
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

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

Date of Report (Date of earliest event reported): May 13, 2014

ARMADA HOFFLER PROPERTIES, INC.
(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction
of incorporation)

001-35908
(Commission
File Number)

46-1214914
(IRS Employer
Identification No.)

222 Central Park Avenue, Suite 2100
Virginia Beach, Virginia
(Address of principal executive offices)

23462
(Zip Code)

Registrant's telephone number, including area code: (757) 366-4000

Not Applicable
(Former name or former address, if changed since last report)

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

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

Item 2.02. Results of Operations and Financial Condition.

On May 13, 2014, Armada Hoffler Properties, Inc. (the “Company”) issued a press release announcing its financial position as of March 31, 2014, results of operations for the three months ended March 31, 2014 and other related information. Also on May 13, 2014, the Company made available on its website at www.armadahoffler.com certain supplemental information concerning the Company’s financial results and operations for the three months ended March 31, 2014. Copies of such press release and supplemental information are furnished as Exhibits 99.1 and 99.2, respectively, to this Current Report on Form 8-K and are incorporated herein by reference.

In accordance with General Instructions B.2 and B.6 of Form 8-K, the information included in this Current Report on Form 8-K, including Exhibits 99.1 and 99.2 hereto, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any filing made by the Company under the Exchange Act or Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.

Item 7.01. Regulation FD Disclosure.

The disclosure contained in Item 2.02 is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release, dated May 13, 2014, issued by Armada Hoffler Properties, Inc., providing its financial position as of March 31, 2014 and results of operations for the three months ended March 31, 2014.
99.2	Armada Hoffler Properties, Inc. First Quarter 2014 Supplemental Information.

SIGNATURES

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

ARMADA HOFFLER PROPERTIES, INC.

Dated: May 13, 2014

By: /s/ Michael P. O'Hara
Michael P. O'Hara
Chief Financial Officer and Treasurer

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release, dated May 13, 2014, issued by Armada Hoffler Properties, Inc., providing its financial position as of March 31, 2014 and results of operations for the three months ended March 31, 2014.
99.2	Armada Hoffler Properties, Inc. First Quarter 2014 Supplemental Information.



ARMADA HOFFLER PROPERTIES REPORTS FIRST QUARTER 2014 RESULTS**FFO of \$6.5 Million, \$0.20 Per Diluted Share****Core FFO of \$7.1 Million, \$0.22 Per Diluted Share****Operating Property Portfolio at 94.5% Occupancy**

VIRGINIA BEACH, VA, May 13, 2014 – Armada Hoffer Properties, Inc. (NYSE: AHH), a full service real estate company, which develops and owns high-quality office, retail and multifamily properties in key Mid-Atlantic markets, today announced its results for the quarter ended March 31, 2014.

Highlights include:

- Funds From Operations (“FFO”) of \$6.5 million, or \$0.20 per diluted share.
- Core FFO of \$7.1 million, or \$0.22 per diluted share.
- Occupancy increased slightly to 94.5%, compared to 94.4% as of December 31, 2013.
- Eleven properties under development including approximately 675,000 square feet of office and retail space and 686 multifamily units.
- \$165.9 million of new construction contract work, including the Harbor Point project in Baltimore, Maryland, and \$193.3 million of backlog.
- Cash dividend of \$0.16 per share payable on July 10, 2014 to stockholders of record on July 1, 2014.
- Anthropologie will be opening a 9,000 square foot store at the Town Center of Virginia Beach in the fourth quarter of 2014.
- Today, the Company announced two new development projects, both with the Commonwealth of Virginia, for a total of 47,000 square feet. Both properties will be 100% leased for 12 years starting in early 2015.
- In April, the Company announced Lightfoot Marketplace, a new shopping center in Williamsburg, Virginia that will be anchored by Harris Teeter on a 20-year lease.
- In January, the Company closed on the previously announced acquisition of Liberty Apartments in Newport News, Virginia.

“We are pleased with our solid start to the year. The winter weather had less of an impact on our construction business than we had anticipated and our general and administrative costs were positively impacted largely due to timing,” commented Louis Haddad, Chief Executive Officer. “We are encouraged by the attractive array of opportunities in our development pipeline and are excited by the volume of leasing activity that we are experiencing not only at Town Center but broadly across our portfolio.”

Financial Results

Net income was \$2.5 million, or \$0.08 per diluted share, for the three months ended March 31, 2014. FFO was \$6.5 million, or \$0.20 per diluted share, and Core FFO was \$7.1 million, or \$0.22 per diluted share, for the three months ended March 31, 2014. The Company believes that Core FFO is a useful supplemental performance measure as it excludes certain items including, but not limited to, losses on debt extinguishments, non-cash compensation expense and effects from non-stabilized development projects. A reconciliation of GAAP net income to FFO and Core FFO is presented on page eight of this release.

Operating Performance

The Company executed new and renewal office leases totaling 31,000 square feet, as well as new and renewal retail leases totaling 27,000 square feet. At the end of the first quarter, the Company’s office, retail and multifamily operating property portfolios were 95.4%, 93.4% and 94.2% occupied, respectively.

Balance Sheet and Financing Activity

At the end of the first quarter, the Company had total outstanding debt of approximately \$317.3 million, including \$80.0 million outstanding on its revolving credit facility. Approximately 46% of the Company’s debt had fixed interest rates at March 31, 2014 but after considering LIBOR interest rate caps with strike prices at or below 150 basis points, approximately 83% of the Company’s debt was fixed or hedged at March 31, 2014.

-MORE-

Outlook

The Company is reiterating its full-year 2014 outlook parameters.

- For the full-year 2014, Core FFO is expected to be in line with full-year 2013 FFO.
- During 2014, the Company expects to deliver five development projects. These projects include: 4525 Main Street; Greentree Shopping Center; Encore Apartments; Whetstone Apartments; and Liberty Apartments.
- Non-stabilized projects in 2014 are expected to negatively impact FFO by approximately \$1.5 million, which the Company will exclude from Core FFO.
- General and administrative expenses are expected to be approximately \$7.8 million.
- Construction company annual segment profits are expected to be approximately \$4.0 million.

	<u>Current Parameters</u> <u>As of May 13, 2014</u>	<u>Previous Parameters</u> <u>As of February 20, 2014</u>
Total Core FFO (excluding the impact from non-stabilized projects)	In-line with full-year 2013 FFO	In-line with full-year 2013 FFO
Non-stabilized projects - negative impact to FFO (excluded from Core FFO)	Approximately \$ 1.5 million	Approximately \$ 1.5 million
General & administrative expense	Approximately \$ 7.8 million	Approximately \$ 7.8 million
Third party construction company annual segment gross profit	Approximately \$ 4.0 million	Approximately \$ 4.0 million

Supplemental Financial Information

Further details regarding operating results, properties and leasing statistics can be found in the Company's supplemental financial package available at www.ArmadaHoffler.com under the Investor Relations section.

Webcast and Conference Call

The Company will host a webcast and conference call on Tuesday, May 13, 2014 at 8:30 a.m. Eastern Time to review first quarter ended March 31, 2014 results and discuss recent events. The live webcast will be available through the Investor Relations page of the Company's website, www.ArmadaHoffler.com, or through www.viavid.com. To participate in the call, please dial 877-407-3982 (domestic) or 201-493-6780 (international). A replay of the conference call will be available through Friday, June 13, 2014, by dialing 877-870-5176 (domestic) or 858-384-5517 (international) and entering the pass code 13580585.

-MORE-

About Armada Hoffler Properties, Inc.

Armada Hoffler Properties, Inc. is a full service real estate company with extensive experience developing, building, owning and managing high-quality, institutional-grade office, retail and multifamily properties in attractive markets throughout the Mid-Atlantic United States. The Company has elected to be taxed as a real estate investment trust (REIT) for U.S. federal income tax purposes.

Forward-Looking Statements

Certain matters within this press release are discussed using forward-looking language as specified in the Private Securities Litigation Reform Act of 1995, and, as such, may involve known and unknown risks, uncertainties and other factors that may cause the actual results or performance to differ from those projected in the forward-looking statement. These forward-looking statements may include comments relating to the current and future performance of the Company's operating property portfolio, the Company's identified and next generation development pipelines, the Company's construction and development business, including backlog, and financing activities as well as comments on the Company's outlook. For a description of factors that may cause the Company's actual results or performance to differ from its forward-looking statements, please review the information under the heading "Risk Factors" included in the Company's Annual Report on Form 10-K for the year ended December 31, 2013, and other documents filed by the Company with the Securities and Exchange Commission.

Non-GAAP Financial Measures

The Company calculates FFO in accordance with the standards established by the National Association of Real Estate Investment Trusts ("NAREIT"). NAREIT defines FFO as net income (loss) (calculated in accordance with GAAP), excluding gains (or losses) from sales of depreciable operating property, real estate related depreciation and amortization (excluding amortization of deferred financing costs) and after adjustments for unconsolidated partnerships and joint ventures.

FFO is a supplemental non-GAAP financial measure. The Company uses FFO as a supplemental performance measure because it believes that FFO is beneficial to investors as a starting point in measuring the Company's operational performance. Specifically, in excluding real estate related depreciation and amortization and gains and losses from property dispositions, which do not relate to or are not indicative of operating performance, FFO provides a performance measure that, when compared year over year, captures trends in occupancy rates, rental rates and operating costs. We also believe that, as a widely recognized measure of the performance of REITs, FFO will be used by investors as a basis to compare the Company's operating performance with that of other REITs.

-MORE-

However, because FFO excludes depreciation and amortization and captures neither the changes in the value of the Company's properties that result from use or market conditions nor the level of capital expenditures and leasing commissions necessary to maintain the operating performance of the Company's properties, all of which have real economic effects and could materially impact the Company's results from operations, the utility of FFO as a measure of the Company's performance is limited. In addition, other equity REITs may not calculate FFO in accordance with the NAREIT definition as the Company does, and, accordingly, the Company's FFO may not be comparable to such other REITs' FFO. Accordingly, FFO should be considered only as a supplement to net income as a measure of the Company's performance.

Management also believes that the computation of FFO in accordance with NAREIT's definition includes certain items that are not indicative of the results provided by the Company's operating property portfolio and affect the comparability of the Company's period-over-period performance. Accordingly, the Company further adjusts FFO to arrive at Core FFO, which eliminates certain of these items, including, but not limited to, gains and losses on the extinguishment of debt and non-cash stock compensation expense.

For reference, as an aid in understanding the Company's computation of FFO and Core FFO, a reconciliation of net income calculated in accordance with GAAP to FFO and Core FFO has been included on page eight of this release.

-MORE-

ARMADA HOFFLER PROPERTIES, INC.
CONDENSED CONSOLIDATED BALANCE SHEET
(dollars in thousands)

	<u>March 31,</u> 2014 (Unaudited)	<u>December 31,</u> 2013
Assets		
Real estate investments:		
Income producing property	\$ 434,281	\$ 406,239
Held for development	—	—
Construction in progress	78,536	56,737
Accumulated depreciation	(108,706)	(105,228)
Net real estate investments	404,111	357,748
Cash and cash equivalents	13,444	18,882
Restricted cash	2,754	2,160
Accounts receivable, net	18,884	18,272
Construction receivables, including retentions	12,736	12,633
Construction costs and estimated earnings in excess of billings	1,184	1,178
Other assets	25,799	24,409
Total Assets	<u>\$ 478,912</u>	<u>\$ 435,282</u>
Liabilities and Equity		
Indebtedness	\$ 317,271	\$ 277,745
Accounts payable and accrued liabilities	7,158	6,463
Construction payables, including retentions	27,047	28,139
Billings in excess of construction costs and estimated earnings	1,134	1,541
Other liabilities	16,264	15,873
Total Liabilities	<u>\$ 368,874</u>	<u>\$ 329,761</u>
Total Equity	<u>110,038</u>	<u>105,521</u>
Total Liabilities and Equity	<u>\$ 478,912</u>	<u>\$ 435,282</u>

-MORE-

ARMADA HOFFLER PROPERTIES, INC.
CONDENSED CONSOLIDATED INCOME STATEMENT
(dollars in thousands, except per share)

	Three Months Ended March 31,	
	2014	2013
	(Unaudited)	
Revenues		
Rental revenues	\$15,193	\$13,398
General contracting and real estate services	19,234	17,956
Total revenues	<u>34,427</u>	<u>31,354</u>
Expenses		
Rental expenses	3,976	3,229
Real estate taxes	1,343	1,212
General contracting and real estate services	17,985	17,458
Depreciation and amortization	3,969	3,159
General and administrative	2,046	717
Total expenses	<u>29,319</u>	<u>25,775</u>
Operating income	5,108	5,579
Interest expense	(2,565)	(3,915)
Other income	112	267
Income before taxes	2,655	1,931
Income tax provision	(149)	—
Net income	<u>\$ 2,506</u>	<u>\$ 1,931</u>
Per Share:		
Basic and Diluted	\$ 0.08	
Weighted Average Common Shares and Units:		
Basic and Diluted	32,825	

-MORE-

ARMADA HOFFLER PROPERTIES, INC.
RECONCILIATION OF NET INCOME TO CORE FUNDS FROM OPERATIONS
(dollars in thousands, except per share)

	Three Months Ended March 31, 2014 (Unaudited)
Net income	\$ 2,506
Depreciation and amortization	3,969
Funds From Operations	<u>\$ 6,475</u>
Non-cash stock compensation	329
Non-stabilized development projects	261
Loss on extinguishment of debt	—
Loan modification costs	—
Impairment charges	—
Core Funds From Operations	<u>\$ 7,065</u>
Funds From Operations per diluted share	<u>\$ 0.20</u>
Core Funds From Operations per diluted share	<u>\$ 0.22</u>
Common Shares and Units Outstanding	32,825

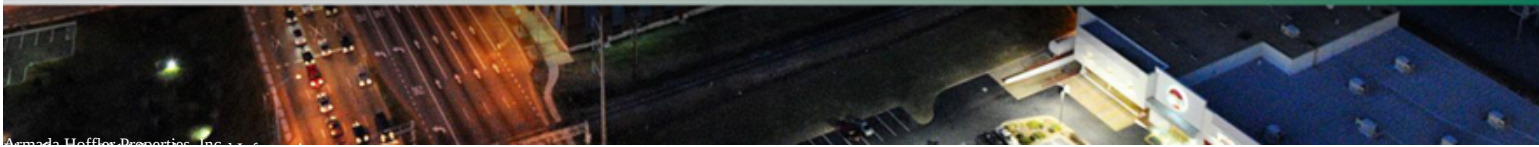
Contact:

Julie Loftus Trudell
Armada Hoffler Properties, Inc.
Vice President of Investor Relations
Email: JTrudell@ArmadaHoffler.com
Phone: (757) 366-6692

###



Armada Hoffler Properties, Inc.
First Quarter 2014 Supplemental Information



Armada Hoffler Properties, Inc.

Table of Contents

Forward Looking Statements	3
Corporate Profile	4
First Quarter Results and Financial Summary	5
Highlights	6
2014 Outlook	7
Summary Information	8
Summary Balance Sheet	9
Summary Income Statement	10
Core FFO & AFFO	11
Summary of Outstanding Debt	12
Debt to Core EBITDA	13
Debt Information	14
Portfolio Summary & Business Segment Overview	15
Stabilized Portfolio Summary	16
Stabilized Portfolio Summary Footnotes	17
Development Pipeline	18
Construction Business Summary	19
Operating Results & Property-Type Segment Analysis	20
Same Store NOI by Segment	21
Top 10 Tenants by Annual Base Rent	22
Office Lease Summary	23
Retail Lease Summary	25
Historical Occupancy	27
Appendix - Understanding AHH	29
Corporate Overview	30
Differentiation Provides Value Creation	31
Business Segmentation Overview	32
Components of NAV	33
Stabilized Portfolio	34
Identified & Next Generation Pipeline	35
3rd Party Construction	36
Net Asset Value Component Data	37
Appendix - Definitions & Reconciliations	38
Definitions	39
Reconciliations	43

Forward Looking Statement

This Supplemental Information should be read in conjunction with our Quarterly Report on Form 10-Q for the quarter ended March 31, 2014, and the unaudited consolidated financial statements appearing in our press release dated May 13, 2014, which has been furnished as Exhibit 99.1 to our Form 8-K filed on May 13, 2014. The Company makes statements in this Supplemental Information that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (set forth in Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act")). In particular, statements pertaining to our capital resources, portfolio performance and results of operations contain forward-looking statements. Likewise, all of our statements regarding anticipated growth in our funds from operations, core funds from operations, adjusted funds from operations, funds available for distribution and net operating income are forward-looking statements. You can identify forward-looking statements by the use of forward-looking terminology such as "believes," "expects," "may," "will," "should," "seeks," "approximately," "intends," "plans," "estimates" or "anticipates" or the negative of these words and phrases or similar words or phrases which are predictions of or indicate future events or trends and which do not relate solely to historical matters. You can also identify forward-looking statements by discussions of strategy, plans or intentions.

Forward-looking statements involve numerous risks and uncertainties and you should not rely on them as predictions of future events. Forward-looking statements depend on assumptions, data or methods which may be incorrect or imprecise and the Company may not be able to realize them. The Company does not guarantee that the transactions and events described will happen as described (or that they will happen at all). For further discussion of risk factors and other events that could impact our future results, please refer to the section entitled "Risk Factors" in our most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "SEC"), and the documents subsequently filed by us from time to time with the SEC.

Corporate Profile

Corporate Information

Armada Hoffer Properties, Inc. (NYSE: AHH) is a full service real estate investment trust company that develops, builds, owns and manages institutional grade office, retail and multifamily properties in the Mid-Atlantic U.S. The Company also provides general construction and development services to third-party clients throughout the Mid-Atlantic and Southeastern regions of the U.S. Armada Hoffer Properties was founded in 1979 and is headquartered in Virginia Beach, VA.

Management & Board

Board of Directors

Daniel A. Hoffer	Executive Chairman of the Board
A. Russell Kirk	Vice Chairman of the Board
Louis S. Haddad	Director
John W. Snow	Lead Independent Director
George F. Allen	Independent Director
James A. Carroll	Independent Director
James C. Cherry	Independent Director
Joseph W. Prueher	Independent Director

Corporate Officers

Louis S. Haddad	President and Chief Executive Officer
Anthony P. Nero	President of Development
Shelly R. Hampton	President of Asset Management
Eric E. Apperson	President of Construction
Michael P. O'Hara	Chief Financial Officer and Treasurer
Eric L. Smith	Vice President of Operations and Secretary

Analyst Coverage

Janney, Montgomery, & Scott LLC Michael Gorman (215) 665-6224 mgorman@janney.com	Raymond James & Associates Richard Mulligan (727) 567-2660 ri.mulligan@raymondjames.com	Robert W. Baird & Co. David Rodgers (216) 737-7341 drodgers@rwbaIRD.com	Stifel, Nicolaus & Company, Inc. John Guinee (443) 224-1307 jwguinee@stifel.com	Wunderlich Securities Craig Kucera (540) 277-3366 ckucera@wundernet.com
---	--	--	---	---

Investor Relations Contact

Julie Loftus Trudell
Vice President of Investor Relations
(757) 366-6692
jtrudell@armadahoffler.com



First Quarter Results and Financial Summary

ARMADA HOFFLER
P R O P E R T I E S



Highlights

Financial

- Funds From Operations (“FFO”) of \$6.5 million, or \$0.20 per diluted share.
- Core FFO of \$7.1 million, or \$0.22 per diluted share.
- Occupancy increased slightly to 94.5%, compared to 94.4% as of December 31, 2013.
- Cash dividend of \$0.16 per share payable on July 10, 2014 to stockholders of record on July 1, 2014.
- Core debt to annualized Core EBITDA - 6.9x
- Weighted average interest rate of 3.6% and average loan term to maturity of 9.7 years
- Approximately 46% of debt was fixed as of March 31st but taking into account LIBOR interest rates caps approximately 83% of debt was fixed or hedged.

Operational

- Eleven properties under development including 675,000 square feet of office and retail space and 686 multifamily units.
- \$165.9 million of new construction contract work, including the Harbor Point project in Baltimore, Maryland, and \$193.3 million of backlog.
- Anthropologie will be opening a 9,000 square foot store at the Town Center of Virginia Beach in the fourth quarter of 2014.
- Today, the Company announced two new development projects, both with the Commonwealth of Virginia, for a total of 47,000 square feet. Both properties will be 100% leased for 12 years starting in early 2015.
- In April, the Company announced Lightfoot Marketplace, a new shopping center in Williamsburg, Virginia that will be anchored by Harris Teeter on a 20-year lease.

2014 Outlook

	Current Parameters As of May 13, 2014	Previous Parameters As of February 20, 2014
Total Core FFO (excluding the impact from non-stabilized projects)	In-line with full-year 2013 FFO	In-line with full-year 2013 FFO
Non-stabilized projects - negative impact to FFO (excluded from Core FFO)	Approximately \$1.5 million	Approximately \$1.5 million
General & administrative expense	Approximately \$7.8 million	Approximately \$7.8 million
Third party construction company annual segment gross profit	Approximately \$4.0 million	Approximately \$4.0 million

Summary Information

\$ in thousands, except per share

Market Capitalization		
	3/31/2014	
	% of Total Equity	Total Market Capitalization
Market Data		
Total Common Shares Outstanding	58%	19,254,365
Operating Partnership ("OP") Units Outstanding	42%	13,785,017
Common shares and OP units outstanding	100%	33,039,382
Market price per common share		\$10.04
Equity market capitalization		\$331,715
Total debt		317,271
Total market capitalization		\$648,986
Less: cash		(16,198)
Total enterprise value		\$632,788

Stable Portfolio Metrics		3/31/2014
Rentable square feet or number of units:		
Office		950,370
Retail		1,092,311
Multifamily ⁽¹⁾		626
Occupancy:		
Office ⁽²⁾		95.4%
Retail ⁽²⁾		93.4%
Multifamily ⁽¹⁾⁽³⁾		94.2%
Weighted Average ⁽⁴⁾		94.5%

Key Financials		Three months ended 3/31/2014
Financial Information:		
Rental revenues		\$15,193
General contracting and real estate services revenues		19,234
Rental properties Net Operating Income (NOI)		9,874
General contracting and real estate services gross profit		1,249
Net income		2,506
Funds From Operations (FFO)		6,475
FFO per diluted share		\$0.20
Core FFO		7,065
Core FFO per diluted share		\$0.22
Weighted Average Shares/Units Outstanding		32,824,399

Debt Metrics		Three months ended 3/31/2014
Key Metrics		
Core debt/enterprise value		42.5%
Fixed charge coverage ratio		
Core EBITDA		\$9,686
Interest		2,565
Principal		714
Total Fixed Charges		3,279
Fixed charge coverage ratio		2.95x
Core Debt/Annualized Core EBITDA		6.9x

(1) Excludes Liberty Apartments

(2) Office and retail occupancy based on leased square feet as a % of respective total

(3) Multifamily occupancy based on occupied units as a % of respective total

(4) Total occupancy weighted by annualized base rent

Summary Balance Sheet

\$ in thousands

	As of	
	3/31/2014 (Unaudited)	12/31/2013
Assets		
Real estate investments:		
Income producing property	\$434,281	\$406,239
Construction in progress	78,536	56,737
	<u>512,817</u>	<u>462,976</u>
Accumulated depreciation	(108,706)	(105,228)
Net real estate investments	<u>404,111</u>	<u>357,748</u>
Cash and cash equivalents	13,444	18,882
Restricted cash	2,754	2,160
Accounts receivable, net	18,884	18,272
Construction receivables, including retentions	12,736	12,633
Costs and estimated earnings in excess of billings	1,184	1,178
Other assets	25,799	24,409
Total Assets	<u><u>\$478,912</u></u>	<u><u>\$435,282</u></u>
Liabilities and Equity		
Indebtedness	\$317,271	\$277,745
Accounts payable and accrued liabilities	7,158	6,463
Construction payables, including retentions	27,047	28,139
Billings in excess of costs and estimated earnings	1,134	1,541
Other liabilities	16,264	15,873
Total Liabilities	<u>368,874</u>	<u>329,761</u>
Total Equity	<u>110,038</u>	<u>105,521</u>
Total Liabilities and Equity	<u><u>\$478,912</u></u>	<u><u>\$435,282</u></u>

Summary Income Statement

\$ in thousands

	Three months ended	
	3/31/2014	3/31/2013
	(Unaudited)	
Revenues		
Rental revenues	\$15,193	\$13,398
General contracting and real estate services	19,234	17,956
Total Revenues	<u>34,427</u>	<u>31,354</u>
Expenses		
Rental expenses	3,976	3,229
Real estate taxes	1,343	1,212
General contracting and real estate services	17,985	17,458
Depreciation and amortization	3,969	3,159
General and administrative	2,046	717
Total Expenses	<u>29,319</u>	<u>25,775</u>
Operating Income	5,108	5,579
Interest expense	(2,565)	(3,915)
Other income	112	267
Income before taxes	<u>2,655</u>	<u>1,931</u>
Income tax provision	(149)	-
Net income	<u>\$2,506</u>	<u>\$1,931</u>

Core FFO & AFFO

\$ in thousands, except per share

	<u>Three months ended</u>
	<u>3/31/2014</u>
	(Unaudited)
Net income	\$2,506
Depreciation and amortization	3,969
FFO	6,475
Core FFO	
<u>Adjustments</u>	
Loss on extinguishment of debt	-
Non-cash stock compensation	329
Impairment charges	-
Loan modifications	-
Non-Stabilized development pipeline adjustments	261
Core FFO	7,065
Core FFO per weighted average share	\$0.22
AFFO	
<u>Adjustments</u>	
Non-Stabilized development pipeline adjustments	(261)
Tenant improvements, leasing commissions ⁽¹⁾	(209)
Leasing incentives	-
Property related capital expenditures	(219)
Non cash interest expense	133
GAAP Adjustments	
Net effect of straight-line rents	(389)
Amortization of lease incentives and above (below) market rents	160
Derivative (income) losses	(93)
AFFO	\$6,187
AFFO per weighted average share	\$0.19

(1) Excludes tenant improvements and leasing commissions on first generation rental space.

Summary of Outstanding Debt

\$ in thousands

Debt	Amount Outstanding	Interest Rate ⁽¹⁾	Effective Rate as of March 31, 2014	Maturity Date	Balance at Maturity
Virginia Beach Town Center					
249 Central Park Retail	\$15,765	5.99%		September 8, 2016	\$15,084
South Retail	6,955	5.99%		September 8, 2016	6,655
Studio 56 Retail	2,672	3.75%		May 7, 2015	2,592
Commerce Street Retail	5,597	LIBOR +2.25%	2.41%	October 31, 2018	5,264
Fountain Plaza Retail	7,883	5.99%		September 8, 2016	7,542
Dick's at Town Center	8,292	LIBOR+2.75%	2.91%	October 31, 2017	7,889
The Cosmopolitan	47,577	3.75%		July 1, 2051	-
Diversified Portfolio					
Oyster Point	6,418	5.41%		December 1, 2015	6,089
Broad Creek Shopping Center					
Note 1	4,490	LIBOR +2.25%	2.41%	October 31, 2018	4,223
Note 2	8,244	LIBOR +2.25%	2.41%	October 31, 2018	7,752
Note 3	3,451	LIBOR +2.25%	2.41%	October 31, 2018	3,246
Hanbury Village					
Note 1	21,388	6.67%		October 11, 2017	20,499
Note 2	4,142	LIBOR +2.25%	2.41%	October 31, 2018	3,777
Harrisonburg Regal					
North Point Center	3,797	6.06%		June 8, 2017	3,165
North Point Center					
Note 1	10,277	6.45%		February 5, 2019	9,333
Note 2	2,817	7.25%		September 15, 2025	1,344
Note 4	1,024	5.59%		December 1, 2014	1,007
Note 5	700	LIBOR+2.00%	3.57% ⁽²⁾	February 1, 2017	641
Tyre Neck Harris Teeter					
	2,471	LIBOR +2.25%	2.41%	October 31, 2018	2,235
Smith's Landing					
	24,714	LIBOR+2.15%	2.31%	January 31, 2017	23,793
	188,674				132,130
Credit Facility	80,000	LIBOR + 1.60% - 2.20%	1.90%	May 13, 2016	80,000
Total including Credit Facility	\$268,674				\$212,130
Development Pipeline					
4525 Main Street	17,483	LIBOR+1.95%	2.11%	January 30, 2017	17,483
Encore Apartments	9,279	LIBOR+1.95%	2.11%	January 30, 2017	9,279
Whetstone Apartments	1,425	LIBOR+1.90%	2.06%	October 8, 2016	1,425
Sandbridge Commons	3,437	LIBOR+1.85%	2.01%	January 17, 2018	3,437
Liberty Apartments	18,456 ⁽³⁾	5.66%		November 1, 2043	-
Oceanneering	-	LIBOR+1.75%	1.91%	February 28, 2018	-
Total Notes Payable - Development Pipeline	50,080				31,624
Unamortized fair value adjustments	(1,483)				
Total Notes Payable	\$317,271				\$243,754

Weighted Average Fixed Interest Rate	5.3%
Weighted Average Variable Interest Rate	2.1%
Total Weighted Average Interest Rate	3.6%
Variable Interest Rate as a % of Total (excluding interest rate caps)	54.1%
Weighted Average Maturity (years)	9.7



(1) LIBOR rate is determined by individual lenders.

(2) Subject to an interest rate swap lock.

(3) Principal balance excluding any fair value adjustment recognized upon acquisition.

Capitalized Interest	1Q 2014
	\$616

Core Debt to Core EBITDA

\$ in thousands

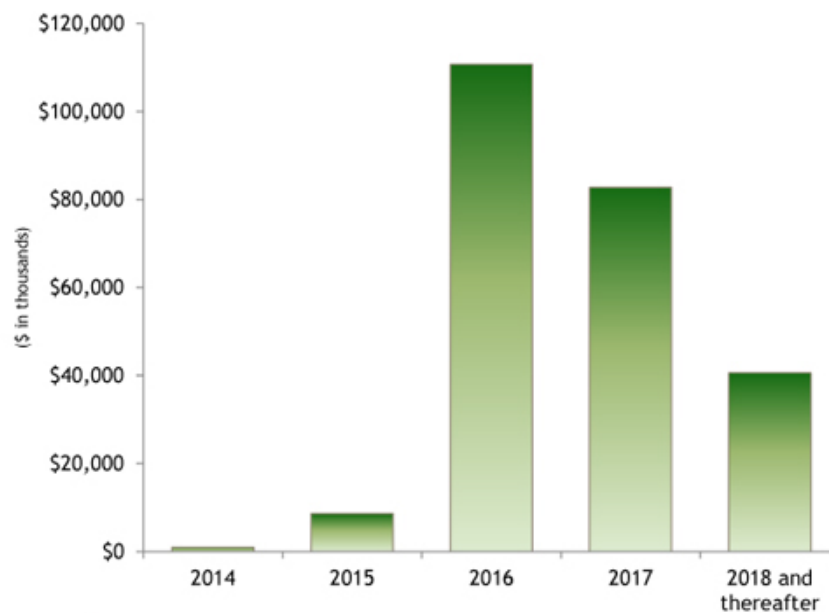
	Three months ended 3/31/2014 (Unaudited)
Net Income	\$2,506
Excluding:	
Interest Expense	2,565
Income Tax	149
Depreciation and amortization	3,969
EBITDA	9,189
Additional Adjustments:	
Non-recurring or extraordinary (gains) losses	-
Early extinguishment of debt	-
Derivative (income) losses	(93)
Non-cash stock compensation	329
Development Pipeline	261
Total Other Adjustments	497
Core EBITDA	9,686
Annualized Core EBITDA	\$38,744

	3/31/2014 (Unaudited)
Total Debt	\$317,271
Excluding:	
Development Pipeline Unstabilized Debt	(48,597)
Core Debt	\$268,674
Core Debt/Annualized Core EBITDA	6.9x

Debt Information

\$ in thousands

Debt Maturity as of 3/31/2014



Interest Rate Cap Agreements At or Below 1.50%

Effective Date	Maturity Date	Strike Rate	Notional Amount
May 31, 2012	May 29, 2015	1.09%	\$9,068
September 1, 2013	March 1, 2016	1.50%	40,000
October 4, 2013	April 1, 2016	1.50%	18,500
March 14, 2014	March 1, 2017	1.25%	50,000
Total Interest Rate Caps at or Below 1.50%			\$117,568
Fixed Debt Outstanding			145,729
Total Fixed Interest Rate Debt (including caps)			\$263,297
Fixed Interest Rate Debt as a % of Total			83%



Portfolio Summary & Business Segmentation Overview

ARMADA HOFFLER
P R O P E R T I E S



Stabilized Portfolio Summary

As of 3/31/2014

Property	Location	Year Built	Net Rentable Square Feet ⁽¹⁾	% Leased ⁽²⁾	Annualized Base Rent ⁽³⁾	Annualized Base Rent per Leased Sq. Ft. ⁽¹⁾	Average Net Effective Annual Base Rent per Leased Sq. Ft. ⁽⁴⁾
Office Properties							
Armada Hoffer Tower ⁽⁵⁾	Virginia Beach, VA	2002	324,348	98.2%	\$8,605,343	\$27.01	\$26.51
One Columbus	Virginia Beach, VA	1984	129,424	97.4%	2,938,383	23.30	23.62
Two Columbus	Virginia Beach, VA	2009	109,215	90.7%	2,509,410	25.33	27.01
Virginia Natural Gas ⁽¹⁾	Virginia Beach, VA	2010	31,000	100.0%	568,230	18.33	20.17
Richmond Tower	Richmond, VA	2010	206,969	98.0%	7,376,131	36.37	41.88
Oyster Point	Newport News, VA	1989	100,214	79.8%	1,742,296	21.78	21.27
Sentara Williamsburg ⁽⁶⁾	Williamsburg, VA	2008	49,200	100.0%	1,006,140	20.45	20.50
Subtotal / Weighted Average Office Portfolio⁽⁷⁾			950,370	95.4%	\$24,745,933	\$27.29	\$28.60
Retail Properties Not Subject to Ground Lease							
Bermuda Crossroads	Chester, VA	2001	111,566	94.0%	1,409,089	13.44	13.63
Broad Creek Shopping Center	Norfolk, VA	1997-2001	227,691	96.8%	3,074,931	13.95	12.75
Courthouse 7-Eleven	Virginia Beach, VA	2011	3,177	100.0%	125,000	39.35	43.81
Gainsborough Square	Chesapeake, VA	1999	88,862	96.5%	1,353,202	15.77	15.97
Hanbury Village	Chesapeake, VA	2006-2009	61,049	86.4%	1,296,542	24.59	24.41
North Point Center	Durham, NC	1998-2009	215,690	92.1%	2,348,731	11.82	11.63
Parkway Marketplace	Virginia Beach, VA	1998	37,804	95.2%	702,488	19.51	20.61
Harrisonburg Regal	Harrisonburg, VA	1999	49,000	100.0%	683,550	13.95	13.95
Dick's at Town Center	Virginia Beach, VA	2002	100,804	83.3%	798,000	9.50	7.79
249 Central Park Retail	Virginia Beach, VA ⁽⁸⁾	2004	91,171	96.2%	2,447,620	27.92	27.58
Studio 56 Retail	Virginia Beach, VA	2007	11,600	84.8%	371,200	37.75	19.03
Commerce Street Retail ⁽⁹⁾	Virginia Beach, VA	2008	19,173	100.0%	797,090	41.57	36.92
Fountain Plaza Retail	Virginia Beach, VA	2004	35,961	100.0%	996,181	27.70	39.48
South Retail ⁽¹⁰⁾	Virginia Beach, VA	2002	38,763	83.6%	621,240	19.17	25.18
Subtotal / Weighted Avg Retail Portfolio not Subject to Ground Leases⁽¹¹⁾			1,092,311	93.4%	\$17,024,862	\$16.70	\$16.65
Retail Properties Subject to Ground Lease							
Bermuda Crossroads ⁽¹²⁾	Chester, VA	2001	⁽¹³⁾	100.0%	163,350		
Broad Creek Shopping Center ⁽¹²⁾	Norfolk, VA	1997-2001	⁽¹⁴⁾	100.0%	579,188		
Hanbury Village ⁽¹¹⁾	Chesapeake, VA	2006-2009	⁽¹⁵⁾	100.0%	1,067,598		
North Point Center ⁽¹¹⁾	Durham, NC	1998-2009	⁽¹⁶⁾	100.0%	1,055,125		
Tyre Neck Harris Teeter ⁽¹²⁾	Portsmouth, VA	2011	⁽¹⁷⁾	100.0%	508,134		
Subtotal / Weighted Avg Retail Portfolio Subject to Ground Leases				100.0%	\$3,373,396		
Total / Weighted Avg Retail Portfolio			1,092,311	93.4%	\$20,398,257	\$16.70	\$16.65
Total / Weighted Average Retail and Office Portfolio			2,042,681	94.3%	\$45,144,190	\$21.68	\$22.27
Multifamily							
Smith's Landing ⁽²²⁾	Blacksburg, VA	2009	284	99.6%	\$3,430,260	\$1,010.09	
The Cosmopolitan	Virginia Beach, VA	2006	342	89.8%	6,735,707	1,574.26	
Total / Weighted Avg Multifamily Portfolio			626	94.2%	\$10,165,967	\$1,303.65	

Stabilized Portfolio Summary Footnotes

- 1) The net rentable square footage for each of our office properties is the sum of (a) the square footages of existing leases, plus (b) for available space, management's estimate of net rentable square footage based, in part, on past leases. The net rentable square footage included in office leases is generally determined consistently with the Building Owners and Managers Association, or BOMA, 1996 measurement guidelines. The net rentable square footage for each of our retail properties is the sum of (a) the square footages of existing leases, plus (b) for available space, the field verified square footage.
- 2) Percentage leased for each of our office and retail properties is calculated as (a) square footage under executed leases as of March 31, 2014, divided by (b) net rentable square feet, expressed as a percentage. Percentage leased for our multifamily properties is calculated as (a) total units occupied as of March 31, 2014, divided by (b) total units available, expressed as a percentage.
- 3) For the properties in our office and retail portfolios, annualized base rent is calculated by multiplying (a) base rental payments for executed leases as of March 31, 2014 (defined as cash base rents (before abatements) excluding tenant reimbursements for expenses paid by the landlord), by (b) 12. Annualized base rent per leased square foot is calculated by dividing (a) annualized base rent, by (b) square footage under commenced leases as of March 31, 2014. In the case of triple net or modified gross leases, annualized base rent does not include tenant reimbursements for real estate taxes, insurance, common area or other operating expenses.
- 4) Average net effective annual base rent per leased square foot represents (a) the contractual base rent for leases in place as of March 31, 2014, calculated on a straight-line basis to amortize free rent periods and abatements, but without regard to tenant improvement allowances and leasing commissions, divided by (b) square footage under commenced leases as of March 31, 2014.
- 5) As of March 31, 2014, the Company occupied 16,151 square feet at this property at an annualized base rent of \$446,172, or \$29.40 per leased square foot, which amounts are reflected in the % leased, annualized base rent and annualized base rent per square foot columns in the table above. The rent paid by us is eliminated from our revenues in consolidation. In addition, effective March 1, 2013, the Company sublease approximately 5,000 square feet of space from a tenant at this property.
- 6) This property is subject to a triple net lease pursuant to which the tenant pays operating expenses, insurance and real estate taxes.
- 7) Includes square footage and annualized base rent pursuant to leases for space occupied by us.
- 8) As of March 31, 2014, the Company occupied 8,995 square feet at this property at an annualized base rent of \$278,965, or \$31.01 per leased square foot, which amounts are reflected in the % leased, annualized base rent and annualized base rent per square foot columns in the table above. The rent paid by us is eliminated from our revenues in consolidation.
- 9) Includes \$31,200 of annualized base rent pursuant to a rooftop lease.
- 10) Reflects square footage and annualized base rent pursuant to leases for space occupied by AHH.
- 11) For this ground lease, the Company own the land and the tenant owns the improvements thereto. The Company will succeed to the ownership of the improvements to the land upon the termination of the ground lease.
- 12) The Company lease the land underlying this property from the owner of the land pursuant to a ground lease. The Company re-lease the land to our tenant under a separate ground lease pursuant to which our tenant owns the improvements on the land.
- 13) Tenants collectively lease approximately 139,356 square feet of land from us pursuant to ground leases.
- 14) Tenants collectively lease approximately 299,170 square feet of land from us pursuant to ground leases.
- 15) Tenants collectively lease approximately 105,988 square feet of land from us pursuant to ground leases.
- 16) Tenants collectively lease approximately 1,443,985 square feet of land from us pursuant to ground leases.
- 17) Tenant leases approximately 200,073 square feet of land from us pursuant to a ground lease.
- 18) The total square footage of our retail portfolio excludes the square footage of land subject to ground leases.
- 19) Units represent the total number of apartment units available for rent at March 31, 2014.
- 20) For the properties in our multifamily portfolio, annualized base rent is calculated by multiplying (a) base rental payments for the month ended March 31, 2014 by (b) 12.
- 21) Average monthly base rent per leased unit represents the average monthly rent for all leased units for the month ended March 31, 2014.
- 22) The Company lease the land underlying this property from the owner of the land pursuant to a ground lease.
- 23) The annualized base rent for The Cosmopolitan includes \$936,143 of annualized rent from 15 retail leases at the property.
- 24) As of March 31, 2014, The Company occupied 2,908 square feet at this property at an annualized base rent of \$12,000, or \$4.13 per leased square foot, which amounts are reflected in the % leased, annualized base rent and annualized base rent per square foot columns in the table above. The rent paid by us and is eliminated from our revenues in consolidation.

Development Pipeline

\$ in thousands

Identified Development Pipeline

Office/Retail	Location	Estimated Square Footage ⁽²⁾	Estimated Cost ⁽³⁾	Cost Incurred through 3/31/2014	Schedule			AHH Ownership % ⁽¹⁾	Property Type	%Leased	Anchor Tenants
					Start	Anchor Tenant Occupancy	Stabilized Operation				
4525 Main Street ⁽²⁾	Virginia Beach, VA	234,000 ⁽⁴⁾	\$50,000	\$32,000	1Q13	3Q14	1Q16	100%	Office	46%	Clark Nexsen, Development Authority of Virginia Beach ⁽²⁾ , Anthropology ⁽⁸⁾
Sandbridge Commons	Virginia Beach, VA	70,000	13,000	6,000	4Q13	1Q15	2Q16	100%	Retail	66%	Harris Teeter
Brooks Crossing	Newport News, VA	36,000	8,000	1,200	3Q14	3Q15	3Q15	65%	Office	0%	Huntington Ingalls ⁽⁴⁾
Greentree Shopping Center ⁽²⁾	Chesapeake, VA	18,000	6,000	3,000	4Q13	4Q14	3Q16	100%	Retail	40%	Wawa
		358,000	77,000	42,200							

Multifamily	Location	Estimated Apartment Units ⁽⁵⁾	Estimated Cost ⁽³⁾	Cost Incurred through 3/31/2014	Schedule			AHH Ownership %
					Start	Initial Occupancy	Complete ⁽³⁾	
Encore Apartments ⁽²⁾	Virginia Beach, VA	286	\$34,000	\$17,000	1Q13	3Q14	4Q15	100%
Whets tone Apartments	Durham, NC	203	28,000	13,000	2Q13	3Q14	3Q15	100%
Liberty Apartments ⁽⁶⁾	Newport News, VA	197	30,700	30,700	-	-	1Q14	100%
		686	92,700	60,700				

Next Generation Pipeline

Office/Retail	Location	Estimated Square Footage ⁽²⁾	Estimated Cost ⁽³⁾	Cost Incurred through 3/31/2014	Schedule			AHH Ownership % ⁽¹⁾	Property Type	%Leased	Anchor Tenants
					Start	Anchor Tenant Occupancy	Stabilized Operation				
Oceaneering	Chesapeake, VA	155,000	\$26,000	\$6,000	4Q13	1Q15	1Q15	100%	Office	100%	Oceaneering
Commonwealth of Virginia - Chesapeake	Chesapeake, VA	36,000	7,000	200	2Q14	1Q15	1Q15	100%	Office	100%	Commonwealth of Virginia
Commonwealth of Virginia - Virginia Beach	Virginia Beach, VA	11,000	3,000	-	2Q14	1Q15	1Q15	100%	Office	100%	Commonwealth of Virginia
Lightfoot Marketplace	Williamsburg, VA	88,000	24,000	500	3Q14	1Q16	2Q17	70% ⁽⁷⁾	Retail	60%	Harris Teeter
		290,000	60,000	6,700							
Total			\$229,700	\$109,600							

- (1) Represents estimates that may change as the development process proceeds
- (2) This property will be located within the Virginia Beach Town Center
- (3) Approximately 83,000 square feet is leased to Clark Nexsen, an architectural firm and approximately 23,000 square feet is leased to the Development Authority of Virginia Beach
- (4) The principal tenant lease has not been signed as of the date of this supplemental information
- (5) AHH has completed the sale of a pad ready site to Wal-Mart adjacent to Greentree Shopping Center
- (6) Reflects purchase price of the acquisition, which occurred in 1Q14
- (7) AHH earns a preferred return on equity prior to any distributions to JV partners
- (8) Executed lease with retail anchor

Construction Business Summary

\$ in thousands

	<u>Location</u>	<u>Total Contract Value</u>	<u>Work in Place as of 3/31/2014</u>	<u>Backlog</u>	<u>Estimated Date of Completion</u>
Projects Greater than \$5.0M					
Exelon	Baltimore, MD	\$164,662	\$3,634	\$161,028	1Q 2016
Hyatt Place Baltimore / Inner Harbor Hotel	Baltimore, MD	24,943	6,470	18,473	3Q 2014
City of Suffolk Municipal Center	Suffolk, VA	24,708	17,995	6,713	2Q 2015
Main Street Parking Garage ⁽¹⁾	Virginia Beach, VA	17,780	15,319	2,461	3Q 2014
Sub Total		232,094	43,418	188,675	
Projects Less than \$5.0M					
		81,409	76,767	4,643	
Total		<u>\$313,503</u>	<u>\$120,185</u>	<u>\$193,318</u>	

Gross Profit Summary	
	<u>Q1 2014</u>
	<u>(Unaudited)</u>
Revenue	\$19,234
Expense	(17,985)
Gross Profit	\$1,249



Operating Results & Property-Type Segment Analysis

ARMADA HOFFLER
P R O P E R T I E S



Same Store NOI by Segment

(Reconciliation to GAAP located in appendix pg. 43)
\$ in thousands

	Three months ended 3/31			
	2014	2013	\$ Change	% Change
	(Unaudited)			
Office⁽¹⁾				
Revenue	\$6,549	\$6,486	\$63	1%
Expenses	2,131	1,946	185	10%
Net Operating Income	4,418	4,540	(122)	-3%
Retail⁽²⁾				
Revenue	5,228	5,005	223	4%
Expenses	1,687	1,680	7	0%
Net Operating Income	3,541	3,325	216	6%
Multi Family⁽³⁾				
Revenue	1,816	1,907	(91)	-5%
Expenses	831	815	16	2%
Net Operating Income	985	1,092	(107)	-10%
Same Store Net Operating Income (NOI), GAAP basis	\$8,944	\$8,957	(\$13)	0%
Net effect of straight-line rents	(387)	(215)	(172)	80%
Amortization of lease incentives and above (below) market rents	186	196	(10)	-5%
Same store portfolio NOI, cash basis	\$8,743	\$8,938	(\$195)	-2%
Cash Basis:				
Office	3,925	4,209	(284)	-7%
Retail	3,830	3,631	199	5%
Multifamily	988	1,098	(110)	-10%
	\$8,743	\$8,938	(\$195)	-2%
GAAP Basis:				
Office	4,418	4,540	(122)	-3%
Retail	3,541	3,325	216	6%
Multifamily	985	1,092	(107)	-10%
	\$8,944	\$8,957	(\$13)	0%

(1) No assets excluded

(2) Bermuda Crossroads excluded

(3) Smith's Landing and Liberty Apartments excluded

Top 10 Tenants by Annual Base Rent

As of March 31, 2014

Office Portfolio

Tenant	Number of Leases	Number of Properties	Property(ies)	Lease Expiration	Annualized Base Rent	% of Office Portfolio Annualized Base Rent	% of Total Portfolio Annualized Base Rent
Williams Mullen	3	2	Armada Hoffler Tower, Richmond Tower	3/19/2026	\$7,374,020	29.8%	13.3%
Sentara Medical Group	1	1	Sentara Williamsburg	3/31/2023	1,006,140	4.1%	1.8%
Troutman Sanders LLP	1	1	Armada Hoffler Tower	8/24/2022	990,151	4.0%	1.8%
Cherry Bekaert & Holland	3	3	Armada Hoffler Tower, Richmond Tower, Oyster Point	9/20/2022	942,900	3.8%	1.7%
GSA	1	1	Oyster Point	4/26/2017	870,047	3.5%	1.6%
Pender & Coward	2	1	Armada Hoffler Tower	5/31/2030	818,985	3.3%	1.5%
The Art Institute	1	1	Two Columbus	12/31/2019	787,226	3.2%	1.4%
Kimley-Horn	1	1	Two Columbus	12/31/2018	685,863	2.8%	1.2%
Hampton University	2	1	Armada Hoffler Tower	5/3/2023	629,935	2.5%	1.1%
Hankins & Anderson	1	1	Armada Hoffler Tower	4/30/2022	572,601	2.3%	1.0%
Top 10 Total					\$14,677,867	59.3%	26.5%

Retail Portfolio

Tenant	Number of Leases	Number of Properties	Property(ies)	Lease Expiration	Annualized Base Rent	% of Retail Portfolio Annualized Base Rent	% of Total Portfolio Annualized Base Rent
Home Depot	2	2	Broad Creek Shopping Center, North Point Center	12/3/2019	\$2,032,600	10.0%	3.7%
Harris Teeter	2	2	Tyre Neck Harris Teeter, Hanbury Village	10/16/2028	1,430,001	7.0%	2.6%
Food Lion	3	3	Broad Creek Shopping Center, Bermuda Crossroads, Gainsborough Square	3/19/2020	1,282,568	6.3%	2.3%
Dick's Sporting Goods	1	1	Dick's at Town Center	1/31/2020	798,000	3.9%	1.4%
Regal Cinemas	1	1	Harrisonburg Regal	4/23/2019	683,550	3.4%	1.2%
PetsMart	2	2	Broad Creek Shopping Center, North Point Center	7/21/2018	618,704	3.0%	1.1%
Kroger	1	1	North Point Center	8/31/2018	552,864	2.7%	1.0%
Yard House	1	1	Commerce Street Retail	11/30/2023	538,000	2.6%	1.0%
Rite Aid	2	2	Gainsborough Square, Parkway Marketplace	5/29/2019	484,193	2.4%	0.9%
Walgreens	1	1	Hanbury Village	12/31/2083	447,564	2.2%	0.8%
Top 10 Total					\$8,868,044	43.5%	16.0%

Office Lease Summary

Renewal Lease Summary⁽¹⁾

Quarter	Number of Leases Signed	Net rentable SF Signed	Leases Expiring	Net rentable SF Expiring	GAAP			Cash			Weighted Average Lease Term	TI, LC, & Incentives	TI, LC, & Incentives per SF
					Contractual Rent per SF	Prior Rent per SF	Annual Change in Rent per SF	Contractual Rent per SF	Prior Rent per SF	Annual Change in Rent per SF			
1st Quarter 2014	1	25,506	2	5,430	\$32.28	\$26.66	\$5.63	\$29.95	\$29.25	\$0.70	10.00	\$1,315,127	\$51.56
4th Quarter 2013	5	45,677	4	5,112	26.74	25.27	1.47	23.58	27.97	(4.39)	11.34	1,927,309	42.19
3rd Quarter 2013	5	16,289	4	30,038	29.18	26.76	2.42	28.26	27.92	0.33	6.79	60,809	3.73
2nd Quarter 2013	6	29,725	4	16,635	22.86	23.14	(0.28)	21.81	24.20	(2.39)	5.68	481,389	16.19

New Lease Summary⁽²⁾

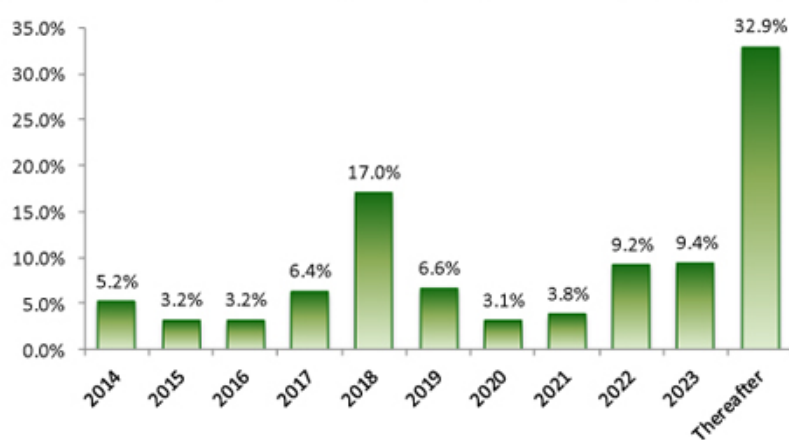
Quarter	Number of Leases Signed	Net rentable SF Signed	Contractual Rent per SF	Weighted Average Lease Term	TI, LC, & Incentives	TI, LC, & Incentives per SF
1st Quarter 2014	2	5,430	\$24.12	1.00	\$5,239	\$0.96
4th Quarter 2013	4	18,381	23.56	10.34	577,382	31.41
3rd Quarter 2013	1	1,142	29.50	5.00	3,577	3.13
2nd Quarter 2013	2	4,046	26.77	5.00	165,628	40.94



(1) Excludes leases for space occupied by AHH.

Office Lease Expirations

Year of Lease Expiration	Number of Leases Expiring	Square Footage of Leases Expiring	% Portfolio Net Rentable Square Feet	Annualized Base Rent	% of Portfolio Annualized Base Rent	Annualized Base Rent per Leased Square Foot
Available	-	43,596	4.6%	\$0	-	\$0.00
2014	10	45,776	4.8%	1,277,380	5.2%	27.91
2015	11	35,957	3.8%	792,098	3.2%	22.03
2016	10	33,481	3.5%	792,784	3.2%	23.68
2017	5	65,186	6.9%	1,572,403	6.4%	24.12
2018	16	156,166	16.4%	4,211,488	17.0%	26.97
2019	6	71,512	7.5%	1,641,580	6.6%	22.96
2020	3	25,283	2.7%	772,781	3.1%	30.57
2021	4	41,363	4.4%	946,930	3.8%	22.89
2022	4	81,129	8.5%	2,270,814	9.2%	27.99
2023	4	105,160	11.1%	2,319,039	9.4%	22.05
Thereafter	7	245,761	25.9%	8,148,637	32.9%	33.16
Total / Weighted Average	80	950,370	100.0%	\$24,745,933	100.0%	\$27.29



Retail Lease Summary

Renewal Lease Summary⁽¹⁾

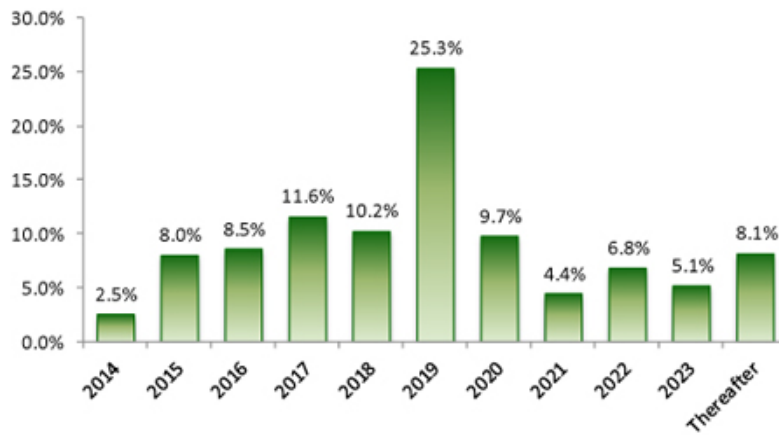
Quarter	Number of Leases Signed	Net rentable SF Signed	Leases Expiring	Net rentable SF Expiring	GAAP			Cash			Weighted Average Lease Term	TI, LC, & Incentives	TI, LC, & Incentives per SF
					Contractual Rent per SF	Prior Rent per SF	Annual Change in Rent per SF	Contractual Rent per SF	Prior Rent per SF	Annual Change in Rent per SF			
1st Quarter 2014	5	23,857	3	6,540	\$20.84	\$20.41	\$0.43	\$21.18	\$21.82	(\$0.64)	4.55	\$63,339	\$2.65
4th Quarter 2013	7	37,733	6	7,928	19.82	13.49	0.33	13.79	14.12	(0.33)	4.70	40,540	1.07
3rd Quarter 2013	6	24,506	3	3,648	24.26	25.11	(0.85)	23.55	28.34	(4.79)	5.67	227,766	9.29
2nd Quarter 2013	6	26,345	3	7,728	17.02	17.40	(0.37)	16.50	18.03	(1.53)	4.12	-	-

New Lease Summary⁽¹⁾

Quarter	Number of Leases Signed	Net rentable SF Signed	Contractual Rent per SF	Weighted Average Lease Term	TI, LC, & Incentives	TI, LC, & Incentives per SF
1st Quarter 2014	1	3,160	\$16.25	\$10.50	\$126,558	\$40.05
4th Quarter 2013	2	3,270	18.67	5.06	75,884	23.21
3rd Quarter 2013	-	-	-	-	-	-
2nd Quarter 2013	6	20,037	11.59	5.34	433,101	21.62

Retail Lease Expiration

Year of Lease Expiration	Number of Leases Expiring	Square Footage of Leases Expiring	% Portfolio Net Rentable Square Feet	Annualized Base Rent	% of Portfolio Annualized Base Rent	Annualized Base Rent per Leased Square Foot
Available	-	72,603	6.6%	\$0	-	\$0.00
2014	14	23,711	2.2%	418,056	2.5%	17.63
2015	19	65,030	6.0%	1,357,952	8.0%	20.88
2016	21	61,469	5.6%	1,442,928	8.5%	23.47
2017	21	139,345	12.8%	1,970,406	11.6%	14.14
2018	19	120,295	11.0%	1,736,312	10.2%	14.43
2019	17	299,541	27.4%	4,303,255	25.3%	14.37
2020	6	132,094	12.1%	1,647,180	9.7%	12.47
2021	5	25,204	2.3%	740,832	4.4%	29.39
2022	5	79,588	7.3%	1,151,218	6.8%	14.46
2023	5	27,625	2.5%	869,930	5.1%	31.49
Thereafter	7	45,806	4.2%	1,386,792	8.1%	30.28
Total / Weighted Average	139	1,092,311	100.0%	\$17,024,862	100.0%	\$16.70



Historical Occupancy

Sector	Occupancy - All Properties as of				
	3/31/2014	12/31/2013	9/30/2013	6/30/2013	3/31/2013
Office ⁽¹⁾	95.4%	95.2%	93.4%	93.4%	93.9%
Retail ⁽¹⁾	93.4%	93.4%	93.6%	94.6%	93.9%
Multifamily ⁽²⁾	94.2%	94.2%	92.7%	91.2%	93.3%
Weighted Average ⁽³⁾	94.5%	94.4%	93.3%	93.5%	93.8%



(1) Office and retail occupancy based on leased square feet as a % of respective total

(2) Multifamily occupancy based on occupied units as a % of respective total

(3) Total occupancy weighted by annualized base rent

Multifamily Occupancy

Occupancy Summary - Smiths Landing (284 available units)

Quarter Ended	Number of Units Occupied	Percentage Occupied ⁽¹⁾	Annualized Base Rent ⁽²⁾	Average Monthly Rent per Occupied Unit
3/31/2014	283	99.6%	\$3,430,260	\$1,010
12/31/2013	282	99.3%	3,382,380	1,000
9/30/2013	284	100.0%	3,427,980	1,006
6/30/2013	264	93.0%	3,163,164	998
3/31/2013	284	100.0%	3,395,184	996

Occupancy Summary - The Cosmopolitan (342 available units)

Quarter Ended	Number of Units Occupied	Percentage Occupied ⁽¹⁾	Annualized Base Rent ⁽²⁾⁽⁴⁾	Average Monthly Rent per Occupied Unit ⁽³⁾
3/31/2014	307	89.8%	\$5,799,564	\$1,574
12/31/2013	308	90.1%	5,721,144	1,548
9/30/2013	296	86.5%	5,506,764	1,550
6/30/2013	307	89.9%	5,818,908	1,580
3/31/2013	300	87.7%	5,490,864	1,525

(1) Total units occupied as of each respective date

(2) Annualized base rent is calculated by multiplying (a) contractual rent due from our tenants for the last month of the respective quarter by (b) 12

(3) Average Monthly Rent per Occupied Unit is calculated as (a) annualized base rent divided by (b) the number of occupied units as of the end of the respective date.

(4) Excludes annualized base rent from retail leases



Appendix - Understanding AHH

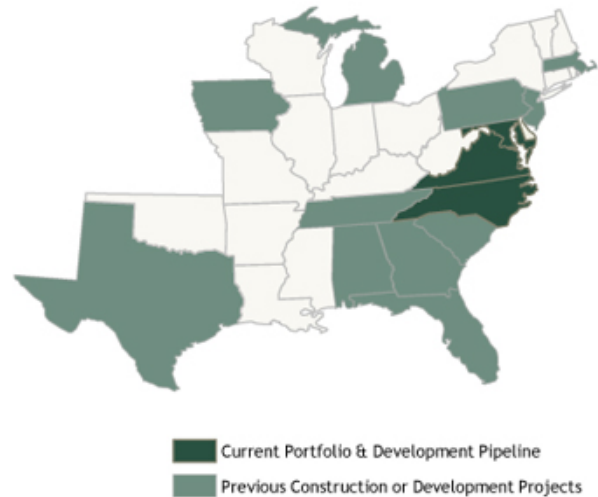
ARMADA HOFFLER
P R O P E R T I E S



Understanding AHH - Corporate Overview

Armada Hoffler Properties, Inc. is a full-service real estate investment trust (REIT) and property company that develops, builds, owns and manages institutional grade office, retail and multifamily properties in the Mid-Atlantic U.S. The Company also provides general construction and development services to third-party clients throughout the Mid-Atlantic and Southeastern regions of the U.S. Armada Hoffler Properties was founded in 1979 and is headquartered in Virginia Beach, VA.

- Diversified portfolio consisting of Office, Retail and Multifamily properties
- Institutional grade portfolio focused on the Mid-Atlantic region
- 35 year corporate track record with senior leadership team averaging more than 20 years with the company
- Market Cap of ~\$330 million as of 3/31/14
- Management and previous partners own in excess of 40% of the company through limited partnership units in the operating partnership



Understanding AHH - Differentiation Provides Value Creation

1. Advantages of Core Stabilized Portfolio:

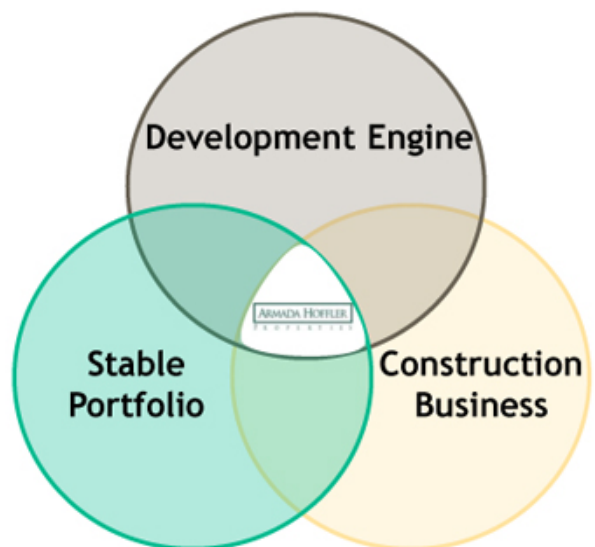
- Consistent cash flow
- High occupancy
- Stable same store metrics

2. Advantages of Wholesale Development Pipeline Engine:

- Equity creation
- Asset base growth

3. Advantages of Construction Company:

- Stable earnings and value creation
- Reduces risk in selecting/executing development opportunities
- Brand recognition in new markets



Sum of the Parts Leads to Valuation

Business Segmentation Overview

	Definition	Characteristics	Valuation
Stabilized Portfolio	<ul style="list-style-type: none"> Includes stabilized office, retail, and multifamily real estate (defined as the earlier of 80% occupancy or the 13th full quarter after CO) 	<ul style="list-style-type: none"> Consistent cash flow High occupancy Stable same store metrics 	<ul style="list-style-type: none"> Traditional real estate valuation, NAV/Cap Rates
Development Pipeline	<ul style="list-style-type: none"> Real estate assets in development or ramping towards stabilization 	<ul style="list-style-type: none"> Value creation Asset base growth 	<ul style="list-style-type: none"> Equity Creation
Construction Business	<ul style="list-style-type: none"> 3rd party construction business 	<ul style="list-style-type: none"> Stable earnings and value creation Reduces risk in selecting/executing development opportunities Brand recognition in new markets 	<ul style="list-style-type: none"> Multiples analysis

Components of NAV

Stabilized Portfolio NOI x Market Cap Rate = Stabilized Portfolio Value

+

Development Value Creation x Appropriate Discount Rate = Equity Value

+

Operating Company Income x Market Multiple = Operating Company Value

+

Other Assets

-

Liabilities

NAV

See Pages 34-37 for Further Information Regarding the Components of NAV

1) Understanding AHH -Stabilized Portfolio

(Reconciliation to GAAP located in appendix pg. 44)
\$ in thousands

	Cash NOI	
	Three months ended 3/31/2014	Annualized
	(Unaudited)	
<u>Diversified Portfolio</u>		
Office	\$2,055	\$8,220
Retail	2,999	11,996
Multifamily ⁽¹⁾	623	2,492
Total Diversified Portfolio NOI	<u>\$5,677</u>	<u>\$22,708</u>
<u>Virginia Beach Town Center</u>		
Office ⁽²⁾	\$2,007	\$8,028
Retail ⁽²⁾	1,251	5,004
Multifamily	988	3,952
Total Virginia Beach Town Center NOI	<u>\$4,246</u>	<u>\$16,984</u>
Total Stabilized Portfolio NOI	<u><u>\$9,923</u></u>	<u><u>\$39,692</u></u>



(1) Excludes Liberty Apartments

(2) Includes leases for space occupied by Armada Hoffer which are eliminated for GAAP purposes totaling ~\$210K per quarter

2) Understanding AHH - Identified & Next Generation Pipeline

\$ in thousands, unaudited

Note: The data below reflects the Company's current estimates and projections, which may change as a result of various factors. The Company can make no assurances that the estimates and projections below will actually be realized.

	Estimated Cost	Estimated Stabilized NOI	Estimated Return on Cost	Projected Value Spread	The Company's Estimated Equity Creation	The Company's Est. Equity Creation Excluding JV Ownership
Identified Pipeline	\$139,000	\$11,400	8.20%	125bp	\$24,995	\$23,903
Next Generation Pipeline	150,000	12,400	8.27%	150bp	33,251	33,251
Liberty Apartments	30,700 ⁽¹⁾	2,000	6.51%		-	
Estimated Stabilized Value/Weighted Average	<u>\$319,700</u>	<u>\$25,800</u>	8.24%		<u>\$58,246</u>	<u>\$57,154</u>

Greater than \$57M in Equity Creation - 3 to 4 Years

3) Understanding AHH - 3rd Party Construction

\$ in thousands

Gross Profit - metric to use when evaluating the profitability and valuation of the general contracting & real estate services segment

Gross Profit Summary

	<u>Q1 2014</u> (Unaudited)
Revenue	\$19,234
Expense	<u>(17,985)</u>
Gross Profit	\$1,249

Construction Company - Ongoing Profitable Business with Intrinsic Value

4) NAV Component Data

\$ in thousands

Stabilized Portfolio NOI (Cash)	
	Annualized three months ended 3/31/2014
Diversified Portfolio	
Office	\$8,220
Retail	11,996
Multifamily	2,492
Total Diversified Portfolio NOI (pg. 34)	\$22,708
Virginia Beach Town Center	
Office ⁽¹⁾	\$8,028
Retail ⁽¹⁾	5,004
Multifamily	3,952
Total Virginia Beach Town Center NOI (pg. 34)	\$16,984
Stabilized Portfolio NOI (Cash)	\$39,692

Other Assets	
	As of 3/31/2014
Other Assets	
Cash and Cash Equivalents	\$13,444
Restricted Cash	2,754
Accounts Receivable	18,884
Construction receivables, including retentions	12,736
Other Assets	25,799
Total Other Assets	\$73,617

Development Pipeline	
Development Investment as of 3/31/2014	\$78,536
The Company's Estimated Equity Creation - 3-4 years (pg. 35)	58,246
	<u>\$136,782</u>

Operating Companies	
	Outlook 3/31/2014
General Contracting and Real Estate Services per Company 2014 parameters (pg. 7)	\$4,000

Liabilities & Share Count	
	As of 3/31/2014
Liabilities	
Mortgages and notes payable	\$317,271
Accounts payable and accrued liabilities	7,158
Construction payables, including retentions	27,047
Other Liabilities	16,264
Total Liabilities	<u>\$367,740</u>
Share Count	
Weighted Average Common Shares Outstanding	19,193
Weighted Average Operating Partnership ("OP") Units Outstanding	13,632
Total Weighted Average Common shares and OP units outstanding	32,825



(1) Includes leases for space occupied by Armada Hoffler which are eliminated for GAAP purposes totaling ~\$210K per quarter



Appendix - Definitions & Reconciliations

ARMADA HOFFLER
P R O P E R T I E S



Definitions

Net Operating Income:

We calculate Net Operating Income (“NOI”) as property revenues (base rent, expense reimbursements and other revenue) less property expenses (rental expenses and real estate taxes). For our office, retail and multifamily segments, NOI excludes general contracting and real estate services expenses, depreciation and amortization, general and administrative expenses, and impairment charges. Other REITs may use different methodologies for calculating NOI, and accordingly, our NOI may not be comparable to such other REITs’ NOI. NOI is not a measure of operating income or cash flows from operating activities as measured by GAAP and is not indicative of cash available to fund cash needs. As a result, net operating income should not be considered an alternative to cash flows as a measure of liquidity. We consider NOI to be an appropriate supplemental measure to net income because it assists both investors and management in understanding the core operations of our real estate business. (Reconciliation to GAAP located in appendix pg. 45)

Funds From Operations:

We calculate Funds From Operations (“FFO”) in accordance with the standards established by the National Association of Real Estate Investment Trusts (“NAREIT”). NAREIT defines FFO as net income (loss) (calculated in accordance with accounting principles generally accepted in the United States (“GAAP”)), excluding gains (or losses) from sales of depreciable operating property, real estate related depreciation and amortization (excluding amortization of deferred financing costs) and after adjustments for unconsolidated partnerships and joint ventures.

FFO is a supplemental non-GAAP financial measure. Management uses FFO as a supplemental performance measure because it believes that FFO is beneficial to investors as a starting point in measuring our operational performance. Specifically, in excluding real estate related depreciation and amortization and gains and losses from property dispositions, which do not relate to or are not indicative of operating performance, FFO provides a performance measure that, when compared year over year, captures trends in occupancy rates, rental rates and operating costs. Other equity REITs may not calculate FFO in accordance with the NAREIT definition as we do, and, accordingly, our FFO may not be comparable to such other REITs’ FFO.

Definitions

Core Funds From Operations:

We calculate Core Funds From Operations ("Core FFO") as FFO calculated in accordance with the standards established by NAREIT, adjusted for losses on debt extinguishments, non-cash stock compensation and impairment charges. Such items are non-recurring or non-cash in nature. Our calculation of Core FFO also excludes acquisition costs and the impact of development pipeline projects that are still in lease-up. We generally consider a property to be in lease-up until the earlier of (i) the quarter after which the property reaches 80% occupancy or (ii) the thirteenth quarter after the property receives its certificate of occupancy.

Management believes that the computation of FFO in accordance to NAREIT's definition includes certain items that are not indicative of the results provided by the Company's operating portfolio and affect the comparability of the Company's period-over-period performance. Our calculation of Core FFO differs from NAREIT's definition of FFO. Other equity REITs may not calculate Core FFO in the same manner as us, and, accordingly, our Core FFO may not be comparable to other REITs' Core FFO.

Adjusted Funds From Operations:

We calculate Adjusted Funds From Operations ("AFFO") as Core FFO, (i) excluding the impact of tenant improvement and leasing commission costs, capital expenditures, the amortization of deferred financing fees, derivative (income) loss, the net effect of straight-line rents and the amortization of lease incentives and net above (below) market rents and (ii) adding back the impact of development pipeline projects that are still in lease-up and government development grants that are not included in FFO.

Management believes that AFFO provides useful supplemental information to investors regarding our operating performance as it provides a consistent comparison of our operating performance across time periods and allows investors to more easily compare our operating results with other REITs. However, other REITs may use different methodologies for calculating AFFO or similarly entitled FFO measures and, accordingly, our AFFO may not always be comparable to AFFO or other similarly entitled FFO measures of other REITs.

Definitions

EBITDA:

We calculate EBITDA as net income (loss) (calculated in accordance with GAAP), excluding interest expense, income taxes and depreciation and amortization. Management believes EBITDA is useful to investors in evaluating and facilitating comparisons of our operating performance between periods and between REITs by removing the impact of our capital structure (primarily interest expense) and asset base (primarily depreciation and amortization) from our operating results.

Core EBITDA:

We calculate Core EBITDA as EBITDA, excluding certain items, including, but not limited to, non-recurring or extraordinary gains (losses), early extinguishment of debt, derivative (income) losses, acquisition costs and the impact of development pipeline projects that are still in lease-up. We generally consider a property to be in lease-up until the earlier of (i) the quarter after which the property reaches 80% occupancy or (ii) the thirteenth quarter after the property receives its certificate of occupancy. Management believes that Core EBITDA provides useful supplemental information to investors regarding our ongoing operating performance as it provides a consistent comparison of our operating performance across time periods and allows investors to more easily compare our operating results with other REITs. However, other REITs may use different methodologies for calculating Core EBITDA or similarly entitled measures and, accordingly, our Core EBITDA may not always be comparable to Core EBITDA or other similarly entitled measures of other REITs.

Core Debt:

We calculate Core Debt as our total debt, excluding any construction loans associated with our development pipeline.

Same Store Portfolio:

We define same store properties as including those properties that were owned and operated for the entirety of the period being presented and excluding properties that were in lease-up during the period present. We generally consider a property to be in lease-up until the earlier of (i) the quarter after which the property reaches 80% occupancy or (ii) the thirteenth quarter after the property receives its certificate of occupancy. The following table shows the properties included in the same store and non-same store portfolio for the comparative periods presented.

Same Store vs. Non-Same Store Properties

	Comparison of Three Months Ended March 31, 2014 to 2013	
	Same Store	Non-Same Store
Office Properties		
Armada Hoffer Tower	X	
One Columbus	X	
Two Columbus	X	
Virginia Natural Gas	X	
Richmond Tower	X	
Oyster Point	X	
Sentara Williamsburg	X	
Retail Properties		
Bermuda Crossroads		X
Broad Creek Shopping Center	X	
Courthouse 7-Eleven	X	
Gainsborough Square	X	
Hanbury Village	X	
North Point Center	X	
Parkway Marketplace	X	
Harrisonburg Regal	X	
Dick's at Town Center	X	
249 Central Park Retail	X	
Studio 56 Retail	X	
Commerce Street Retail	X	
Fountain Plaza Retail	X	
South Retail	X	
Tyre Neck Harris Teeter	X	
Multifamily		
Smith's Landing		X
The Cosmopolitan	X	
Liberty Apartments		X

Reconciliation to GAAP - Segment Portfolio NOI

\$ in thousands

	Three months ended 3/31	
	2014	2013
<u>Office Same Store</u>		
Rental revenues ⁽¹⁾	\$6,549	\$6,486
Property expenses	2,131	1,946
NOI	4,418	4,540
Non-Same Store NOI	-	-
Segment NOI	\$4,418	\$4,540
<u>Retail Same Store⁽²⁾</u>		
Rental revenues	\$5,228	\$5,005
Property expenses	1,687	1,680
NOI	3,541	3,325
Non-Same Store NOI	404	-
Segment NOI	\$3,945	\$3,325
<u>Multifamily Same Store⁽³⁾</u>		
Rental revenues	\$1,816	\$1,907
Property expenses	831	815
NOI	985	1,092
Non-Same Store NOI	526	-
Segment NOI	1,511	1,092
Total Segment Portfolio NOI	\$9,874	\$8,957

(1) No assets excluded

(2) Bermuda Crossroads excluded

(3) Smith's Landing and Liberty Apartments excluded

Reconciliation to GAAP - Segment Portfolio NOI

\$ in thousands

	Three months ended 3/31/2014			
	Office	Retail	Multifamily	Total
<u>Diversified Portfolio</u>				
Cash NOI	\$2,055	\$2,999	\$623	\$5,677
Net effect of straight-line rents	248	(106)	(13)	129
Amortization of lease incentives and (above) below market rents	(13)	39	(14)	12
GAAP NOI	\$2,290	\$2,932	\$596	\$5,818
<u>Town Center of Virginia Beach</u>				
Cash NOI	\$2,007	\$1,251	\$988	\$4,246
Net effect of straight-line rents	287	(22)	(3)	262
Amortization of lease incentives and (above) below market rents	(26)	(146)	-	(172)
Elimination of AHH rent	(140)	(70)	-	(210)
GAAP NOI	\$2,128	\$1,013	\$985	\$4,126
<u>GAAP NOI</u>				
Diversified Portfolio	\$2,290	\$2,932	\$596	\$5,818
Town Center of Virginia Beach	2,128	1,013	985	4,126
Unstabilized Properties	-	-	(70)	(70)
Total Segment Portfolio GAAP NOI	\$4,418	\$3,945	\$1,511	\$9,874

Reconciliation to GAAP - Segment Portfolio NOI

\$ in thousands

	Three months ended 3/31/2014					Total
	Office	Retail	Multifamily	Total Rental Properties	General Contracting & Real Estate Services	
Segment revenues	\$ 6,549	\$ 5,770	\$ 2,874	\$ 15,193	\$ 19,234	\$ 34,427
Segment expenses	<u>2,131</u>	<u>1,825</u>	<u>1,363</u>	<u>5,319</u>	<u>17,985</u>	<u>23,304</u>
Net operating income	\$ 4,418	\$ 3,945	\$ 1,511	\$ 9,874	\$ 1,249	\$ 11,123
Depreciation and amortization						(3,969)
General and administrative expenses						(2,046)
Interest expense						(2,565)
Other income (expense)						112
Income tax provision						(149)
Net income						<u>\$ 2,506</u>