

**Transcript of  
Winthrop Realty Trust  
First Quarter 2015 Management Conference Call  
May 8, 2015**

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## Participants

Amy Grucan – Investor Relations  
Michael Ashner – Chairman and CEO  
Carolyn Tiffany – President

## Analysts

Dan Occhionero – Barclays

## Presentation

### Operator

Welcome to the Winthrop Realty Trust First Quarter 2015 Management Conference call. At this time, all participants are in a listen-only mode. A question-and-answer session will follow the formal presentation. As a reminder, this conference is being recorded.

It is now my pleasure to introduce your host, Amy Grucan, with Investor Relations.

### Amy Grucan – Investor Relations

Good afternoon, everyone. Welcome to the Winthrop Realty Trust First Quarter 2015 Management Conference call. With us today from senior management are Michael Ashner, Chairman and Chief Executive Officer; Carolyn Tiffany, President; John Garilli, Chief Financial Officer, and other members of the management team.

This morning, May 8<sup>th</sup>, we issued a press release disclosing certain financial information about Winthrop and providing updates on the liquidation process. The press release is available on our website at [www.winthropreit.com](http://www.winthropreit.com) in the News and Events section, and which will be furnished on Form 8-K with the SEC. Additionally, we are hosting a live webcast of today's call, which you can also access in the website's News and Events section.

At this time, management would like to inform you that certain statements made during this conference call, which are not historical, might constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Although we believe the expectations reflected in any forward-looking statements are based on reasonable assumptions, we can give no assurance that these expectations will be attained. Factors and risks that could cause actual results to differ materially from those expressed or implied by forward-looking statements are detailed in the press release and from time-to-time in our filings with the SEC. We do not undertake a duty to update any forward-looking statements.

I will now turn the call over to Michael Ashner.

### Michael Ashner – Chairman and CEO

Thank you, Amy and welcome to our discussion of our First Quarter Financial Results and our ongoing efforts with respect to our plan of liquidation. Once again, I will be leading this call with Carolyn, John Garilli, as well as John Alba are available to answer the really difficult important questions that any of you may have. As we

discussed, the adoption of the plan eliminates much of the content one finds in an earnings call. We still have liquidation accounting and that accounting is based primarily on the discussion of changes to asset valuation. These changes reflect our best current estimates to the liquidation proceeds we expect to realize taking into consideration numerous factors including timing of each sale, its operating income prior to disposition, cost of liquidation, corporate G&A, etc.

On an apples-to-apples basis, the estimated liquidation proceeds improved by \$0.06 per share to \$16.39 as compared to the fourth quarter estimate of \$16.33 per share. This improvement reflects an upward valuation for higher projected sales proceeds for certain assets as well as a small decline in operating income due to the acceleration of the marketing process for number of these assets.

We again have refrained from changing our valuation of our investments in our Times Square joint venture. As stated in our annual letter, we continue to view the environment for sale of the commercial real estate assets as very favorable. Our Vintage portfolio is under a hard contract to sell with an expectation of closure in late May or early June. The sale of the hotel assets which underlies our participation in the MSREF joint venture is scheduled to close shortly with the Company projecting proceeds in excess of \$19 million.

From the operating front, our Sullivan property will have a projected occupancy of 97% by year end, taking into consideration newly executed leases. Football Fanatics, our principal tenant for our Jacksonville property has released 568,000 square feet of this 587,000 square foot building pursuant to its three-year option. Portfolio occupancy for our office and our other commercial properties on a same-store basis improved from 92% as of the year end to 94% as of the end of the quarter. Our multifamily portfolio, excluding Vintage remains consistent at 93% occupancy.

With respect to our Times Square joint venture, construction activity continues with demolition anticipated to be completed by mid-May and foundation work to commence promptly thereafter. The financing for the venture was recently modified. The modification provides for an additional one-year extension, providing the venture with the ability to extend the maturity date of the loan to January 31, 2020.

The modification further enabled the venture to obtain up to \$200 million of EB-5 financing at a reduced rate of 5.9%, of which \$77.8 million has been committed to date. Proceeds of the EB-5 funding will be applied to repayment of a portion of the existing LIBOR+ 800% financing. In addition, an existing \$315 million senior portion of the financing is in the process of syndication by the lending group, which when completed will result in a further interest rate reduction of the entire financing package, further creating interest savings to the venture.

Reported leasing rates for retail and signage in Times Square are exceeding the projections we used when we formed that joint venture almost two years ago. When considering our plan of liquidation, I believe one important indicia of its pace is the number of notional sales or asset resolutions.

In this regard, the Company held interests in 114 distinct assets on January 1, 2014, which we expect to be reduced to approximately 40 by mid-June of this year. Currently, we are in the process of marketing four more assets: our office building in Cerritos, California; our multi-use office asset in Chicago, Illinois; our warehouse facility in Jacksonville, Florida and our luxury apartment property in Stamford, Connecticut, which is a part of the ST Residential portfolio. As with all sale processes, there is no assurance of closure but we would not be taking these assets to market if we did not have some level of confidence of satisfying our pricing expectations.

None of the macroeconomic considerations which weigh on our election to pursue the planned liquidation have changed in our view. At the end of the day, you're either a buyer or a seller of your assets and in this market, we remain decidedly a seller. Credit once again goes where credit is due. The implementation of our plan of

liquidation and all the elements that could go into it could not proceed without the exceptional performance of all my colleagues and associates in Jericho and Boston.

I'd now like to open the floor to questions. Feel free to ask about the liquidation process, about our assets or any other questions you might have. John, Carolyn and I are all happy to respond.

**Operator**

Our first question is coming from the line of Dan Occhionero with Barclays.

<Q>: I was wondering if you guys could talk a little bit about apartment fundamentals in Houston in light of the drop in oil prices and kind of just the overall plan with them or Mosaic and the timing of potentially putting that on the market.

**Michael Ashner – Chairman and CEO**

Whenever there is some sort of macroeconomic cloud which affects assets in a particular geographic location where you are located but I think what distinguishes Mosaic and why we are not overly concerned is that its market is not the oil and gas market, but rather the medical center market and that's where its tenant profile comes from. It's also probably one of the best, if not the best rental property in all of Houston and so we actually have a number of tenants who are both doctors and/or patients at the medical center. So I think at the end of the day, when we go to market, I don't think we will be dinged significantly as a result, but I could be wrong, it's not my expectation.

**Carolyn Tiffany – President**

And in terms of timing Dan, we haven't put out when we plan to sell this or any of the assets other than the ones that are currently in the market.

**Michael Ashner – Chairman and CEO**

I would also add that currently we are doing some upgrades to the property, to lobbies, the landscaping, things that will make it look AAA. So I want to get those done first before we go to market with the property.

**Operator**

It appears we have no additional questions at this time. I would like to turn the floor back over to management for any additional concluding comments.

**Michael Ashner – Chairman and CEO**

We appreciate you being with us for today's call. We look forward to speaking with you again at our Annual Shareholders Meeting on May 28<sup>th</sup>. If you have any additional questions or would like to discuss anything further with us directly, please feel free to contact me or any member of our management team. Our contact information is available on the website. I thank you all and have a good afternoon and weekend.

**Operator**

Ladies and gentlemen, this does conclude today's teleconference. You may disconnect your lines at this time.