trustee (the "1995 Indenture")				
4.4	First Supplemental Indenture to the 1995 Indenture, dated as of August 5, 1999, by and among New Plan Realty Trust, New Plan Excel Realty Trust, Inc. and State Street Bank and Trust Company	10-Q	001-12244	11/12/1999	10.2

Exhibit Number	Exhibit Description	Incorporated by Reference Form	File No.	Date of Filing	Exhibit Number	Filed Herewith
4.5	Successor Supplemental Indenture to the 1995 Indenture, dated as of April 20, 2007, by and among Super IntermediateCo LLC and U.S. Bank Trust National Association	10-Q	001-12244	8/9/2007	4.2	
4.6	Third Supplemental Indenture to the 1995 Indenture, dated as of October 30, 2009, by and among Centro NP LLC and U.S. Bank Trust National Association	S-11	333-190002	8/23/2013	4.4	
4.7	Supplemental Indenture to the 1995 Indenture, dated as of October 16, 2014, between Brixmor LLC and U.S. Bank Trust National Association	8-K	001-36160	10/17/2014	4.1	
4.8	Indenture, dated as of February 3, 1999, among the New Plan Excel Realty Trust, Inc., as Primary Obligor, New Plan Realty Trust, as Guarantor, and State Street Bank and Trust Company, as Trustee (the “1999 Indenture”)	8-K	001-12244	2/3/1999	4.1	
4.9	Form of Officers’ Certificate relating to the terms of the Company’s 3.75% Convertible Senior Notes due 2023	8-K	001-12244	5/19/2003	4.2	
4.10	Supplemental Indenture to the 1999 Indenture, dated as of December 17, 2004, by and between New Plan Excel Realty Trust, Inc., as Primary Obligor, New Plan Realty Trust, as Guarantor, and U.S. Bank Trust National Association (as successor to State Street Bank and Trust Company)	8-K	001-12244	12/22/2004	4.1	
4.11	Successor Supplemental Indenture to the 1999 Indenture, dated as of April 20, 2007, by and among Super IntermediateCo LLC, New Plan Realty Trust, LLC and U.S. Bank Trust National Association	10-Q	001-12244	8/9/2007	4.3	
4.12	Supplemental Indenture to the 1999 Indenture, dated as of May 4, 2007, by and between Centro NP LLC, New Plan Realty Trust, LLC and U.S. Bank Trust National Association	10-Q	001-12244	8/9/2007	4.4	
4.13	Supplemental Indenture to the 1999 Indenture, dated as of October 16, 2014, between Brixmor LLC and U.S. Bank Trust National Association	8-K	001-36160	10/17/2014	4.2	
4.14	Indenture, dated as of January 30, 2004, by and between New Plan Excel Realty Trust, Inc. as Primary Obligor, and U.S. Bank Trust National Association, as Trustee (the	8-K	001-12244	2/5/2004	4.1	

	“2004 Indenture”)				
4.15	First Supplemental Indenture to the 2004 Indenture, dated as of September 19, 2006, between New Plan Excel Realty Trust and U.S. Bank Trust National Association, as trustee	8-K	001-12244	9/19/2006	4.1

Exhibit Number	Exhibit Description	Incorporated by Reference Form	File No.	Date of Filing	Exhibit Number	Filed Herewith
4.16	Successor Supplemental Indenture to the 2004 Indenture, dated as of April 20, 2007, by and among Super IntermediateCo LLC and U.S. Bank Trust National Association	10-Q	001-12244	8/9/2007	4.1	
4.17	Supplemental Indenture to the 2004 Indenture, dated as of May 4, 2007, by and between Centro NP LLC and U.S. Bank Trust National Association	10-Q	001-12244	8/9/2007	4.5	
10.1	Separate Series Agreement, dated as of October 29, 2013, by and among BRE Non-Core Assets Inc., as a limited partner associated with Series A, Non-Core Series GP, LLC, as the general partner associated with Series A, and Brixmor OP GP LLC, as the general partner of the Partnership on behalf of Brixmor Operating Partnership LP	8-K	001-36160	11/4/2013	10.3	
10.2	Registration Rights Agreement, dated as of October 29, 2013, by and among the Company and the equity holders named therein	8-K	001-36160	11/4/2013	10.4	
10.3	Stockholders' Agreement, dated as of October 29, 2013, by and between the Company and BRE Retail Holdco L.P.	8-K	001-36160	11/4/2013	10.5	
10.4	Exchange Agreement, dated as of October 29, 2013, by and among the Company and the other holders of BPG Subsidiary Inc. common stock from time to time party thereto	8-K	001-36160	11/4/2013	10.6	
10.5	Form of Contribution Agreement	S-11	333-190002	10/29/2013	10.2	
10.6	Non-Core Property Management Agreement, dated as of October 29, 2013	10-K	001-36160	3/12/2014	10.9	
10.7	Term Loan Agreement, dated March 18, 2014, among Brixmor Operating Partnership LP, as borrower, JPMorgan Chase Bank, N.A., as administrative agent, and the lenders from time to time party thereto	8-K	001-36160	3/18/2014	10.1	
10.8	Parent Guaranty, executed as of March 18, 2014, by BPG Subsidiary Inc. and Brixmor OP GP LLC for the benefit of JPMorgan Chase, N.A., as administrative agent	8-K	001-36160	3/18/2014	10.2	
10.9	Amendment No. 1 to Term Loan Agreement, dated as of February 5, 2015, among Brixmor Operating Partnership LP, as borrower, JPMorgan Chase Bank, N.A.,	8-K	001-36160	2/9/2015	10.2	

as administrative agent

Exhibit Number	Exhibit Description	Incorporated by Reference Form	File No.	Date of Filing	Exhibit Number	Filed Herewith
10.10	Revolving Credit and Term Loan Agreement, dated as of July 16, 2013, among Brixmor Operating Partnership LP. as borrower, JP Morgan Chase Bank, N.A., as administrative agent, Bank of America, N.A. and Wells Fargo Bank, National Association, as syndication agents, Barclays Bank PLC, Citibank, N.A., Deutsche Bank Securities Inc. and Royal Bank of Canada, as documentation agents and the other Lenders party thereto	S-11	333-190002	8/23/2013	10.6	
10.11	Parent Guaranty, dated as of July 16, 2013, made by BPG Subsidiary Inc. and Brixmor OP GP LLC for the benefit of JP Morgan Chase Bank, N.A., as administrative agent	S-11	333-190002	10/29/2013	10.7	
10.12	Amendment No. 1 to Revolving Credit and Term Loan Agreement, dated as of February 5, 2015, among Brixmor Operating Partnership LP, as borrower, JPMorgan Chase Bank, N.A., as administrative agent	8-K	001-36160	2/9/2015	10.1	
10.13	Loan Agreement, dated as of July 28, 2010, by and among Centro NP New Garden SC Owner, LLC, Centro NP Clark, LLC, Centro NP Hamilton Plaza Owner, LLC, Centro NP Holdings 11 SPE, LLC, Centro NP Holdings 12 SPE, LLC, Centro NP Atlantic Plaza, LLC, Centro NP 23rd Street Station Owner, LLC, Centro NP Coconut Creek Owner, LLC, Centro NP Seminole Plaza Owner, LLC, Centro NP Ventura Downs Owner, LLC, Centro NP Augusta West Plaza, LLC, Centro NP Banks Station, LLC, Centro NP Laurel Square Owner, LLC, Centro NP Middletown Plaza Owner, LLC, Centro NP Miracle Mile, LLC, Centro NP Ridgeview, LLC, Centro NP Surrey Square Mall, LLC, Centro NP Covington Gallery Owner, LLC, Centro NP Stone Mountain, LLC, Centro NP Greentree SC, LLC, Centro NP Arbor Faire Owner, LP, Centro NP Holdings 10 SPE, LLC, HK New Plan Festival Center (IL), LLC and JPMorgan Chase Bank, N.A., as lender	S-11	333-190002	8/23/2013	10.9	
10.14		S-11	333-190002	8/23/2013	10.10	

	Guaranty, dated as of July 28, 2010, made by Centro NP LLC for the benefit of JPMorgan Chase Bank, N.A., as lender (regarding Loan Agreement with Centro NP New Garden SC Owner, LLC, et al.)				
10.15	Senior Mezzanine Loan Agreement, dated as of July 28, 2010, by and among Centro NP New Garden Mezz 1, LLC, Centro NP Senior Mezz Holding, LLC and JPMorgan Chase Bank, N.A., as lender	S-11	333-190002	8/23/2013	10.11

Exhibit Number	Exhibit Description	Incorporated by Reference Form	File No.	Date of Filing	Exhibit Number	Filed Herewith
10.16	Senior Mezzanine Guaranty, dated as of July 28, 2010, made by Centro NP LLC for the benefit of JPMorgan Chase Bank, N.A., as lender	S-11	333-190002	8/23/2013	10.12	
10.17	Omnibus Amendment to the Mezzanine Loan Documents, dated as of September 1, 2010, by and among Centro NP New Garden Mezz 1, LLC, Centro NP Senior Mezz Holding, LLC and JPMorgan Chase Bank, N.A., as lender	S-11	333-190002	10/17/2013	10.13	
10.18	Loan Agreement, dated as of July 28, 2010, by and between Centro NP Roosevelt Mall Owner, LLC and JPMorgan Chase Bank, N.A., as lender	S-11	333-190002	10/17/2013	10.14	
10.19	Guaranty, dated as of July 28, 2010, made by Centro NP LLC for the benefit of JPMorgan Chase Bank, N.A., as lender (regarding Loan Agreement with Centro NP Roosevelt Mall Owner, LLC)	S-11	333-190002	10/17/2013	10.15	
10.20*	2013 Omnibus Incentive Plan	S-11	333-190002	9/23/2013	10.18	
10.21*	Form of Director and Officer Indemnification Agreement	S-11	333-190002	8/23/2013	10.19	
10.22*	Employment Agreement, dated November 1, 2011, between BPG Subsidiary Inc. and Michael A. Carroll	S-11	333-190002	8/23/2013	10.20	
10.23*	Employment Agreement, dated June 24, 2013, between BPG Subsidiary Inc. and Michael V. Pappagallo	S-11	333-190002	8/23/2013	10.21	
10.24*	Employment Agreement, dated November 1, 2011, between BPG Subsidiary Inc. and Timothy Bruce	S-11	333-190002	8/23/2013	10.22	
10.25*	Employment Agreement, dated November 1, 2011, between BPG Subsidiary Inc. and Steven F. Siegel	S-11	333-190002	8/23/2013	10.23	
10.26*	Employment Agreement, dated November 1, 2011, between BPG Subsidiary Inc. and Dean Bernstein	S-11	333-190002	8/23/2013	10.24	
10.27*	Employment Agreement, dated November 1, 2011, between BPG Subsidiary Inc. and Tiffanie Fisher	S-11	333-190002	8/23/2013	10.25	
10.28*	Form of Brixmor Property Group Inc. Restricted Stock Grant and Acknowledgment	S-11	333-190002	10/4/2013	10.26	
10.29*	Form of BPG Subsidiary Inc. Restricted Stock Grant and Acknowledgment	S-11	333-190002	10/4/2013	10.27	
10.30*		S-11	333-190002	9/23/2013	10.28	

	Separation Agreement, dated as of September 4, 2013, between Brixmor Property Group Inc. and Tiffanie Fisher				
10.31*	Form of Restricted Stock Unit Agreement	8-K	001-36160	3/14/2014	10.2
10.32*	Form of LTIP Unit Agreement	8-K	001-36160	3/14/2014	10.3
10.33	Form of Director Restricted Stock Award Agreement	S-11	333-190002	10/4/2013	10.30

Exhibit Number	Exhibit Description	Incorporated by Reference Form	File No.	Date of Filing	Exhibit Number	Filed Herewith
12.1	Computation of Consolidated Ratio of Earnings to Fixed Charges and Consolidated Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends	—	—	—	—	x
21.1	Subsidiaries of the Brixmor Property Group Inc.	—	—	—	—	x
21.1	Subsidiaries of the Brixmor Operating Partnership LP	—	—	—	—	x
23.1	Consent of Ernst & Young LLP for Brixmor Property Group Inc.	—	—	—	—	x
23.2	Consent of Ernst & Young LLP for Brixmor Operating Partnership LP	—	—	—	—	x
31.1	Brixmor Property Group Inc. Certification of Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	—	—	—	—	x
31.2	Brixmor Property Group Inc. Certification of Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	—	—	—	—	x
31.3	Brixmor Operating Partnership LP Certification of Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	—	—	—	—	x
31.4	Brixmor Operating Partnership LP Certification of Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	—	—	—	—	x
32.1	Brixmor Property Group Inc. Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	—	—	—	—	x
32.2	Brixmor Property Group Inc. Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act	—	—	—	—	x

	of 2002					
32.3	Brixmor Operating Partnership LP Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	—	—	—	—	x
32.4	Brixmor Operating Partnership LP Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	—	—	—	—	x

Exhibit Number	Exhibit Description	Incorporated by Reference Form	File No.	Date of Filing	Exhibit Number	Filed Herewith
99.1	Section 13(r) Disclosure	—	—	—	—	x
99.2	Property List	—	—	—	—	x
99.3	Information relating to Part II, Item 14 “Other Expenses of Issuance and Distribution” of the Registration Statement (File No. 333-201464-01).	8-K	001-36160	1/21/2015	99.1	
101.INS	XBRL Instance Document	—	—	—	—	x
101.SCH	XBRL Taxonomy Extension Schema Document	—	—	—	—	x
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document	—	—	—	—	x
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document	—	—	—	—	x
101.LAB	XBRL Taxonomy Extension Label Linkbase Document	—	—	—	—	x
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document	—	—	—	—	x

* Indicates management contract or compensatory plan or arrangement.

The agreements and other documents filed as exhibits to this report are not intended to provide factual information or other disclosure other than with respect to the terms of the agreements or other documents themselves, and you should not rely on them for that purpose. In particular, any representations and warranties made by us in these agreements or other documents were made solely within the specific context of the relevant agreement or document and may not describe the actual state of affairs as of the date they were made or at any other time.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BRIXMOR PROPERTY GROUP INC.

Dated: February 19, 2015

By: /s/Michael A. Carroll
Michael A. Carroll
Chief Executive Officer and Director
(Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Dated: February 19, 2015

By: /s/Michael V. Pappagallo
Michael V. Pappagallo
President and Chief Financial Officer
(Principal Financial Officer)

Dated: February 19, 2015

By: /s/Steven A. Splain
Steven A. Splain
Executive Vice President
(Principal Accounting Officer)

Dated: February 19, 2015

By: /s/John G. Schreiber
John G. Schreiber
Chairman of the Board of Directors

Dated: February 19, 2015

By: /s/A.J. Agarwal
A.J. Agarwal
Director

Dated: February 19, 2015

By: /s/Michael Berman
Michael Berman
Director

Dated: February 19, 2015

By: /s/Anthony W. Deering
Anthony W. Deering
Director

Dated: February 19, 2015

By: /s/Jonathan D. Gray
Jonathan D. Gray
Director

Dated: February 19, 2015

By: /s/William D. Rahm
William D. Rahm
Director

Dated: February 19, 2015

By: /s/William J. Stein
William J. Stein
Director

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS
AND
FINANCIAL STATEMENT SCHEDULES

All other schedules are omitted because they are not applicable or the required information is shown in the financial statements or notes thereto.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of Brixmor Property Group Inc. and Subsidiaries

We have audited the accompanying consolidated balance sheets of Brixmor Property Group Inc. and Subsidiaries (the "Company") as of December 31, 2014 and 2013, and the related consolidated statements of comprehensive income, changes in equity, and cash flows for each of the three years in the period ended December 31, 2014. Our audits also included the financial statement schedules listed in the Index at Item 15. These financial statements and schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Brixmor Property Group Inc. and Subsidiaries at December 31, 2014 and 2013, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2014, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedules, when considered in relation to the financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Brixmor Property Group Inc. and Subsidiaries internal control over financial reporting as of December 31, 2014, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 19, 2015 expressed an unqualified opinion thereon.

/s/Ernst & Young LLP
New York, New York

Date: February 19, 2015

Report of Independent Registered Public Accounting Firm
The Board of Directors and Shareholders of Brixmor Property Group Inc. and Subsidiaries

We have audited Brixmor Property Group Inc. and Subsidiaries (the “Company”) internal control over financial reporting as of December 31, 2014, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). The Company’s management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management’s Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the company’s internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Brixmor Property Group Inc. and Subsidiaries maintained, in all material respects, effective internal control over financial reporting as of December 31, 2014, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets as of December 31, 2014 and 2013, and the related consolidated statements of comprehensive income, changes in equity, and cash flows for each of the three years in the period ended December 31, 2014 of Brixmor Property Group Inc. and Subsidiaries and our report dated February 19, 2015 expressed an unqualified opinion thereon.

/s/Ernst & Young LLP
New York, New York

Date: February 19, 2015

Report of Independent Registered Public Accounting Firm

The Board of Directors and Partners of Brixmor Operating Partnership LP and Subsidiaries

We have audited the accompanying consolidated balance sheets of Brixmor Operating Partnership LP and subsidiaries (the “Operating Partnership”) as of December 31, 2014 and 2013, and the related consolidated statements of comprehensive income, changes in capital, and cash flows for each of the three years in the period ended December 31, 2014. Our audits also included the financial statement schedules listed in the Index at Item 15. These financial statements and schedules are the responsibility of the Operating Partnership’s management. Our responsibility is to express an opinion on these financial statements and schedules based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Brixmor Operating Partnership LP and Subsidiaries at December 31, 2014 and 2013, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2014, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedules, when considered in relation to the financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Brixmor Operating Partnership LP’s and Subsidiaries internal control over financial reporting as of December 31, 2014, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 19, 2015 expressed an unqualified opinion thereon.

/s/Ernst & Young LLP
New York, New York

Date: February 19, 2015

Report of Independent Registered Public Accounting Firm
The Board of Directors and Partners of Brixmor Operating Partnership LP and Subsidiaries

We have audited Brixmor Operating Partnership LP and Subsidiaries (the "Operating Partnership") internal control over financial reporting as of December 31, 2014, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). The Operating Partnership's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Operating Partnership's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Brixmor Operating Partnership LP and Subsidiaries maintained, in all material respects, effective internal control over financial reporting as of December 31, 2014, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets as of December 31, 2014 and 2013, and the related consolidated statements of comprehensive income (loss), changes in capital, and cash flows for each of the three years in the period ended December 31, 2014 of Brixmor Operating Partnership LP and Subsidiaries and our report dated February 19, 2015 expressed an unqualified opinion thereon.

/s/Ernst & Young LLP
New York, New York

Date: February 19, 2015

BRIXMOR PROPERTY GROUP INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands, except share information)

	December 31, 2014	December 31, 2013
Assets		
Real estate		
Land	$2,000,415	$2,055,802
Buildings and improvements	8,801,834	8,781,926
	10,802,249	10,837,728
Accumulated depreciation and amortization	(1,549,234)	(1,190,170)
Real estate, net	9,253,015	9,647,558
Investments in and advances to unconsolidated joint ventures	5,072	9,205
Cash and cash equivalents	60,595	113,915
Restricted cash	53,164	75,457
Marketable securities	20,315	22,104
Receivables, net	182,424	178,505
Deferred charges and prepaid expenses, net	114,758	105,522
Other assets	13,059	19,650
Total assets	$9,702,402	$10,171,916
Liabilities		
Debt obligations, net	$6,042,997	$5,981,289
Financing liabilities, net	—	175,111
Accounts payable, accrued expenses and other liabilities	679,102	709,529
Total liabilities	6,722,099	6,865,929
Redeemable non-controlling interests	—	21,467
Commitments and contingencies	—	—
Equity		
Common stock, $0.01 par value; authorized 3,000,000,000 shares; 296,552,142 and 229,689,960 shares outstanding	2,966	2,297
Additional paid in capital	3,223,941	2,543,690
Accumulated other comprehensive loss	(4,435)	(6,812)
Distributions and accumulated losses	(318,762)	(196,707)
Total stockholders' equity	2,903,710	2,342,468
Non-controlling interests	76,593	942,052
Total equity	2,980,303	3,284,520
Total liabilities and equity	$9,702,402	$10,171,916

The accompanying notes are an integral part of these consolidated financial statements.

BRIXMOR PROPERTY GROUP INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)

	Year Ended December 31,		
	2014	2013	2012
Revenues			
Rental income	$960,715	$887,466	$851,311
Expense reimbursements	268,035	242,803	225,710
Other revenues	7,849	16,135	11,233
Total revenues	1,236,599	1,146,404	1,088,254
Operating expenses			
Operating costs	129,148	116,522	118,876
Real estate taxes	179,504	168,468	155,142
Depreciation and amortization	441,630	438,547	488,524
Provision for doubtful accounts	11,537	10,899	11,542
Impairment of real estate assets	—	1,531	—
Acquisition related costs	—	—	541
General and administrative	80,175	121,082	88,936
Total operating expenses	841,994	857,049	863,561
Other income (expense)			
Dividends and interest	602	832	1,138
Interest expense	(262,812)	(343,193)	(376,237)
Gain on sale of real estate assets and acquisition of joint venture interest	378	2,223	501
Loss on extinguishment of debt, net	(13,761)	(20,028)	—
Other	(8,431)	(11,014)	(504)
Total other income (expense)	(284,024)	(371,180)	(375,102)
Income (loss) before equity in income of unconsolidated joint ventures	110,581	(81,825)	(150,409)
Equity in income of unconsolidated joint ventures	370	1,167	687
Impairment of investments in unconsolidated joint ventures	—	—	(314)
Gain on disposition of investments in unconsolidated joint ventures	1,820	—	—
Income (loss) from continuing operations	112,771	(80,658)	(150,036)
Discontinued operations			
Income (loss) from discontinued operations	4,909	3,505	(2,447)
Gain on disposition of operating properties	15,171	3,392	5,369
Impairment of real estate held for sale	—	(45,122)	(13,599)
Income (loss) from discontinued operations	20,080	(38,225)	(10,677)
Net income (loss)	132,851	(118,883)	(160,713)
Net (income) loss attributable to non-controlling interests	(43,849)	25,349	38,146
Net income (loss) attributable to Brixmor Property Group Inc.	89,002	(93,534)	(122,567)
Preferred stock dividends	(150)	(162)	(296)

Net income (loss) attributable to common stockholders	$88,852	$(93,696)	$(122,863)
Per common share:			
Income (loss) from continuing operations:			
Basic	$0.36	$(0.33)	$(0.64)
Diluted	$0.36	$(0.33)	$(0.64)
Net income (loss) attributable to common stockholders:			
Basic	$0.36	$(0.50)	$(0.68)
Diluted	$0.36	$(0.50)	$(0.68)
Weighted average number of vested common shares:			
Basic	243,390	188,993	180,675
Diluted	244,588	188,993	180,675

The accompanying notes are an integral part of these consolidated financial statements.

BRIXMOR PROPERTY GROUP INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(in thousands)

	Year Ended December 31,		
	2014	2013	2012
Net income (loss)	$132,851	$(118,883)	$(160,713)
Other comprehensive income (loss)			
Unrealized gain (loss) on interest rate hedges	2,372	(6,795)	—
Unrealized gain (loss) on marketable securities	5	22	(83)
Comprehensive income (loss)	135,228	(125,656)	(160,796)
Comprehensive (income) loss attributable to non-controlling interests	(43,849)	25,349	38,146
Comprehensive income (loss) attributable to the Company	$91,379	$(100,307)	$(122,650)

The accompanying notes are an integral part of these consolidated financial statements.

BRIXMOR PROPERTY GROUP INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in thousands)

	Common Stock						
	Number	Amount	Additional Paid in Capital	Accumulated Other Comprehensive Loss	Distributions and Accumulated Losses	Non-controlling Interests	Total
Beginning balance, January 1, 2012	182,242	$1,822	$1,741,414	$ 44	$ 115,214	$ 598,936	2,457,430
Common stock dividends	—	—	—	—	(18,910)	—	(18,910)
Distributions to non-controlling interests	—	—	—	—	—	(6,203)	(6,203)
Compensations expense relating to Class B Units	—	—	4,857	—	—	1,563	6,420
Unrealized loss on marketable securities	—	—	—	(83)	—	—	(83)
Preferred stock dividends	—	—	—	—	(296)	—	(296)
Net Income	—	—	—	—	(122,567)	(39,437)	(162,004)
Ending balance, December 31, 2012	182,242	$1,822	$1,746,271	$ (39)	$ (26,559)	$ 554,859	$2,276,354
Common stock dividends	—	—	—	—	(47,280)	—	(47,280)
Distributions to non-controlling interests	—	—	—	—	—	(25,219)	(25,219)
Issuance of non-core series A	—	—	(186,935)	—	—	186,935	—
Issuance of OP units for Acquired Properties	—	—	—	—	—	317,556	317,556
Compensation expense relating to Class B Units	—	—	27,487	—	—	8,908	36,395
Proceeds from initial public offering	47,438	475	893,385	—	—		893,860
Redemption of preferred stock	—	—	(1,250)	—	—	—	(1,250)
Preferred stock dividends	—	—	—	—	(162)	(151)	(313)
Issuance of common stock	9	—	—	—	—	—	—

Credit swap liability	—	—	—	(6,795)	—	—	(6,795)
Unrealized gain on marketable securities	—	—	—	22	—	—	22
Declared but unpaid dividends and distributions ($0.127 per common share)	—	—	—	—	(29,172)	(9,467)	(38,639)
Reallocation of non-controlling interest in the OP and BPG Sub.	—	—	64,732	—	—	(64,732)	—
Net loss	—	—	—	—	(93,534)	(26,637)	(120,171)
Ending balance, December 31, 2013	229,689	$2,297	$2,543,690	$ (6,812)	$ (196,707)	$ 942,052	$3,284,520
Common stock dividends ($0.825 per common share)	—	—	—	—	(211,057)	—	(211,057)
Distributions to non-controlling interests	—	—	—	—	—	(40,331)	(40,331)
Redemption of Series A	—	—	6,222	—	—	(201,400)	(195,178)
Equity based compensation expense	—	—	7,588	—	—	1,864	9,452
Preferred stock dividends	—	—	—	—	—	(150)	(150)
Acquisition of non-controlling interests	—	—	437	—	—	(1,437)	(1,000)
Change in value of credit swap liability	—	—	—	2,372	—	—	2,372
Unrealized gain on marketable securities	—	—	—	5	—	—	5
Conversion of Operating Partnership units and BPG Sub shares into common stock	66,863	669	666,004	—	—	(666,673)	—
Net income	—	—	—	—	89,002	42,668	131,670
Ending balance, December 31, 2014	296,552	$2,966	$3,223,941	$ (4,435)	$ (318,762)	$ 76,593	$2,980,303

The accompanying notes are an integral part of these consolidated financial statements.

BRIXMOR PROPERTY GROUP INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended December 31,		
	2014	2013	2012
Operating activities:			
Net income (loss)	$132,851	$(118,883)	$(160,713)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	442,236	450,279	510,435
Debt premium and discount amortization	(20,413)	(20,973)	(25,314)
Deferred financing cost amortization	8,691	10,831	10,272
Above- and below-market lease intangible amortization	(45,536)	(51,379)	(50,881)
Provisions of impairment	—	46,653	13,913
Gain on disposition of operating properties, disposition of investments in unconsolidated joint ventures and acquisition of joint venture interest	(17,369)	(5,615)	(5,870)
Equity based compensation	9,452	36,395	(687)
Other	(325)	(1,165)	6,420
(Gain) loss on extinguishment of debt, net	(245)	16,498	—
Changes in operating assets and liabilities:			
Restricted cash	16,920	5,562	(8,144)
Receivables	(5,347)	(17,055)	(11,793)
Deferred charges and prepaid expenses	(29,413)	(22,826)	(24,422)
Other assets	409	2,901	(2,692)
Accounts payable, accrued expenses and other liabilities	(12,701)	767	18,323
Net cash provided by operating activities	479,210	331,990	268,847
Investing activities:			
Improvements to and investments in real estate assets	(214,678)	(150,461)	(177,213)
Acquisitions of real estate assets	—	(6,377)	(6,000)
Proceeds from sales of real estate assets	6,835	58,994	50,609
Distributions from unconsolidated joint ventures	454	593	1,640
Contributions to unconsolidated joint ventures	—	(25)	(1,496)
Change in restricted cash attributable to investing activities	4,483	8,108	16,266
Purchase of marketable securities	(23,123)	(12,737)	(22,116)
Proceeds from sale of marketable securities	25,197	15,538	19,608
Net cash used in investing activities	(200,832)	(86,367)	(118,702)
Financing activities:			
Repayment of debt obligations and financing liabilities	(1,086,241)	(2,702,931)	(530,342)
Proceeds from debt obligations	—	57,000	360,000
Repayment of borrowings under unsecured revolving credit facility	(720,047)	(914,108)	—
Proceeds from borrowings under unsecured credit facility	1,119,343	2,534,286	—
Proceeds from unsecured term loan	600,000	—	—
Deferred financing costs	(2,995)	(27,529)	(7,256)
Proceeds from issuance of common stock	—	893,860	—
Redemption of preferred stock	—	(1,250)	—
Distributions to common stockholders	(173,147)	(47,442)	(19,209)
Distributions to non-controlling interests and other	(68,611)	(26,692)	(7,846)

Net cash used in financing activities	(331,698)	(234,806)	(204,653)
Change in cash and cash equivalents	(53,320)	10,817	(54,508)
Cash and cash equivalents at beginning of period	113,915	103,098	157,606
Cash and cash equivalents at end of period	$60,595	$113,915	$103,098
Supplemental non-cash investing and/or financing activities:			
Cash paid for interest, net of amount capitalized	$282,639	$342,950	$388,320
Net carrying value of properties distributed to non-controlling owners	178,969	—	—
Capitalized interest	4,047	4,968	1,661
State and local taxes paid	1,889	2,013	2,754
Fair value of Operating Partnership units issued for acquisition of real estate assets	—	317,556	—

The accompanying notes are an integral part of these consolidated financial statements.

BRIXMOR OPERATING PARTNERSHIP LP AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands, except share information)

	December 31, 2014	December 31, 2013
Assets		
Real estate		
Land	$2,000,415	$2,055,802
Buildings and improvements	8,801,834	8,781,926
	10,802,249	10,837,728
Accumulated depreciation and amortization	(1,549,234)	(1,190,170)
Real estate, net	9,253,015	9,647,558
Investments in and advances to unconsolidated joint ventures	5,072	9,205
Cash and cash equivalents	60,450	113,006
Restricted cash	53,164	75,457
Marketable securities	20,113	21,907
Receivables, net	182,424	178,505
Deferred charges and prepaid expenses, net	114,758	105,522
Other assets	13,059	19,650
Total assets	$9,702,055	$10,170,810
Liabilities		
Debt obligations, net	$6,042,997	$5,981,289
Financing liabilities, net	—	175,111
Accounts payable, accrued expenses and other liabilities	679,102	709,519
Total liabilities	6,722,099	6,865,919
Redeemable non-controlling interests	—	21,467
Commitments and contingencies	—	—
Capital		
Partnership common units: 304,246,750 and 304,230,758 units outstanding	2,984,381	3,108,398
Series A interest	—	180,386
Accumulated other comprehensive loss	(4,425)	(6,797)
Total partners' capital	2,979,956	3,281,987
Non-controlling interests	—	1,437
Total capital	2,979,956	3,283,424
Total liabilities and capital	$9,702,055	$10,170,810

The accompanying notes are an integral part of these consolidated financial statements.

BRIXMOR OPERATING PARTNERSHIP LP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)

	Year Ended December 31,		
	2014	2013	2012
Revenues			
Rental income	$960,715	$887,466	$851,311
Expense reimbursements	268,035	242,803	225,710
Other revenues	7,849	16,135	11,233
Total revenues	1,236,599	1,146,404	1,088,254
Operating expenses			
Operating costs	129,148	116,522	118,876
Real estate taxes	179,504	168,468	155,142
Depreciation and amortization	441,630	438,547	488,524
Provision for doubtful accounts	11,537	10,899	11,542
Impairment of real estate assets	—	1,531	—
General and administrative	80,175	121,078	88,931
Total operating expenses	841,994	857,045	863,015
Other income (expense)			
Dividends and interest	602	825	1,125
Interest expense	(262,812)	(343,193)	(376,237)
Gain on sale of real estate assets and acquisition of joint venture interest	378	2,223	501
Loss on extinguishment of debt, net	(13,761)	(20,028)	—
Other	(8,431)	(11,005)	(513)
Total other income (expense)	(284,024)	(371,178)	(375,124)
Income (loss) before equity in income of unconsolidated joint ventures	110,581	(81,819)	(149,885)
Equity in income of unconsolidated joint ventures	370	1,167	687
Impairment of investment in unconsolidated joint ventures	—	—	(314)
Gain on disposition of investments in unconsolidated joint ventures	1,820	—	—
Income (loss) from continuing operations	112,771	(80,652)	(149,512)
Discontinued operations			
Income (loss) from discontinued operations	4,909	3,505	(2,447)
Gain on disposition of operating properties	15,171	3,392	5,369
Impairment of real estate held for sale	—	(45,122)	(13,599)
Income (loss) from discontinued operations	20,080	(38,225)	(10,677)
Net income (loss)	132,851	(118,877)	(160,189)
Net income attributable to non-controlling interests	(1,181)	(1,355)	(1,306)
Net income (loss) attributable to Brixmor Operating Partnership LP	$131,670	$(120,232)	$(161,495)
Net income (loss) attributable to:			
Series A interest	$21,014	$3,451	$—

Partnership common units	110,656	(123,683)	(161,495)
Net income (loss) attributable to Brixmor Operating Partnership LP	$131,670	$(120,232)	$(161,495)
Per common unit:			
Income (loss) from continuing operations:			
Basic	$0.36	$(0.33)	$(0.63)
Diluted	$0.36	$(0.33)	$(0.63)
Net income (loss) attributable to partnership common units:			
Basic	$0.36	$(0.50)	$(0.68)
Diluted	$0.36	$(0.50)	$(0.68)
Weighted average number of partnership common units:			
Basic	302,540	250,109	238,834
Diluted	303,738	250,109	238,834

The accompanying notes are an integral part of these consolidated financial statements.

BRIXMOR OPERATING PARTNERSHIP LP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(in thousands)

	Year Ended December 31,		
	2014	2013	2012
Net income (loss)	$132,851	$(118,877)	$(160,189)
Other comprehensive income (loss)			
Unrealized gain (loss) on interest rate hedges	2,372	(6,795)	—
Unrealized gain (loss) on marketable securities	—	34	(80)
Comprehensive income (loss)	135,223	(125,638)	(160,269)
Comprehensive income attributable to non-controlling interests	(1,181)	(1,355)	(1,306)
Comprehensive income (loss) attributable to Brixmor Operating Partnership LP	$134,042	$(126,993)	$(161,575)
Comprehensive income (loss) attributable to:			
Series A interest	$21,014	$3,451	$—
Partnership common units	113,028	(130,444)	(161,575)
Comprehensive loss attributable to Brixmor Operating Partnership LP	$134,042	$(126,993)	$(161,575)

The accompanying notes are an integral part of these consolidated financial statements.

BRIXMOR OPERATING PARTNERSHIP LP AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN CAPITAL

(in thousands)

	Partnership Common Units	Series A Interest	Accumulated Other Comprehensive Income (Loss)	Non-controlling Interests	Total
Beginning balance, January 1, 2012	$2,404,069	$—	$44	$1,469	2,405,582
Contributions from partners	20,209	—	—	—	20,209
Distributions to non-controlling interests	—	—	—	(114)	(114)
Equity based compensation expense	6,420	—	—	—	6,420
Unrealized loss on marketable securities	—	—	(80)	—	(80)
Net Income	(161,495)	—	—	15	(161,480)
Ending balance, December 31, 2012	$2,269,203	$—	$(36)	$1,370	$2,270,537
Contributions from partners	893,860	—	—	—	893,860
Distributions to partners	(59,359)	(10,000)	—	—	(69,359)
Issuance of Series A interest	(186,935)	186,935	—	—	—
Equity based compensation expense	36,395	—	—	—	36,395
Issuance of OP units for acquired properties	317,556	—	—	—	317,556
Change in value of credit swap liability	—	—	(6,795)		(6,795)
Unrealized gain on marketable securities	—	—	34	—	34
Declared but unpaid dividends and distributions	(38,639)	—	—	—	(38,639)
Net income (loss)	(123,683)	3,451	—	67	(120,165)
Ending balance, December 31, 2013	$3,108,398	$180,386	$(6,797)	$1,437	$3,283,424
Contributions from partners	—	—	—	—	—
Distributions to partners	(250,784)	—	—	—	(250,784)
Redemption of Series A interest	6,222	(201,400)	—	—	(195,178)
Equity based compensation expense	9,452	—	—	—	9,452
Acquisition of non-controlling interests	437	—	—	(1,437)	(1,000)
Change in value of credit swap liability	—	—	2,372	—	2,372

Net income	110,656	21,014	—	—	131,670
Ending balance, December 31, 2014	$2,984,381	$—	$(4,425)	$—	$2,979,956

The accompanying notes are an integral part of these consolidated financial statements.

BRIXMOR OPERATING PARTNERSHIP LP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended December 31, 2014	2013	2012
Operating activities:			
Net income (loss)	$132,851	$(118,877)	$(160,189)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	442,236	450,279	510,435
Debt premium and discount amortization	(20,413)	(20,973)	(25,314)
Deferred financing cost amortization	8,691	10,831	10,272
Above- and below-market lease intangible amortization	(45,536)	(51,379)	(50,881)
Provisions of impairment	—	46,653	13,913
Gain on disposition of operating properties, disposition of investments in unconsolidated joint ventures and acquisition of joint venture interest	(17,369)	(5,615)	(5,870)
Equity based compensation	9,452	36,395	6,420
Other	(325)	(1,165)	(687)
(Gain) loss on extinguishment of debt, net	(245)	16,498	—
Changes in operating assets and liabilities:			
Restricted cash	16,920	5,562	(8,144)
Receivables	(5,347)	(17,055)	(11,793)
Deferred charges and prepaid expenses	(29,413)	(22,826)	(24,422)
Other assets	411	2,901	(2,692)
Accounts payable, accrued expenses and other liabilities	(12,696)	759	18,461
Net cash provided by operating activities	479,217	331,988	269,509
Investing activities:			
Improvements to and investments in real estate assets	(214,678)	(150,461)	(177,213)
Acquisitions of real estate assets	—	(6,377)	(6,000)
Proceeds from sales of real estate assets	6,835	58,994	50,609
Distributions from unconsolidated joint ventures	454	593	1,640
Contributions to unconsolidated joint ventures	—	(25)	(1,496)
Change in restricted cash attributable to investing activities	4,493	8,114	16,266
Purchase of marketable securities	(23,123)	(12,737)	(21,913)
Proceeds from sale of marketable securities	25,197	15,538	19,608
Net cash used in investing activities	(200,822)	(86,361)	(118,499)
Financing activities:			
Repayment of debt obligations and financing liabilities	(1,086,241)	(2,702,931)	(530,342)
Proceeds from debt obligations	—	57,000	360,000
Repayment of borrowings under unsecured revolving credit facility	(720,047)	(914,108)	—
Proceeds from borrowings under unsecured credit facility	1,119,343	2,534,286	—
Proceeds from unsecured term loan	600,000	—	—
Deferred financing costs	(2,995)	(27,529)	(7,256)
Partners contributions	—	893,860	20,209
Partners distributions	(226,545)	(69,359)	—
Distributions to non-controlling interests and other	(14,466)	(1,321)	(1,758)
Net cash used in financing activities	(330,951)	(230,102)	(159,147)

Change in cash and cash equivalents	(52,556)	15,525	(8,137)
Cash and cash equivalents at beginning of period	113,006	97,481	105,618
Cash and cash equivalents at end of period	$60,450	$113,006	$97,481
Supplemental non-cash investing and/or financing activities:			
Cash paid for interest, net of amount capitalized	282,639	342,950	388,320
Net carrying value of properties distributed to non-controlling owners	178,969	—	—
Capitalized interest	4,047	4,968	1,661
State and local taxes paid	1,889	2,013	2,754
Fair value of Operating Partnership units issued for acquisition of real estate assets	—	317,556	—

The accompanying notes are an integral part of these consolidated financial statements.

BRIXMOR PROPERTY GROUP INC. AND BRIXMOR OPERATING PARTNERSHIP LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in thousands, unless otherwise stated)

1. Nature of Business and Financial Statement Presentation
Description of Business
Brixmor Property Group Inc. and subsidiaries (collectively, the "Parent Company") is an internally-managed REIT. Brixmor Operating Partnership LP and subsidiaries (collectively, the "Operating Partnership") is the entity through which the Parent Company conducts substantially all of its operations and owns substantially all of its assets. The Parent Company owns 100% of the common stock of BPG Subsidiary Inc. ("BPG Sub"), which, in turn, is the sole member of Brixmor OP GP LLC (the "General Partner"), the sole general partner of the Operating Partnership. The Parent Company engages in the ownership, management, leasing, acquisition and development of retail shopping centers through the Operating Partnership, and has no other substantial assets or liabilities other than through its investment in the Operating Partnership. The Parent Company, the Operating Partnership and their controlled subsidiaries on a consolidated basis (collectively the "Company" or "Brixmor") owns and operates the largest wholly-owned portfolio of grocery-anchored community and neighborhood shopping centers in the United States.

As of December 31, 2014, the Parent Company beneficially owned, through its direct and indirect interest in BPG Sub and the General Partner, 97.5% of the outstanding partnership common units of interest in the Operating Partnership ("OP Units"). Certain investments funds affiliated with The Blackstone Group L.P. (together with such affiliated funds, "Blackstone") and certain members of the Parent Company's current and former management collectively owned the remaining 2.5% of the outstanding OP Units. Holders of OP Units (other than the Parent Company, BPG Sub and the General Partner) may redeem their OP Units for cash based upon the market value of an equivalent number of shares of the Parent Company's common stock or, at the Parent Company's election, exchange their OP Units for shares of the Parent Company's common stock on a one-for-one basis subject to customary conversion rate adjustments for splits, unit distributions and reclassifications. The number of OP Units in the Operating Partnership beneficially owned by the Parent Company is equivalent to the number of outstanding shares of the Parent Company's common stock, and the entitlement of all OP Units to quarterly distributions and payments in liquidation is substantially the same as those of the Parent Company's common stockholders.

Initial Public Offering and IPO Property Transfers
On November 4, 2013, the Company completed an initial public offering ("IPO") in which it sold 47.4 million shares of its common stock, at an IPO price of $20.00 per share. The Company received net proceeds from the sale of shares in the IPO of $893.9 million after deducting $54.9 million in underwriting discounts, expenses and transaction costs. Of the total proceeds received, $824.7 million was used to pay down amounts outstanding under the Company's unsecured credit facility.

In connection with the IPO, the Company acquired interests in 43 properties (the "Acquired Properties") from Blackstone in exchange for 15.9 million OP Units in the Operating Partnership having a value equivalent to the value of the Acquired Properties. In connection with the acquisition of the Acquired Properties during 2013, the Company repaid $66.6 million of indebtedness to Blackstone attributable to certain of the Acquired Properties with a portion of the net proceeds of the IPO. During 2014, the Company repaid the remaining $7.6 million of indebtedness to Blackstone attributable to certain of the Acquired Properties.

Also in connection with the IPO the Company created a separate series of interest in the Operating Partnership ("Series A") that allocated to certain funds affiliated with The Blackstone Group L.P. and Centerbridge Partners, L.P. (owners of the Operating Partnership prior to the IPO) (the "pre-IPO owners") all of the economic consequences of ownership of the Operating Partnership's interest in 47 properties that the Operating Partnership historically held in its portfolio (the "Non-Core Properties"). During 2013, the Company disposed of 11 of the Non-Core Properties. During 2014, the

Operating Partnership caused its ownership interests in all but one of the remaining 36 Non-Core Properties to be transferred to the pre-IPO owners. The one remaining Non-Core Property was transferred to the lender in satisfaction of the property’s mortgage balance and, following such transfer, on March 28, 2014, the Series A was terminated. The operating results of the 44 wholly-owned Non-Core Properties, including the gain on disposition, are included in Discontinued operations on the Consolidated Statements of Operations. The operating results of the remaining three Non-Core Properties, in which the Company owned a 20% interest, are included in Equity in income of unconsolidated joint ventures within continuing operations, through their distribution date, on the Consolidated Statements of Operations.

Basis of Presentation
The financial information included herein reflects the consolidated financial position of the Company as of December 31, 2014 and 2013 and the consolidated results of its operations and cash flows for the years ended December 31, 2014, 2013 and 2012. Certain prior period balances in the accompanying Consolidated Statements of Operations have been reclassified to conform to the current period presentation including for the results of discontinued operations.

Principles of Consolidation and Use of Estimates
The accompanying Consolidated Financial Statements include the accounts of the Parent Company, the Operating Partnership, each of their wholly owned subsidiaries and all other entities in which they have a controlling financial interest. The portions of consolidated entities not owned by the Parent Company and the Operating Partnership are presented as non-controlling interests as of and during the periods presented. All intercompany transactions have been eliminated.

When the Company obtains an economic interest in an entity, management evaluates the entity to determine: (i) whether the entity is a variable interest entity ("VIE"), (ii) in the event the entity is a VIE, whether the Company is the primary beneficiary of the entity, and (iii) in the event the entity is not a VIE, whether the Company otherwise has a controlling financial interest.

The Company consolidates: (i) entities that are VIEs for which the Company is deemed to be the primary beneficiary and (ii) entities that are not VIEs which the Company controls. If the Company has an interest in a VIE but it is not determined to be the primary beneficiary, the Company accounts for its interest under the equity method of accounting. Similarly, for those entities which are not VIEs and over which the Company has the ability to exercise significant influence, the Company accounts for its interests under the equity method of accounting. The Company continually reconsiders its determination of whether an entity is a VIE and whether the Company qualifies as its primary beneficiary.

GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses during a reporting period. The most significant assumptions and estimates relate to impairments of real estate, recovery of receivables and depreciable lives. These estimates are based on historical experience and other assumptions which management believes are reasonable under the circumstances. Management evaluates its estimates on an ongoing basis and makes revisions to these estimates and related disclosures as experience develops or new information becomes known. Actual results could differ from these estimates.

Subsequent Events
In preparing the Consolidated Financial Statements, the Company has evaluated events and transactions occurring after December 31, 2014 for recognition or disclosure purposes. Based on this evaluation, there were no subsequent events from December 31, 2014 through the date the financial statements were issued other than those disclosed in Note 6.

Non-controlling Interests
The Company accounts for non-controlling interests in accordance with the Consolidation guidance and the Distinguishing Liabilities from Equity guidance issued by the Financial Accounting Standards Board ("FASB"). Non-controlling interests represent the portion of equity that the Company does not own in those entities that it consolidates. The Company identifies its non-controlling interests separately within the Equity section of the Company's Consolidated Balance Sheets. The amounts of consolidated net earnings attributable to the Company and to the non-controlling interests are presented separately on the Company's Consolidated Statements of Operations.

Non-controlling interests also included amounts related to partnership units issued by consolidated subsidiaries of the Company. Holders of these Class A Preferred Units had a redemption right that provides the holder with the option to redeem their units for $33.15 per unit in cash plus all accrued and unpaid distributions. The unit holders generally had the right to redeem their units for cash at any time provided certain notification requirements have been met. All of these Class A Preferred Units have been redeemed as of December 31, 2014.

The Company evaluated the terms of the partnership units issued in accordance with the FASB’s Distinguishing Liabilities from Equity guidance. Units which embody an unconditional obligation requiring the Company to redeem the units for cash at a specified or determinable date (or dates) or upon an event that is certain to occur are determined to be mandatorily redeemable under this guidance and are included as Redeemable non-controlling interests in partnership and classified within the mezzanine section between Total liabilities and Equity on the Company’s

Consolidated Balance Sheets. Convertible units for which the Company has the option to settle redemption amounts in cash or Common Stock are included in the caption Non-controlling interests within the Equity section of the Company's Consolidated Balance Sheets.

Cash and Cash Equivalents
For purposes of presentation on both the Consolidated Balance Sheets and the Consolidated Statements of Cash Flows, the Company considers instruments with an original maturity of three months or less to be cash and cash equivalents.

Cash and cash equivalent balances may, at a limited number of banks and financial institutions, exceed insurable amounts. The Company believes it mitigates this risk by investing in or through major financial institutions and primarily in funds that are insured by the United States federal government.

Restricted Cash
Restricted cash represents cash deposited in escrow accounts, which generally can only be used for the payment of real estate taxes, debt service, insurance, and future capital expenditures as required by certain loan and lease agreements as well as legally restricted tenant security deposits. All restricted cash is invested in money market accounts.

Real Estate
Real estate assets are recorded in the Consolidated Balance Sheets at historical cost, less accumulated depreciation and amortization. Upon acquisition of real estate operating properties, management estimates the fair value of acquired tangible assets (consisting of land, buildings, and tenant improvements), identifiable intangible assets and liabilities (consisting of above and below-market leases, in-place leases and tenant relationships), and assumed debt based on an evaluation of available information. Based on these estimates, the estimated fair value is allocated to the acquired assets and assumed liabilities.

The fair values of tangible assets are determined as if the acquired property is vacant. Fair value is determined using an exit price approach, which contemplates the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. If, up to one year from the acquisition date, information regarding the fair value of the assets acquired and liabilities assumed is received and estimates are refined, appropriate adjustments are made to the purchase price allocation on a retrospective basis. The Company expenses transaction costs associated with business combinations in the period incurred.

In allocating the fair value to identifiable intangible assets and liabilities of an acquired operating property, the value of above-market and below-market leases is estimated based on the present value (using an interest rate reflecting the risks associated with leases acquired) of the difference between: (i) the contractual amounts to be paid pursuant to the leases negotiated and in-place at the time of acquisition and (ii) management's estimate of fair market lease rates for the property or an equivalent property, measured over a period equal to the remaining non-cancelable term of the lease. The capitalized above-market or below-market intangible is amortized as a reduction of, or increase to, rental income over the remaining non-cancelable term of each lease, which includes renewal periods with fixed rental terms that are considered to be below-market.

In determining the value of in-place leases and tenant relationships, management evaluates the specific characteristics of each lease and the Company's overall relationship with each tenant. Factors considered include, but are not limited to: the nature of the existing relationship with a tenant, the credit risk associated with a tenant, expectations surrounding lease renewals, estimated carrying costs of a property during a hypothetical expected lease-up period, current market conditions and costs to execute similar leases. Management also considers information obtained about a property in connection with its pre-acquisition due diligence. Estimated carrying costs include: real estate taxes, insurance, other property operating costs and estimates of lost rentals at market rates during the hypothetical lease-up periods. Costs to execute similar leases include: commissions and legal costs to the extent that such costs are not already incurred with a new lease that has been negotiated in connection with the purchase of a property. The value assigned to in-place leases is amortized to expense over the remaining term of each lease. The value assigned to tenant relationships is amortized over the initial terms of the leases.

Certain real estate assets are depreciated using the straight-line method over the estimated useful lives of the assets. The estimated useful lives are as follows:

Building and building and land improvements	20 - 40 years
Furniture, fixtures, and equipment	5 - 10 years
Tenant improvements	The shorter of the term of the related lease or useful life

Costs to fund major replacements and betterments, which extend the life of the asset, are capitalized and depreciated over their respective useful lives, while costs for ordinary repairs and maintenance activities are expensed as incurred.

When a real estate asset is identified by management as held-for-sale, the Company discontinues depreciating the asset and estimates its sales price, net of estimated selling costs. If, in management's opinion, the estimated net sales price of an asset is less than its net carrying value, an adjustment is recorded to reflect the estimated fair value. Additionally, the real estate asset and related operations are classified as discontinued operations and separately presented within the Consolidated Statements of Operations and within Other assets on the Consolidated Balance Sheets. Properties classified as real estate held-for-sale generally represent properties that are under contract for sale and are expected to close within 12 months.

On a periodic basis, management assesses whether there are indicators that the value of the Company's real estate assets (including any related intangible assets or liabilities) may be impaired.

If an indicator is identified, a real estate asset is considered impaired only if management's estimate of current and projected operating cash flows (undiscounted and unleveraged), taking into account the anticipated and probability weighted holding period, are less than a real estate asset's carrying value. Various factors are considered in the estimation process, including expected future operating income, trends and prospects and the effects of demand, competition, and other economic factors. If management determines that the carrying value of a real estate asset is impaired, a loss will be recorded for the excess of its carrying amount over its fair value.

In situations in which a lease or leases associated with a significant tenant have been, or are expected to be, terminated early, the Company evaluates the remaining useful lives of depreciable or amortizable assets in the asset group related to the lease that will be terminated (i.e., tenant improvements, above and below market lease intangibles, in-place lease value and leasing commissions). Based upon consideration of the facts and circumstances surrounding the termination, the Company may write-off or accelerate the depreciation and amortization associated with the asset group. Such write-offs are included within Depreciation and amortization in the Consolidated Statements of Operations.

Real Estate Under Redevelopment

Real estate assets that are under redevelopment are carried at cost and are not depreciated. Amounts essential to the development of the property, such as development costs, construction costs, interest costs, real estate taxes, salaries and related costs of personnel directly involved and other costs incurred during the period of redevelopment are capitalized. The Company ceases cost capitalization when the property is available for occupancy or upon substantial completion of building and tenant improvements, but no later than one year from the completion of major construction activity.

Investments in and Advances to Unconsolidated Joint Ventures

The Company accounts for its investments in unconsolidated joint ventures using the equity method of accounting as the Company exercises significant influence over, but does not control these entities. These investments are initially recorded at cost and are subsequently adjusted for cash contributions and distributions. Earnings for each investment are recognized in accordance with the terms of the applicable agreement and where applicable, are based upon an allocation of the unconsolidated real estate joint ventures' net assets at book value as if it was hypothetically liquidated at the end of each reporting period. Intercompany fees and gains on transactions with an unconsolidated joint venture are eliminated to the extent of the Company's ownership interest.

To recognize the character of distributions from an unconsolidated joint venture, the Company reviews the nature of cash distributions received for purposes of determining whether such distributions should be classified as either a return on investment, which would be included in operating activities, or a return of investment, which would be included in Investing activities on the Consolidated Statements of Cash Flows.

On a periodic basis, management assesses whether there are indicators, including the operating performance of the underlying real estate and general market conditions, that the value of the Company’s investments in unconsolidated joint ventures may be impaired. An investment’s value is impaired only if management’s estimate of the fair value of the Company’s investment is less than its carrying value and such difference is deemed to be other-than-temporary. To the extent impairment has occurred, the loss is measured as the excess of the carrying amount of the investment over its estimated fair value.

Management’s estimates of fair value are based upon a discounted cash flow model for each specific investment that includes all estimated cash inflows and outflows over a specified holding period and, where applicable, any estimated debt premiums. Capitalization rates, discount rates and credit spreads used in these models are based upon rates that the Company believes to be within a reasonable range of current market rates.

Deferred Leasing and Financing Costs
Costs incurred in obtaining tenant leases (including internal leasing costs) and long-term financing are amortized using the straight-line method over the term of the related lease or debt agreement, which approximates the effective interest method. Costs incurred related to obtaining tenant leases which are capitalized include salaries, lease incentives and the related costs of personnel directly involved in successful leasing efforts. Costs incurred in obtaining long-term financing which are capitalized include bank fees, legal and title costs and transfer taxes. The amortization of deferred leasing and financing costs is included in Depreciation and amortization and Interest expense, respectively, in the Consolidated Statements of Operations.

Marketable Securities
The Company classifies its marketable securities, which include both debt and equity securities, as available-for-sale. These securities are carried at fair value with unrealized gains and losses reported in member’s equity as a component of accumulated other comprehensive loss. Gains or losses on securities sold are based on the weighted average method.

On a periodic basis, management assesses whether there are indicators that the value of the Company’s marketable securities may be impaired. A marketable security is impaired if the fair value of the security is less than its carrying value and the difference is determined to be other-than-temporary. To the extent impairment has occurred, the loss is measured as the excess of the carrying value of the security over its estimated fair value.

At December 31, 2014 and 2013, the fair value of the Company’s marketable securities portfolio approximated its amortized cost basis. As a result, gross unrealized gains and gross unrealized losses were immaterial to the Company’s Consolidated Financial Statements.

Derivative Financial Instruments
Derivatives, including certain derivatives embedded in other contracts, are measured at fair value and are recognized in the Consolidated Balance Sheets as assets or liabilities, depending on the Company’s rights or obligations under the applicable derivative contract. The accounting for changes in the fair value of a derivative varies based on the intended use of the derivative, whether the Company has elected to designate a derivative in a hedging relationship and apply hedge accounting and whether the hedging relationship has satisfied the necessary criteria.

Revenue Recognition and Receivables
Rental revenue is recognized on a straight-line basis over the terms of the related leases. The cumulative difference between rental revenue recognized in the Consolidated Statements of Operations and contractual payment terms is

recorded as deferred rent and presented on the accompanying Consolidated Balance Sheets within Receivables.

The Company commences recognizing revenue based on an evaluation of a number of factors. In most cases, revenue recognition under a lease begins when the lessee takes possession of or controls the physical use of the leased asset. Generally, this occurs on the lease commencement date.

Certain leases also provide for percentage rents based upon the level of sales achieved by a lessee. These percentage rents are recognized upon the achievement of certain pre-determined sales levels. Leases also typically provide for reimbursement of common area maintenance, property taxes and other operating expenses by the lessee which are recognized in the period the applicable expenditures are incurred.

The determination of who is the owner, for accounting purposes, of tenant improvements (where provided) determines the nature of the leased asset and when revenue recognition under a lease begins. If the Company is the owner, for accounting purposes, of the tenant improvements, then the leased asset is the finished space and revenue recognition begins when the lessee takes possession of the finished space, typically when the improvements are substantially complete. If the Company concludes it is not the owner, for accounting purposes, of the tenant improvements (the lessee is the owner), then the leased asset is the unimproved space and any tenant improvement allowances funded under a lease are accounted for as lease incentives which are amortized as a reduction of revenue recognized over the term of the lease. In these circumstances, the Company commences revenue recognition when the lessee takes possession of the unimproved space for the lessee to construct their own improvements. In making this assessment, the Company considers a number of factors, each of which individually is not determinative.

Gains from the sale of depreciated operating properties are generally recognized under the full accrual method, provided that various criteria relating to the terms of the sale and subsequent involvement by the Company with the applicable property are met.

The Company periodically evaluates the collectability of its receivables related to base rents, straight-line rent, expense reimbursements and those attributable to other revenue generating activities. The Company analyzes its receivables and historical bad debt levels, tenant credit-worthiness and current economic trends when evaluating the adequacy of its allowance for doubtful accounts. In addition, tenants in bankruptcy are analyzed and estimates are made in connection with the expected recovery of pre-petition and post-petition claims.

Stock Based Compensation
The Company accounts for equity awards in accordance with the FASB’s Stock Compensation guidance which requires that all share based payments to employees and non-employee directors be recognized in the statement of operations over the service period based on their fair value. Fair value is determined based on the type of award using either the grant date market price of the Company’s stock, the Black-Scholes-Merton option-pricing model or a Monte Carlo simulation model. Share-based compensation expense is included in General and administrative in the Company’s Consolidated Statements of Operations.

Income Taxes
The Parent Company has elected to qualify as a REIT in accordance with the Internal Revenue Code (the “Code”). To qualify as a REIT, the Parent Company must meet a number of organizational and operational requirements, including a requirement that it currently distribute at least 90% of its adjusted REIT taxable income to its stockholders. It is management’s intention to adhere to these requirements and maintain the Parent Company’s REIT status.

As a REIT, the Parent Company generally will not be subject to federal income tax, provided that distributions to its stockholders equal at least the amount of its REIT taxable income as defined under the Code. If the Parent Company fails to qualify as a REIT in any taxable year, it will be subject to federal taxes at regular corporate rates (including any applicable alternative minimum tax) and may not be able to qualify as a REIT for four subsequent taxable years.

The Parent Company does not have any taxable REIT subsidiaries, but may in the future elect to treat newly formed subsidiaries, as taxable REIT subsidiaries, which are subject to income tax. Taxable REIT subsidiaries may participate in non-real estate-related activities and/or perform non-customary services for tenants and are subject to United States federal and state income tax at regular corporate tax rates.

The Operating Partnership is organized as a limited partnership and is generally not subject to federal income tax. Accordingly, no provision for federal income taxes has been reflected in the accompanying Consolidated Financial Statements. The Operating Partnership, however, may be subject to certain state and local income taxes or franchise taxes.

The Company has analyzed the tax position taken on income tax returns for the open 2012 through 2014 tax years and has concluded that no provision for income taxes related to uncertain tax positions is required in the Company’s Consolidated Financial Statements as of December 31, 2014 and 2013.

New Accounting Pronouncements

In April 2014, the Financial Accounting Standards Board FASB issued ASU No. 2014-08, “Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity.” ASU No. 2014-08 amends the definition of discontinued operations by limiting discontinued operations reporting to disposals of components of an entity that represent strategic shifts that have (or will have) a major effect on an entity’s operations and financial results. The amendments require expanded disclosures for discontinued operations that would provide users of financial statements with more information about the assets, liabilities, revenues, and expenses of discontinued operations reporting. ASU No. 2014-08 is to be applied prospectively to all disposals (or classifications as held for sale) of components of an entity and all businesses or nonprofit activities that, on acquisition, are classified as held for sale that occur within fiscal years, and interim periods within those years, beginning after December 15, 2014. The adoption of ASU 2014-08 is expected to eliminate discontinued operations reporting for disposals that are routine in nature and do not change the Company’s strategy.

In May 2014, the FASB issued ASU No. 2014-09, “Revenue from Contracts with Customers.” ASU No. 2014-09 contains a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. The guidance in ASU No. 2014-09 affects any entity that either enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of nonfinancial assets unless those contracts are within the scope of other standards. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. For public entities, ASU No. 2014-09 is effective for annual reporting periods beginning after December 15, 2016, including interim periods within that reporting period. Early application is not permitted. The Company is currently in the process of evaluating the impact the adoption of ASU No. 2014-09 will have on the Consolidated Financial Statements of the Company.

Any other recently issued accounting standards or pronouncements not disclosed above have been excluded as they either are not relevant to the Company, or they are not expected to have a material effect on the Consolidated Financial Statements of the Company.

2. Acquisition of Real Estate

During the year ended December 31, 2013, the Company acquired interests in the Acquired Properties from certain investment funds affiliated with Blackstone in exchange for 15,877,791 OP Units in the Operating Partnership having a value of $317.5 million based on the IPO price of $20.00 per share. In connection with the acquisition of the Acquired Properties, we repaid approximately $66.6 million of indebtedness to Blackstone attributable to the Acquired Properties with a portion of the net proceeds of the IPO.

The acquisition of the Acquired Properties was accounted for as a business combination. As a result, the associated consideration has been allocated to the assets acquired and liabilities assumed based on management’s estimate of their fair values using information available on the acquisition date. The allocation of the consideration for this acquisition is preliminary and remains subject to adjustment.

The following table summarizes the fair value of the net assets acquired on October 29, 2013:

Assets	
Real estate, net	$888,134
Cash and cash equivalents	8,729
Restricted cash	7,878
Receivables, net	4,840
Deferred charges and prepaid expenses, net	1,496

Other assets	989
Total assets	$912,066
Liabilities	
Debt obligations, net	$430,465
Accounts payable, accrued expenses and other liabilities	164,045
Total liabilities	594,510
Net Assets Acquired	$317,556

During the year ended December 31, 2013, in addition to the Acquired Properties, the Company acquired one building, located adjacent to one of the Company's existing shopping centers, for approximately $5.1 million and acquired the remaining 70% partnership interest in Arapahoe Crossings, L.P. that was previously owned by an unaffiliated third party for a net purchase price of $18.7 million. In connection with the acquisition, a gain of $1.1 million on the step-up of the Company's original 30% interest was recognized. The acquisition of the partnership interest included the assumption of debt obligations of approximately $41.8 million, which were paid off with the proceeds from the Company's unsecured credit facility (see Note 6 for additional information).

The accompanying unaudited pro forma information for the years ended December 31, 2013 and 2012, is presented as if the acquisition of the Acquired Properties had occurred on January 1, 2012. This pro forma information is based on the historical financial statements and should be read in conjunction with the Consolidated Financial Statements and notes thereto. This unaudited pro forma information does not purport to represent what the actual results of operations would have been had the above occurred, nor do they purport to predict the results of operations for future periods.

	Year Ending December 31,	
	2013	2012
Revenue	$1,208,252	$1,162,017
Net Income (Loss)	$(123,725)	$(163,786)

3. Discontinued Operations and Assets Held for Sale

The Company reports as discontinued operations real estate assets that are held for sale as of the end of the current period and real estate assets that were disposed of during the period. The operating results of the real estate properties are included in a separate component of income on the Consolidated Statements of Operations under Discontinued operations. This has resulted in certain reclassifications for the years ended December 31, 2014, 2013 and 2012.

	Year Ended December 31,		
	2014	2013	2012
Discontinued operations:			
Revenues	$687	$35,732	$51,089
Operating expenses	(1,592)	(27,764)	(42,444)
Other income (expense), net	5,814	(4,463)	(11,092)
Income (loss) from discontinued operating properties	4,909	3,505	(2,447)
Gain on disposition of operating properties	15,171	3,392	5,369
Impairment on real estate held for sale	—	(45,122)	(13,599)
Income (loss) from discontinued operations	$20,080	$(38,225)	$(10,677)

Discontinued operations includes the results of 71 shopping centers, including 44 Non-Core Properties, two buildings and five land parcels disposed of during the years ended December 31, 2014, 2013 and 2012.

During the year ended December 31, 2014, the Company transferred its ownership interests in 32 wholly-owned Non Core-Properties to the pre-IPO owners. The 32 wholly-owned Non-Core Properties distributed to the pre-IPO owners had a carrying value of $176.1 million and a fair value of $190.5 million, resulting in a gain of $14.4 million. The remaining wholly-owned Non-Core Property was transferred to the lender in satisfaction of the property's mortgage balance resulting in a $6.1 million gain on extinguishment of debt. In addition, the Company disposed of one shopping center and one land parcel for aggregate net proceeds of $6.8 million. The Company had no properties held for sale as of December 31, 2014. The Company did not recognize any provisions for impairments during 2014.

During the year ended December 31, 2013, the Company disposed of 18 shopping centers and three land parcels for aggregate proceeds of $59.0 million. The Company had one property held for sale with a carrying value of $5.5

million and it is presented in Other assets within the Consolidated Balance Sheets as of December 31, 2013. The Company also recognized $45.1 million of provisions for impairments during 2013.

During the year ended December 31, 2012, the Company disposed of 19 shopping centers, one land parcel and two buildings for aggregate proceeds of $50.6 million. The Company had no properties held for sale as of December 31, 2012. The Company also recognized $13.6 million of provisions for impairments during 2012.

For purposes of measuring this provision, fair value was determined based on either of the following: (i) contracts with buyers or purchase offers from potential buyers, adjusted to reflect associated disposition costs; or (ii) internal analysis. The Company believes the inputs utilized were reasonable in the context of applicable market conditions; however, due to the significance of the unobservable inputs to the overall fair value measures, including forecasted revenues and expenses based upon market conditions and expectations for growth, the Company determined that such fair value measurements were classified within Level 3 of the fair value hierarchy.

4. Real Estate

The Company's components of Real estate, net consisted of the following:

	December 31, 2014	December 31, 2013
Land	$2,000,415	$2,055,802
Buildings and improvements:		
Building	7,332,073	7,436,072
Building and tenant improvements	552,351	373,907
Other rental property [(1)]	917,410	971,947
	10,802,249	10,837,728
Accumulated depreciation and amortization	(1,549,234)	(1,190,170)
Total	$9,253,015	$9,647,558

(1) At December 31, 2014 and 2013, Other rental property consisted of intangible assets including: (i) $833.3 million and $881.9 million, respectively, of in-place lease value, (ii) $84.1 million and $90.0 million, respectively, of above-market leases, and (iii) $550.4 million and $462.5 million, respectively, of accumulated amortization. These intangible assets are amortized over the term of each related lease.

In addition, at December 31, 2014 and 2013, the Company had intangible liabilities relating to below-market leases of $528.7 million and $541.8 million, respectively, and accumulated amortization of $202.7 million and $153.6 million, respectively. These intangible liabilities, which are included in Accounts payable, accrued expenses and other liabilities in the Company's Consolidated Balance Sheets, are amortized over the term of each related lease, including any renewal periods, with fixed rentals that are considered to be below market.

Amortization expense associated with the above mentioned intangible assets and liabilities recognized for the years ended December 31, 2014, 2013 and 2012 was $74.8 million, $93.3 million and $142.4 million, respectively. The estimated net amortization expense associated with the Company's intangible assets and liabilities for the next five years is as follows:

Year ending December 31,	Estimated net amortization expense
2015	$45,583
2016	21,971
2017	9,788
2018	3,666
2019	2,102

On a continuous basis, management assesses whether there are any indicators, including property operating performance and general market conditions, that the value of the Company's assets (including any related amortizable intangible assets or liabilities) may be impaired. To the extent impairment has occurred, the carrying value of the asset would be adjusted to an amount to reflect the estimated fair value of the asset.

During the year ended December 31, 2014, the Company did not recognize any provisions for impairment, excluding any provisions for impairment included in Discontinued operations. During the years ended December 31, 2013 the Company recognized provisions for impairment of $1.5 million, excluding any provisions for impairment included in

Discontinued operations. During the year ended December 31, 2012, the Company did not recognize any provisions for impairment, excluding any provisions for impairment included in Discontinued operations.

For purposes of measuring this provision, fair value was determined based upon contracts with buyers, adjusted to reflect associated disposition costs.

5. Financial Instruments - Derivatives and Hedging

The Company's use of derivative instruments is limited to the utilization of interest rate agreements or other instruments to manage interest rate risk exposures and not for speculative purposes. In certain situations, the Company has entered into derivative financial instruments such as interest rate swap and interest rate cap agreements to manage interest rate risk exposure arising from variable rate debt transactions that result in the receipt or payment of future known and uncertain cash amounts, the value of which are determined by interest rates. The Company's objective in using interest rate derivatives is to add stability to interest expense and to manage its exposure to interest rate movements.

Cash Flow Hedges of Interest Rate Risk

Interest rate swaps designated as cash flow hedges involve the receipt of variable-rate amounts from a counterparty in exchange for the Company making fixed-rate payments over the life of the agreements without changing the underlying notional amount. During the year ended December 31, 2014, the Company did not enter into any new interest rate swap agreements. During the year ended December 31, 2013, the Company entered into five forward starting interest rate swap agreements with a notional amount of $1,500.0 million to hedge the variable cash flows associated with third party debt.

A detail of the Company's interest rate derivatives designated as cash flow hedges outstanding as of December 31, 2014 is as follows:

	Number of Instruments	Notional Amount
Interest Rate Swaps	5	$1,500,000

The Company has elected to present its interest rate derivatives on its Consolidated Balance Sheets on a gross basis as interest rate swap assets and interest rate swap liabilities. A detail of the Company's fair value of interest rate derivatives on a gross and net basis as of December 31, 2014 and 2013, respectively, is as follows:

	Fair Value of Derivative Instruments	
Interest rate swaps classified as:	December 31, 2014	December 31, 2013
Gross derivative assets	$—	$—
Gross derivative liabilities	(4,423)	(6,795)
Net derivative liability	$(4,423)	$(6,795)

All of the Company's outstanding interest rate swap agreements for the periods presented were designated as cash flow hedges of interest rate risk. The effective portion of changes in the fair value of derivatives designated as, and that qualify as, cash flow hedges is recorded in other comprehensive income ("OCI") and is reclassified into earnings as interest expense in the period that the hedged forecasted transaction affects earnings. The effective portion of the Company's interest rate swaps that was recorded in the accompanying Consolidated Statements of Operations for the years ended December 31, 2014 and 2013 is as follows:

Derivatives in Cash Flow Hedging Relationships (Interest Rate Swaps and Caps)	Year Ended December 31, 2014	Year Ended December 31, 2013
Amount of gain (loss) recognized in OCI on derivative	$7,619	$(6,795)
Amount of loss reclassified from accumulated OCI into interest expense	$(9,991)	$—

The Company estimates that approximately $7.4 million will be reclassified from accumulated other comprehensive loss as an increase to interest expense over the next twelve months. No gain or loss was recognized related to hedge

ineffectiveness or to amounts excluded from effectiveness testing on the Company's cash flow hedges during the years ended December 31, 2014 and 2013.

Non-Designated (Mark-to Market) Hedges of Interest Rate Risk
The Company does not use derivatives for trading or speculative purposes. Derivatives not designated as hedges are used to manage the Company's exposure to interest rate movements but do not meet the strict hedge accounting requirements. The Company's only non-designated interest rate derivatives held as of December 31, 2014 and 2013 were interest rate caps. Interest rate caps involve the receipt of variable amounts from a counterparty if interest rates rise above the strike rate on the contract in exchange for an up-front premium. As of December 31, 2014 and 2013, the fair value of these interest rate caps was nominal, and, during the years ended December 31, 2014 and 2013, no payments were received from the respective counterparties.

A detail of the Company's non-designated interest rate derivatives outstanding as of December 31, 2014 is as follows:

	Number of Instruments	Notional Amount
Interest Rate Caps	4	$521,105

Credit-risk-related Contingent Features
The Company has agreements with its derivative counterparties that contain a provision whereby if the Company defaults on any of its indebtedness, including default where repayment of the indebtedness has not been accelerated by the lender, then the Company could also be declared in default on its derivative obligations. If the Company were to breach any of the contractual provisions of the derivative contracts, it would be required to settle its obligations under the agreements at their termination value including accrued interest, or approximately $5.3 million.

6. Debt Obligations
As of December 31, 2014 and 2013, the Company had the following indebtedness outstanding:

	Carrying Value as of			
	December 31, 2014	December 31, 2013	Stated Interest Rates	Scheduled Maturity Date
Mortgage and secured loans[1]				
Fixed rate mortgage and secured loans[2]	$3,116,882	$3,444,578	4.90% - 8.00%	2015 – 2021
Variable rate mortgage and secured loans	—	483,604	N/A	N/A
Total mortgage and secured loans	3,116,882	3,928,182		
Net unamortized premium	66,340	93,077		
Total mortgage and secured loans, net	$3,183,222	$4,021,259		
Notes payables				
Unsecured notes[3]	$243,453	$353,617	5.25% - 7.97%	2015 - 2029
Net unamortized discount	(3,153)	(13,766)		
Total notes payable, net	$240,300	$339,851		
Unsecured Credit Facility[4]	$2,019,475	$1,620,179	1.69%	2017 – 2018
Unsecured Term Loan	600,000	—	1.59%	2019
Total debt obligations, net	$6,042,997	$5,981,289		

(1) The Company's mortgages and secured loans are collateralized by certain properties and the equity interests of certain subsidiaries. These properties had a carrying value as of December 31, 2014 of approximately $4.4 billion.

(2)

The weighted average interest rate on the Company's fixed rate mortgage and secured loans was 5.96% as of December 31, 2014.

(3) The weighted average interest rate on the Company's unsecured notes was 5.43% as of December 31, 2014.

(4) The Unsecured Credit Facility consists of a $1.25 billion revolving credit facility and a $1.5 billion term loan facility. The Company has in place five forward starting interest rate swap agreements that convert the floating interest rate on the $1.5 billion term loan facility to a fixed, combined interest rate of 0.844% plus an interest spread of 150 basis points. In February 2015, the Unsecured Credit facility was amended to terminate the guarantees and release and discharge the Parent Guarantors from their respective obligations under the guarantees.

2014 Debt Transactions
On March 18, 2014, the Operating Partnership entered into an unsecured $600.0 million term loan (the "Term Loan") which matures on March 18, 2019. The obligations under the Term Loan were guaranteed by both BPG Subsidiary Inc. ("BPG Sub") and Brixmor OP GP LLC, the general partner of the Operating Partnership, (together, the "Parent Guarantors"). In February 2015, the Term Loan was amended to terminate the guarantees and release and discharge the Parent Guarantors from their respective obligations under the guarantees. The Term Loan bears interest, at the Operating Partnership's option, at a rate equal to a margin over either (a) a base rate determined by reference to the highest of (1) the administrative agent's prime lending rate, (2) the federal funds effective rate plus half of 1%, and (3) the LIBOR rate that would be payable on such day for a LIBOR rate loan with a one-month interest period plus 1% or (b) a LIBOR rate determined by reference to the BBA LIBOR rate for the interest period relevant to a particular borrowing. The margin associated with the Term Loan is based on a total leverage based grid and ranges from 0.35% to 0.75%, for base rate loans, and 1.35% to 1.75% for LIBOR rate loans. Proceeds from borrowings under the Term Loan were used to repay outstanding borrowings on the Company's Unsecured Credit Facility.

In January 2015, the Operating Partnership issued $700.0 million aggregate principal amount of 3.850% Senior Notes due 2025 (the "2025 Notes"), the proceeds of which were used to repay outstanding borrowings under its $1.25 billion senior unsecured revolving credit facility that had been used to repay indebtedness and financial liabilities over the course of 2014. The 2025 Notes bear interest at a rate of 3.850% per annum accruing from January 21, 2015. Interest on the 2025 Notes is payable semi-annually on February 1 and August 1 of each year, commencing August 1, 2015. The 2025 Notes will mature on February 1, 2025. The 2025 Notes are the Operating Partnership's unsecured and unsubordinated obligations and rank equally in right of payment with all of the Operating Partnership's existing and future unsecured and unsubordinated indebtedness. The Operating Partnership may redeem the 2025 Notes at any time in whole or in part at the applicable make-whole redemption price specified in the Indenture. If the 2025 Notes are redeemed on or after November 1, 2024 (three months prior to the maturity date), the redemption price will be equal to 100% of the principal amount of the 2025 Notes being redeemed plus accrued and unpaid interest thereon to, but not including, the redemption date.

In addition, during the year ended December 31, 2014, the Company repaid $763.3 million of mortgages and secured loans and $110.2 million of unsecured notes, resulting in a $13.8 million net loss on extinguishment of debt. These repayments were funded primarily from borrowings under the Company's Unsecured Credit Facility.

Pursuant to the terms of the Term Loan and Unsecured Credit Facility, the Company among other things is subject to maintenance of various financial covenants. The Company is currently in compliance with these covenants.

Debt Maturities
As of December 31, 2014 and 2013, the Company had accrued interest of $20.4 million and $32.2 million outstanding, respectively. As of December 31, 2014, scheduled maturities of the Company's outstanding debt obligations were as follows:

Year ending December 31,		
2015	$652,956	
2016	1,257,862	
2017	869,134	
2018	1,519,476	
2019	620,126	
Thereafter	1,060,256	
Total debt maturities	5,979,810	
Net unamortized premiums on mortgages	66,340	
Net unamortized discount on notes	(3,153	)
Total debt obligations	$6,042,997	

7. Financing Liabilities

As of December 31, 2014 and 2013, the Company had the following financing liabilities outstanding:

	Carrying Value as of			
	December 31, 2014	December 31, 2013	Stated Interest Rates	Scheduled Maturity Date
Financing Liabilities				
Inland preferred interest (1)	$—	$130,966	N/A	N/A
Capital leases (2)	—	41,723	N/A	N/A
Total financing liabilities	—	172,689		
Net unamortized premium	—	2,422		
Total financing liabilities, net	$—	$175,111		

(1) On December 6, 2010, the Company formed a real estate venture with Inland American CP Investment, LLC ("Inland"). The Company contributed 25 shopping centers with a fair value of approximately $471.0 million and Inland contributed cash of $121.5 million, resulting in Inland receiving a 70% ownership interest with a cumulative preferential share of cash flow generated by the shopping centers at an 11% stated return. The Company received a 30% ownership interest, subordinated to Inland's preferred interest. Due to the venture agreement providing Inland with the right to put its interest to the Company for an amount of cash equal to the amount it contributed plus accrued interest beginning December 6, 2015, the Company consolidates the real estate venture under the financing method which requires the amount Inland contributed to be reflected as a liability. The venture agreement also provided the Company with the right to purchase Inland's interest, beginning December 6, 2014, for an amount of cash determined on the same basis as described above. In October 2014, the Company exercised its right to acquire Inland's interest. The Company completed the acquisition of Inland's interest on December 8, 2014.

(2) During the year ended December 31, 2014, the Company exercised its option to purchase the underlying assets subject to the capital leases.

8. Fair Value Disclosures

All financial instruments of the Company are reflected in the accompanying Consolidated Balance Sheets at amounts which, in management's judgment, reasonably approximate their fair values, except those instruments listed below:

	December 31, 2014		December 31, 2013	
	Carrying Amounts	Fair Value	Carrying Amounts	Fair Value
Mortgage and secured loans payable	$3,183,222	$3,337,250	$4,021,259	$4,179,640
Notes payable	240,300	252,441	339,851	371,393
Unsecured credit facility and term loan	2,619,475	2,619,475	1,620,179	1,620,179
Total debt obligations	$6,042,997	$6,209,166	$5,981,289	$6,171,212
Financing liabilities	$—	$—	$175,111	$175,111

The valuation methodology used to estimate the fair value of the Company's fixed and variable-rate indebtedness and financing liabilities is based on discounted cash flows, with assumptions that include credit spreads, loan amounts and debt maturities. Such fair value estimates are not necessarily indicative of the amounts that would be realized upon disposition.

As a basis for considering market participant assumptions in fair value measurements, a fair value hierarchy is included in GAAP that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Levels 1 and 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs that are classified within Level 3 of the hierarchy).

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The Company’s assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the asset or liability.

At December 31, 2014 and 2013, the fair values of the Company’s marketable securities, valued based on quoted market prices, were classified within Level 1 of the fair value hierarchy. Conversely, at December 31, 2014 and 2013, the fair values of the Company's mortgage and secured loans, notes payable, financing liabilities and interest rate caps, valued based on discounted cash flow or other similar methodologies were classified within Level 3 of the fair value hierarchy.

9. Redeemable Non-controlling Interests
The redeemable non-controlling interests presented in these Consolidated Financial Statements related to portions of a consolidated subsidiary that was held by non-controlling interest holders in a partnership ("ERP") that was formed to own certain real estate properties which were contributed to it in exchange for cash, the assumption of mortgage indebtedness and limited partnership units (or Class A Preferred Units).

During the year ended December 31, 2014, ERP redeemed all outstanding Class A Preferred Units for $21.5 million.

The changes in redeemable non-controlling interests are as follows:

	Year Ended December 31, 2014	Year Ended December 31, 2013
Balance at beginning of period	$21,467	$21,467
Distributions to redeemable non-controlling interests	(22,648)	(1,288)
Preferred return	1,181	1,288
Balance at end of period	$—	$21,467

10. Non-controlling Interests
The non-controlling interests presented in these Consolidated Financial Statements relate to portions of consolidated subsidiaries held by the non-controlling interest holders.

During the year ended December 31, 2014, Blackstone completed multiple secondary offerings of the Company's common stock. In connection with these offerings, the Company incurred $2.8 million of expenses which are included in Other income (expense) on the Consolidated Statements of Operations for the year ended December 31, 2014. In addition, the Company engaged Blackstone Advisory Partners L.P., an affiliate of Blackstone, to provide certain financial consulting services in connection with these offerings. The Company paid Blackstone Advisory Partners L.P. $1.0 million in fees during the year ended December 31, 2014 in connection with these offerings. The underwriters of the offerings reimbursed the Company in full for such fees.

Blackstone Retail Transaction II Holdco L.P. ("Holdco II"), an affiliate of Blackstone Real Estate Partners VI, L.P. and certain members of the Company's management collectively owned 20.05% of BPG Sub's outstanding vested shares as of December 31, 2013. During the year ended December 31, 2014, Holdco II and certain members of the Company's management exchanged all their outstanding BPG Sub shares for newly-issued shares of common stock of the Company on a one-for-one basis pursuant to the exchange agreement entered into by the Company prior to the IPO. These exchanges did not have any impact on the number of outstanding shares of the Company's stock on a "fully-exchanged" basis (i.e. the number of shares of the Company's common stock that would be outstanding if all vested and unvested OP Units and BPG Sub shares, other than those held by the Company and/or its subsidiaries, were exchanged for newly-issued shares of the Company's common stock on a one-for-one basis). As a result of these exchanges the Parent Company owns 100% of the outstanding common stock of BPG Sub at December 31, 2014.

Certain investments funds affiliated with The Blackstone Group L.P. and certain members of the Company's management collectively owned 2.54% and 5.22% of the Operating Partnership's outstanding vested partnership common units as of December 31, 2014 and 2013, respectively. During the year ended December 31, 2014, 6.9 million OP Units were converted to an equal number of the Company's common shares. Holders of outstanding OP Units may redeem their OP Units for cash, or at the Company's election, exchange their OP Units for shares of the Parent Company's common stock on a one-for-one basis subject to customary rate adjustments for splits, unit distributions and reclassifications.

11. Revenue Recognition
Future minimum annual base rents as of December 31, 2014 to be received over the next five years pursuant to the terms of non-cancelable operating leases are included in the table below.

Amounts included assume that all leases which expire are not renewed and that tenant renewal options are not exercised; therefore, neither renewal rents nor rents from replacement tenants are included. Future minimum annual base rents also do not include payments which may be received under certain leases on the basis of a percentage of reported tenants' sales volume, common area maintenance charges and real estate tax reimbursements.

Year ending December 31,	
2015	$ 838,469
2016	735,807
2017	613,250
2018	503,184
2019	397,199
Thereafter	2,417,243

The Company recognized approximately $5.8 million, $6.4 million and $6.1 million of rental income from continuing operations based on a percentage of its tenants' sales for the years ended December 31, 2014, 2013 and 2012, respectively.

As of December 31, 2014 and 2013, the estimated allowance associated with Company's outstanding rent receivables, included in Receivables in the Company's Consolidated Balance Sheets was $13.6 million and $30.2 million, respectively. In addition, as of December 31, 2014 and 2013, receivables associated with the effects of recognizing rental income on a straight-line basis were $66.9 million and $48.6 million, respectively net of the estimated allowance of $0.9 million and $0.9 million, respectively.

12. Stock Based Compensation

In 2011 and 2013 prior to the IPO, certain employees of the Company were granted long-term incentive awards which provided them with equity interests as an incentive to remain in the Company's service and align executives' interests with those of the Company's equity holders. The awards were granted to such employees by the Partnerships, in the form of Class B Units in each of the Partnerships. The awards were granted with service, performance and market conditions. In connection with the IPO, certain of these awards vested and the vested awards were exchanged for a combination of vested common shares of the Company and vested shares of BPG Sub. The remaining unvested Class B Units as of the IPO effective date were exchanged for a combination of unvested restricted common shares of the Company and unvested restricted common shares of BPG Sub, (collectively, the "RSAs"). The RSAs are subject to the same vesting terms as those applicable to the exchanged Class B Units.

In connection with the IPO the Board of Directors approved the Plan. The Plan provides for a maximum of 15.0 million shares of the Company's common stock to be issued for qualified and non-qualified options, stock appreciation rights, restricted stock and restricted stock units, OP Units in the Operating Partnership, performance awards and other stock-based awards.

During the year ended December 31, 2014, the Company granted restricted stock units ("RSUs") in the Company to certain employees, or at the election of certain employees, long-term incentive plan units ("LTIP Units") in the Operating Partnership. The RSUs and LTIP Units are divided into three tranches, with each tranche subject to separate performance-based vesting conditions, market-based vesting conditions and service-based vesting conditions. Each award contains a threshold, target, and maximum number of units in respect to each tranche. The number of units actually earned for each tranche is determined based on performance during a specified performance period, and the earned units are then further subject to time-based vesting conditions. The aggregate number of RSUs and LTIP Units granted, assuming that the target level of performance is achieved, was 0.6 million for the year ended December 31, 2014, with service periods ranging from one to five years.

Information with respect to Class B Units and restricted shares for the years ended December 31, 2014, 2013 and 2012 are as follows:

	Class B Units	Restricted Shares	Aggregate Intrinsic Value
Outstanding December 31, 2011	96,842	—	$43,095
Vested	—	—	—
Granted	—	—	—
Forfeited	—	—	—
Outstanding, December 31, 2012	96,842	—	43,095
Vested	(41,990)	—	(17,327)
Granted	31,474	10	10,990
Forfeited	(16,342)	—	(7,272)
Exchanged	(69,984)	2,072	—
Outstanding, December 31, 2013	—	2,082	29,486
Vested	—	(847)	(12,057)
Granted	—	619	12,888
Forfeited	—	(33)	(676)
Outstanding, December 31, 2014	—	1,821	$29,641

The Company recognized $9.5 million, $42.5 million and $6.4 million of equity based compensation expense for the years ended December 31, 2014, 2013 and 2012, respectively. As of December 31, 2014, the Company had $19.8 million of total unrecognized compensation cost related to unvested stock compensation, including $5.5 million associated with a portion of the RSAs subject to performance and market conditions which vest on the date, if any, that the Company's pre-IPO Owners receive cash proceeds resulting in a 15% internal rate of return on their investment in the Company, subject to continued employment on such date. The remaining $14.3 million of unrecognized compensation cost related to unvested stock compensation is expected to be recognized over a weighted average period of approximately 2.0 years.

13. Stockholders' Equity and Partners' Capital

Common Stock Split

On October 29, 2013, the Company effected a stock split whereby each issued and outstanding share of the Company's common stock prior to the stock split ("Old Common Stock") was automatically reclassified and became 2,409.1 fully paid and nonassessable shares of common stock, without any action required on the part of the Company or the holders of Old Common Stock. All references to share and per share amounts in the Consolidated Financial Statements and accompanying notes thereto have been retroactively restated to reflect this stock split.

Preferred Stock

During 2013, in connection with the IPO, the Company redeemed all 125 shares of outstanding Series A Redeemable Preferred Stock ("Preferred Stock") having a liquidation preference of $10,000 per share.

As of December 31, 2014 and 2013, BPG Sub had outstanding 125 shares of Series A Redeemable Preferred Stock having a liquidation preference of $10,000 per share.

Dividends and Distributions

Because Brixmor Property Group, Inc. is a holding company and has no material assets other than its ownership of BPG Sub shares and has no material operations other than those conducted by BPG Sub, dividends will be funded as follows:

- first, the Operating Partnership will make distributions to its partners, including BPG Sub, on a pro rata basis based on their partnership interests in the Operating Partnership;
- second, BPG Sub will distribute 100% of the distribution received from the Operating Partnership to its sole stockholder, Brixmor Property Group Inc.; and
- third, Brixmor Property Group Inc. will distribute the amount authorized by the Company's board of directors and declared by the Company to its common stockholders on a pro rata basis.

During the years ended December 31, 2014, 2013 and 2012, the Company paid $173.1 million, $47.4 million and $19.2 million, respectively, of dividends to the holders of common stock.

During the years ended December 31, 2014, 2013 and 2012, the Operating Partnership distributed $226.5 million, $69.4 million and $0.0 million, respectively, to its partners.

14. Earnings per Share

Basic earnings per share ("EPS") is calculated by dividing net income (loss) attributable to the Company's common stockholders, including participating securities, by the weighted average number of common shares outstanding for the period. Certain restricted shares issued pursuant to the Company's share-based compensation program are considered participating securities, as such shares have rights to receive non-forfeitable dividends. Unvested restricted shares are not allocated net losses and/or any excess of dividends declared over net income, as such amounts are allocated entirely to the common stockholders.

The following table provides a reconciliation of the numerator and denominator of the EPS calculations for the years ended December 31, 2014, 2013 and 2012:

	Year Ended December 31,		
	2014	2013	2012
Computation of Basic Earnings Per Share:			
Income (loss) from continuing operations	$112,771	$(80,658)	$(150,036)
(Income) loss attributable to non-controlling interests	(24,481)	18,641	35,546
Dividends on unvested restricted shares	(1,027)	(200)	—
Preferred stock dividends	(150)	(162)	(296)
Income (loss) from continuing operations attributable to common stockholders	87,113	(62,379)	(114,786)
Income (loss) from discontinued operations, net of non-controlling interests	712	(31,517)	(8,077)
Net income (loss) attributable to the Company's common stockholders for basic earnings per share	$87,825	$(93,896)	$(122,863)
Weighted average number of vested common shares outstanding - basic	243,390	188,993	180,675
Basic Earnings Per Share Attributable to the Company's Common Stockholders:			
Income (loss) from continuing operations	$0.36	$(0.33)	$(0.64)
Income (loss) from discontinued operations	$—	$(0.17)	$(0.04)
Net income (loss)	$0.36	$(0.50)	$(0.68)
Computation of Diluted Earnings Per Share:			
Income (loss) from continuing operations attributable to common stockholders	$87,113	$(62,379)	$(114,786)
Income (loss) from discontinued operations, net of nonconvertible non-controlling interests	712	(31,517)	(8,077)
Net income (loss) attributable to the Company's common stockholders for diluted earnings per share	$87,825	$(93,896)	$(122,863)
Weighted average common shares outstanding - basic	243,390	188,993	180,675
Effect of dilutive securities:			
Equity awards	1,198	—	—
Weighted average common shares outstanding - diluted	244,588	188,993	180,675
Diluted Earnings Per Share Attributable to the Company's Common Stockholders:			
Income (loss) from continuing operations	$0.36	$(0.33)	$(0.64)
Income (loss) from discontinued operations	$—	$(0.17)	$(0.04)
Net income (loss)	$0.36	$(0.50)	$(0.68)

Fully-diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into shares of common stock. For the year ended December 31, 2014, the weighted average number of vested OP Units and BPG Sub shares outstanding was 12.1 million shares and 47.0 million shares, respectively.

15. Earnings per Unit

Basic earnings per unit is calculated by dividing net income (loss) attributable to the Operating Partnership's common units, including participating securities, by the weighted average number of partnership common units outstanding for the period. Certain restricted units issued pursuant to the Company's share-based compensation program are considered participating securities. Unvested restricted units are not allocated net losses, as such amounts are allocated entirely to the partnership common units.

The following table provides a reconciliation of the numerator and denominator of the earnings per unit calculations for the years ended December 31, 2014, 2013 and 2012:

	Year Ended December 31,		
	2014	2013	2012
Computation of Basic Earnings Per Unit:			
Income (loss) from continuing operations	$112,771	$(80,652)	$(149,512)
Income attributable to non-controlling interests	(3,001)	(1,355)	(1,306)
Dividends on unvested restricted shares	(1,106)	(200)	—
Income (loss) from continuing operations attributable to partnership common units	108,664	(82,207)	(150,818)
Income (loss) from discontinued operations, net of Series A interest	886	(41,676)	(10,677)
Net income (loss) attributable to the Operating Partnership's common units for basic earnings per unit	$109,550	$(123,883)	$(161,495)
Weighted average number of vested common units outstanding - basic	302,540	250,109	238,834
Basic Earnings Per Unit Attributable to the Operating Partnership's Common Units:			
Income (loss) from continuing operations	$0.36	$(0.33)	$(0.63)
Income (loss) from discontinued operations	$—	$(0.17)	$(0.04)
Net Income (loss) (1)	$0.36	$(0.50)	$(0.68)
Computation of Diluted Earnings Per Unit:			
Income (loss) from continuing operations attributable to partnership common units	$108,664	$(82,207)	$(150,818)
Income (loss) from discontinued operations, net of Series A interest	886	(41,676)	(10,677)
Net income (loss) attributable to the Operating Partnership's common units for diluted earnings per unit	$109,550	$(123,883)	$(161,495)
Weighted average common units outstanding - basic	302,540	250,109	238,834
Effect of dilutive securities:			
Equity awards	1,198	—	—
Weighted average common units outstanding - diluted	303,738	250,109	238,834
Diluted Earnings Per Unit Attributable to the Operating Partnership's Common Units:			
Income (loss) from continuing operations	$0.36	$(0.33)	$(0.63)
Income (loss) from discontinued operations	$—	$(0.17)	$(0.04)
Net Income (loss) (1)	$0.36	$(0.50)	$(0.68)

(1) Basic and Diluted earnings per unit for net income (loss) may not equal the sum of basic and diluted earnings per unit from income (loss) from continuing and discontinued operations due to rounding.

16. Commitments and Contingencies

Leasing commitments

The Company periodically enters into ground leases for neighborhood and community shopping centers which it operates and enters into office leases for administrative space. During the years ended December 31, 2014, 2013 and 2012, the Company recognized rent expense associated with these leases of $9.2 million, $9.6 million and $9.4 million, respectively. Minimum annual rental commitments associated with these leases during the next five years and thereafter are as follows: 2015, $7.4 million; 2016, $7.0 million; 2017, $6.9 million; 2018, $6.5 million; 2019, $6.4 million and thereafter, $92.8 million.

Insurance captive

In April 2007, the Company formed a wholly owned captive insurance company, ERT CIC, LLC (“ERT CIC”) which underwrote the first layer of general liability insurance programs for the Company’s wholly owned, majority owned and joint venture properties. The Company formed ERT CIC as part of its overall risk management program and to stabilize insurance costs, manage exposure and recoup expenses through the functions of the captive program. The

Company capitalized ERT CIC in accordance with the applicable regulatory requirements. ERT CIC established annual premiums based on projections derived from the past loss experience of the Company's properties. ERT CIC engaged an independent third party to perform an actuarial estimate of future projected claims, related deductibles and projected expenses necessary to fund associated risk management programs. Premiums paid to ERT CIC may be adjusted based on this estimate and may be reimbursed by tenants pursuant to specific lease terms.

During 2012, the Company replaced ERT-CIC with a newly formed, wholly owned captive insurance company, Brixmor Incap, LLC ("Incap"). Incap underwrites the first layer of general liability insurance programs for the Company's wholly owned, majority owned and joint venture properties. The Company formed Incap as part of its overall risk management program and to stabilize insurance costs, manage exposure and recoup expenses through the functions of the captive program. The Company has capitalized Incap in accordance with the applicable regulatory requirements. Incap established annual premiums based on projections derived from the past loss experience of the Company's properties. Incap has engaged an independent third party to perform an actuarial estimate of future projected claims, related deductibles and projected expenses necessary to fund associated risk management programs. Premiums paid to Incap may be adjusted based on this estimate and may be reimbursed by tenants pursuant to specific lease terms.

Environmental matters

Under various federal, state and local laws, ordinances and regulations, the Company may be considered an owner or operator of real property or may have arranged for the disposal or treatment of hazardous or toxic substances. As a result, the Company may be liable for certain costs including removal, remediation, government fines and injuries to persons and property. The Company does not believe that any resulting liability from such matters will have a material adverse effect on the financial position, results of operations or liquidity of the Company.

Other legal matters

The Company is subject to various other legal proceedings and claims that arise in the ordinary course of business. Management believes that the final outcome of such matters will not have a material adverse effect on the financial position, results of operations or liquidity of the Company.

17. Income Taxes

The Parent Company has elected to qualify as a REIT in accordance with the Internal Revenue Code (the "Code"). To qualify as a REIT, the Parent Company must meet a number of organizational and operational requirements, including a requirement that it currently distribute at least 90% of its adjusted REIT taxable income to its stockholders. It is management's intention to adhere to these requirements and maintain the Parent Company's REIT status.

As a REIT, the Parent Company generally will not be subject to federal income tax, provided that distributions to its stockholders equal at least the amount of its REIT taxable income as defined under the Code. If the Parent Company fails to qualify as a REIT in any taxable year, it will be subject to federal taxes at regular corporate rates (including any applicable alternative minimum tax) and may not be able to qualify as a REIT for four subsequent taxable years.

Even if the Parent Company qualifies for taxation as a REIT, the Parent Company is subject to certain state and local taxes on its income and property, and to federal income and excise taxes on its undistributed taxable income. In addition, taxable income from non-REIT activities managed through TRS is subject to federal, state and local income taxes.

The Operating Partnership is organized as a limited partnership and is generally not subject to federal income tax. Accordingly, no provision for federal income taxes has been reflected in the accompanying Combined Consolidated Financial Statements. The Operating Partnership, however, may be subject to certain state and local income taxes or franchise taxes.

The Company incurred State and local income taxes or franchise taxes of approximately \$3.9 million, \$2.9 million and \$2.1 million for the years ended December 31, 2014, 2013 and 2012.

18. Related-Party Transactions

In the ordinary course of conducting its business, the Company enters into customary agreements with its affiliates and unconsolidated joint ventures in relation to the leasing and management of its and/or its related parties’ real estate assets.

As of December 31, 2014 and 2013, receivables from related parties were $4.2 million and $6.1 million, respectively, which are included in Receivables, net in the Consolidated Balance Sheets. As of December 31, 2014 and 2013, there were no material payables to related parties.

19. Retirement Plan

The Company has a Retirement and 401(k) Savings Plan (the “Savings Plan”) covering officers and employees of the Company. Participants in the Savings Plan may elect to contribute a portion of their earnings to the Savings Plan and the Company makes a matching contribution to the Savings Plan to a maximum of 3% of the employee’s eligible compensation. For the years ended December 31, 2014, 2013 and 2012, the Company’s expense for the Savings Plan was approximately $1.2 million, $1.3 million and $1.3 million, respectively.

20. Supplemental Financial Information

The following table summarizes selected Quarterly Financial Data for the Company on a historical basis for the years ended December 31, 2014 and 2013 and has been derived from the accompanying consolidated financial statements as reclassified for discontinued operations (in thousands except per share and per unit data):

Brixmor Property Group Inc.

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Year Ended December 31, 2014				
Total revenues as originally reported	$307,696	$308,077	$306,592	$314,605
Reclassified to Discontinued operations	(110)	(137)	(124)	—
Adjusted Total revenues	$307,586	$307,940	$306,468	$314,605
Net income(loss) attributable to common stockholders	$15,401	$23,473	$27,030	$22,948
Net income(loss) attributable to common stockholders per share:				
Basic	$0.07	$0.10	$0.11	$0.08
Diluted	$0.07	$0.10	$0.11	$0.08
Year Ended December 31, 2013				
Total revenues as originally reported	$284,625	$285,073	$292,972	$312,027
Reclassified to Discontinued operations	(7,433)	(6,976)	(7,001)	(6,883)
Adjusted Total revenues	$277,192	$278,097	$285,971	$305,144
Net income(loss) attributable to common stockholders	$(19,497)	$(43,261)	$(18,839)	$(12,099)
Net income(loss) attributable to common stockholders per share:				
Basic	$(0.11)	$(0.24)	$(0.10)	$(0.06)
Diluted	$(0.11)	$(0.24)	$(0.10)	$(0.06)

Brixmor Operating Partnership LP

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Year Ended December 31, 2014				
Total revenues as originally reported	$307,696	$308,077	$306,592	$314,605
Reclassified to Discontinued operations	(110)	(137)	(124)	—
Adjusted Total revenues	$307,586	$307,940	$306,468	$314,605
Net income(loss) attributable to partnership common units	$20,402	$30,973	$33,542	$25,739
Net income(loss) attributable to common unit holders per unit:				
Basic	$0.07	$0.10	$0.11	$0.08
Diluted	$0.07	$0.10	$0.11	$0.08
Year Ended December 31, 2013				
Total revenues as originally reported	$284,625	$285,073	$292,972	$312,027
Reclassified to Discontinued operations	(7,433)	(6,976)	(7,001)	(6,883)
Adjusted Total revenues	$277,192	$278,097	$285,971	$305,144
Net income(loss) attributable to partnership common units	$(25,770)	$(57,183)	$(24,903)	$(15,827)
Net income(loss) attributable to common unit holders per unit:				
Basic	$(0.11)	$(0.24)	$(0.10)	$(0.06)
Diluted	$(0.11)	$(0.24)	$(0.10)	$(0.06)

BRIXMOR PROPERTY GROUP INC. AND SUBSIDIARIES
SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS
(in thousands)

	Balance at Beginning of Period	Additions Charged / (Credited) to Bad Debt Expense	Deductions Accounts Receivable Written Off	Balance at End of Period
Allowance for doubtful accounts:				
Company				
Year ended December 31, 2014	$30,290	$10,325	$(26,545)	$14,070
Year ended December 31, 2013	$27,937	$13,162	$(10,809)	$30,290
Year ended December 31, 2012	$35,424	$11,383	$(18,870)	$27,937

BRIXMOR PROPERTY GROUP INC. AND SUBSIDIARIES
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
(in thousands)

			Initial Cost to Company		Cost Capitalized Subsequent to Acquisition	Gross Amount at Which Carried at the Close of the Period						Life on Which Depreciated - Latest Income Statement
Description		Encumbrances	Land	Building & Improvements	Improvements	Land	Building & Improvements	Total	Accumulated Depreciation	Year Constructed (1)	Date Acquired	
Winchester Plaza	Huntsville, AL	$—	$2,634	$12,252	$99	$2,634	$12,351	$14,985	$(696)	2006	Oct-13	40 years
Springdale	Mobile, AL	(36,946)	7,460	39,380	2,876	7,460	42,256	49,716	(13,101)	2004	Jun-11	40 years
Payton Park	Sylacauga, AL	(9,868)	1,830	14,444	290	1,830	14,734	16,564	(3,477)	1995	Jun-11	40 years
Shops of Tuscaloosa	Tuscaloosa, AL	—	1,535	11,824	41	1,535	11,865	13,400	(676)	2005	Oct-13	40 years
Glendale Galleria	Glendale, AZ	—	4,070	7,548	247	4,070	7,795	11,865	(1,007)	1991	Jun-11	40 years
Northmall Centre	Tucson, AZ	(16,580)	3,140	18,882	164	3,140	19,046	22,186	(3,118)	1996	Jun-11	40 years
Applegate Ranch Shopping Center	Atwater, CA	—	4,033	25,585	400	4,033	25,985	30,018	(1,800)	2006	Oct-13	40 years
Bakersfield Plaza	Bakersfield, CA	—	4,000	25,537	7,592	4,502	32,627	37,129	(5,869)	2014	Jun-11	40 years
Carmen Plaza	Camarillo, CA	(18,237)	5,410	19,784	406	5,410	20,190	25,600	(3,517)	2000	Jun-11	40 years
Plaza Rio Vista	Cathedral, CA	—	2,465	12,689	15	2,465	12,704	15,169	(678)	2005	Oct-13	40 years
Clovis Commons	Clovis, CA	—	12,943	39,578	405	12,943	39,983	52,926	(3,371)	2004	Oct-13	40 years
Cudahy Plaza	Cudahy, CA	—	4,490	13,474	928	4,778	14,114	18,892	(2,667)	1994	Jun-11	40 years
University Mall	Davis, CA	—	4,270	18,372	1,200	4,270	19,572	23,842	(3,129)	2011	Jun-11	40 years
Felicita Plaza	Escondido, CA	—	4,280	12,464	517	4,280	12,981	17,261	(2,132)	2001	Jun-11	40 years
Arbor - Broadway Faire	Fresno, CA	(15,397)	5,940	34,123	1,339	5,940	35,462	41,402	(6,471)	1995	Jun-11	40 years
Lompoc Shopping Center	Lompoc, CA	—	4,670	16,321	1,516	4,670	17,837	22,507	(4,036)	2012	Jun-11	40 years
Briggsmore Plaza	Modesto, CA	—	2,140	12,257	1,400	2,140	13,657	15,797	(2,394)	1998	Jun-11	40 years

Montebello Plaza	Montebello, CA	—	13,360	33,743	4,975	13,360	38,718	52,078	(7,114)	2012	Jun-11	40 years
California Oaks Center	Murrieta, CA	—	5,180	15,441	496	5,180	15,937	21,117	(3,024)	2014	Jun-11	40 years
Esplanade Shopping Center	Oxnard, CA	—	6,630	61,524	14,477	16,230	66,401	82,631	(9,084)	2012	Jun-11	40 years
Pacoima Center	Pacoima, CA	—	7,050	15,955	522	7,050	16,477	23,527	(3,868)	1995	Jun-11	40 years
Paradise Plaza	Paradise, CA	—	1,820	8,981	(15)	1,820	8,966	10,786	(2,329)	1997	Jun-11	40 years
Metro 580	Pleasanton, CA	—	10,500	19,409	158	10,500	19,567	30,067	(3,386)	2004	Jun-11	40 years
Rose Pavilion	Pleasanton, CA	—	16,790	59,235	1,209	16,790	60,444	77,234	(8,153)	2014	Jun-11	40 years
Puente Hills Town Center	Rowland Heights, CA	—	15,670	39,997	656	15,670	40,653	56,323	(6,729)	1984	Jun-11	40 years
San Bernardino Center	San Bernardino, CA	—	2,510	9,537	176	2,510	9,713	12,223	(2,959)	2003	Jun-11	40 years
Ocean View Plaza	San Clemente, CA	—	15,750	30,757	341	15,750	31,098	46,848	(5,124)	1997	Jun-11	40 years
Mira Mesa Mall	San Diego, CA	—	14,870	75,271	843	14,870	76,114	90,984	(10,587)	2003	Jun-11	40 years
San Dimas Plaza	San Dimas, CA	—	11,490	20,775	6,943	15,101	24,107	39,208	(3,246)	2013	Jun-11	40 years
Bristol Plaza	Santa Ana, CA	—	9,110	21,367	2,377	9,722	23,132	32,854	(3,399)	2003	Jun-11	40 years
Gateway Plaza	Santa Fe Springs, CA	—	9,980	31,263	104	9,980	31,367	41,347	(5,221)	2002	Jun-11	40 years
Santa Paula Shopping Center	Santa Paula, CA	—	3,520	18,079	777	3,520	18,856	22,376	(4,151)	1995	Jun-11	40 years
Vail Ranch Center	Temecula, CA	7,478 (2)	3,750	22,933	261	3,750	23,194	26,944	(4,048)	2003	Jun-11	40 years
Country Hills Shopping Center	Torrance, CA	—	3,630	8,716	238	3,630	8,954	12,584	(1,146)	1977	Jun-11	40 years
Gateway Plaza - Vallejo	Vallejo, CA	—	11,880	73,594	6,938	11,880	80,532	92,412	(12,455)	1991	Jun-11	40 years
Arvada Plaza	Arvada, CO	—	1,160	7,378	116	1,160	7,494	8,654	(2,001)	1994	Jun-11	40 years
Arapahoe Crossings	Aurora, CO	—	13,676	56,971	196	13,676	57,167	70,843	(4,856)	2003	Jul-13	40 years
Aurora Plaza	Aurora, CO	—	3,910	9,309	788	3,910	10,097	14,007	(2,963)	1996	Jun-11	40 years
Villa Monaco	Denver, CO	—	3,090	7,551	2,847	3,090	10,398	13,488	(1,462)	2013	Jun-11	40 years
		6,381 (2)	7,090	37,670	513	7,090	38,183	45,273	(6,739)	2004	Jun-11	40 years

Superior Marketplace	Superior, CO											
Westminster City Center	Westminster, CO	(4)7,004	6,040	45,099	7,408	6,040	52,507	58,547	(7,554)	2014	Jun-11	40 years
Freshwater - Stateline Plaza	Enfield, CT	(1)7,936	3,350	30,383	1,164	3,350	31,547	34,897	(5,272)	2004	Jun-11	40 years
The Shoppes at Fox Run	Glastonbury, CT	—	3,550	23,162	2,391	3,600	25,503	29,103	(3,595)	2012	Jun-11	40 years
Groton Square	Groton, CT	(2)1,465	2,730	28,311	1,083	2,730	29,394	32,124	(4,466)	1987	Jun-11	40 years
Parkway Plaza	Hamden, CT	(8),240	4,100	7,844	2	4,100	7,846	11,946	(1,617)	2006	Jun-11	40 years
Killingly Plaza	Killingly, CT	(9),342	1,270	2,580	738	1,270	3,318	4,588	(439)	1990	Jun-11	40 years
The Manchester Collection	Manchester, CT	(3)1,916	9,180	54,467	(1,277)	9,180	53,190	62,370	(6,853)	2014	Jun-11	40 years
Chamberlain Plaza	Meriden, CT	(3),126	1,260	4,620	371	1,260	4,991	6,251	(891)	2004	Jun-11	40 years
Milford Center	Milford, CT	—	1,140	2,776	54	1,140	2,830	3,970	(562)	1966	Jun-11	40 years

Description		Encumbrances	Initial Cost to Company		Cost Capitalized Subsequent to Acquisition	Gross Amount at Which Carried at the Close of the Period			Accumulated Depreciation	Year Constructed (1)	Date Acquired	Life on Which Depreciated - Latest Income Statement
			Land	Building & Improvements	Improvements	Land	Building & Improvements	Total				
Turnpike Plaza	Newington, CT	(20,500)	3,920	23,880	12	3,920	23,892	27,812	(3,751)	2004	Jun-11	40 years
North Haven Crossing	North Haven, CT	(10,433)	5,430	16,371	577	5,430	16,948	22,378	(2,462)	1993	Jun-11	40 years
Christmas Tree Plaza	Orange, CT	(3,731)	4,870	15,160	28	4,870	15,188	20,058	(3,100)	1996	Jun-11	40 years
Stratford Square	Stratford, CT	(13,183)	5,970	12,433	690	5,970	13,123	19,093	(2,790)	2014	Jun-11	40 years
Torrington Plaza	Torrington, CT	(9,234)	2,180	13,446	2,955	2,180	16,401	18,581	(2,413)	1994	Jun-11	40 years
Waterbury Plaza	Waterbury, CT	(16,311)	5,420	18,062	412	5,420	18,474	23,894	(3,623)	2000	Jun-11	40 years
Waterford Commons	Waterford, CT	(25,147)	4,990	45,642	2,514	4,990	48,156	53,146	(7,389)	2004	Jun-11	40 years
North Dover Shopping Center	Dover, DE	(16,100)	3,100	20,466	1,765	3,100	22,231	25,331	(4,360)	2013	Jun-11	40 years
Apopka Commons	Apopka, FL	—	860	3,867	7	658	4,076	4,734	(692)	2010	Jun-11	40 years
Brooksville Square	Brooksville, FL	—	4,140	12,357	1,865	4,140	14,222	18,362	(2,059)	2013	Jun-11	40 years
Coastal Way - Coastal Landing	Brooksville, FL	(28,137)	8,840	34,027	1,548	8,840	35,575	44,415	(6,412)	2008	Jun-11	40 years
Midpoint Center	Cape Coral, FL	—	4,251	13,226	130	4,251	13,356	17,607	(747)	2002	Oct-13	40 years
Clearwater Mall	Clearwater, FL	(49,351)	15,300	55,060	1,655	15,300	56,715	72,015	(8,296)	2012	Jun-11	40 years
Coconut Creek	Coconut Creek, FL	(16,405)	7,400	25,600	875	7,400	26,475	33,875	(3,689)	2005	Jun-11	40 years
Century Plaza Shopping Center	Deerfield Beach, FL	(12,300)	3,058	8,688	495	3,059	9,183	12,242	(3,147)	2006	Jun-11	40 years
Northgate S.C.	DeLand, FL	—	3,500	11,008	235	3,500	11,243	14,743	(2,308)	1993	Jun-11	40 years

Eustis Village	Eustis, FL	(12,092)	3,789	20,779	(132)	3,789	20,647	24,436	(1,222)	2002	Oct-13	40 years
First Street Village	Fort Meyers, FL	—	2,374	8,467	(178)	2,374	8,289	10,663	(381)	2006	Oct-13	40 years
Sun Plaza	Ft. Walton Beach, FL	—	4,480	12,658	391	4,480	13,049	17,529	(2,699)	2004	Jun-11	40 years
Normandy Square	Jacksonville, FL	(4,368)	1,930	5,567	193	1,930	5,760	7,690	(1,654)	1996	Jun-11	40 years
Regency Park	Jacksonville, FL	(12,252)	6,240	15,561	34	6,240	15,595	21,835	(4,092)	2006	Jun-11	40 years
The Shoppes at Southside	Jacksonville, FL	—	6,720	19,451	92	6,720	19,543	26,263	(3,616)	2004	Jun-11	40 years
Ventura Downs	Kissimmee, FL	(6,387)	3,580	8,237	153	3,580	8,390					