

16. Summary of Quarterly Results (Unaudited)

The following summary represents the results of operations for each quarter in 2003, 2002 and 2001:

		Net Income Applicable to Common Shares	Income Per Common Share ⁽¹⁾	
(AMOUNTS IN THOUSANDS, EXCEPT SHARE AMOUNTS)	Revenue		Basic	Diluted
2003				
March 31	\$364,977	\$ 86,317	\$ 0.79	\$0.77
June 30	371,129	82,331	0.74	0.71
September 30	380,174	70,981	0.63	0.60
December 31	386,775	200,259 ⁽²⁾	1.73	1.66
2002				
March 31	\$349,199	\$ 45,396	\$ 0.44	\$0.42
June 30	344,727	64,553	0.61	0.58
September 30	352,983	59,247	0.55	0.54
December 31	345,331	39,434	0.37	0.36
2001				
March 31	\$233,959	\$ 46,836	\$ 0.54	\$0.52
June 30	237,973	56,920	0.65	0.64
September 30	241,026	67,876	0.76	0.74
December 31	239,462	55,601	0.59	0.57

(1) The total for the year may differ from the sum of the quarters as a result of weighting.

(2) Includes gains on sale of real estate of \$158,378.

17. Costs of Acquisitions and Development Not Consummated

In 2002, the Company had a 70% interest in a joint venture to develop an office tower over the Port Authority Bus Terminal in New York City. Market conditions existing in 2002 resulted in the joint venture writing off \$9,700,000, representing all pre-development costs capitalized to date, of which the Company's share is \$6,874,000.

In 2001, the Company was unable to reach a final agreement with the Port Authority of NY & NJ to conclude a net lease of the World Trade Center. Accordingly, in 2001 the Company wrote off costs of \$5,223,000 primarily associated with the World Trade Center.

18. Segment Information

The Company has four business segments: Office, Retail, Merchandise Mart Properties and Temperature Controlled Logistics. In 2003, the Company revised how it presents EBITDA, a measure of performance of its segments, and has revised the disclosure for all periods presented. EBITDA as disclosed represents "Earnings before Interest, Taxes, Depreciation and Amortization." This change is consistent with the Securities and Exchange Commission's Regulation G.