

MARKET STATISTICS

Exchange / Symbol	NYSE: AHH
Price:	\$10.14
Market Cap (\$mm):	\$416.8
Enterprise Value:	\$773.2
Common Shares + OP Units:	41.1M
Float (Shares + OP Units):	40.1M
Volume (3 Month Average):	132,000
52 Week Range:	\$8.86-\$11.12
Industry:	REIT - Diversified

CONDENSED NAV CALCULATION

(Refer to page 2 for more detail)

Stable Portfolio NOI:	\$48.7M
Asset Value @ Median Cap:	\$695.5M
Add Other Net Assets/Liabilities:	(\$166.4M)
Total:	\$529.1M
NAV/Share:	\$12.87

CONDENSED FINANCIAL DETAIL

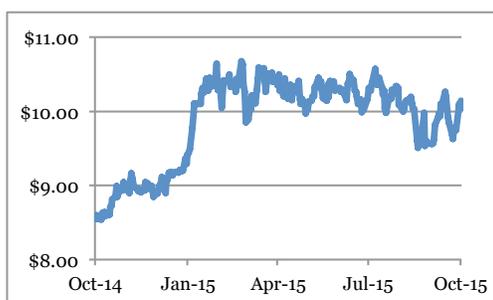
(\$mm, except per sh data)

FY - 12/31	NOI	FFO/Sh	Div/Sh	TRS GP
FY13	\$38.37	\$0.71	\$0.40	\$3.7
FY14	\$42.34	\$0.82	\$0.64	\$4.6
FY15E	\$53.95	\$0.90	\$0.68	\$5.5

LARGEST SHAREHOLDERS

AHH Management/BOD	9,717,000
Wellington Management Co., LLP	1,509,000
Forward Management, LLC	1,483,000
FMR, LLC	1,218,000
American Century Companies, Inc.	1,023,000
Vanguard Group, Inc.	910,000
Nuveen Asset Management, LLC	732,000
Putnam Investments, LLC	676,000
Blackrock Fund Advisors	658,000
Blackrock Advisors, LLC	592,000
Hawk Ridge Management, LLC	525,000

STOCK CHART



COMPANY DESCRIPTION

Armada Hoffer Properties, Inc. (NYSE: AHH), was originally founded in 1979 and today still operates as a full service real estate company. AHH develops, constructs, owns and manages high quality, institutional grade office, retail and multi-family properties throughout the Mid-Atlantic and Southeastern regions. The company is incorporated in Maryland and operates as a real estate investment trust (REIT) for tax purposes. AHH is headquartered in Virginia Beach, VA, where its flagship property Town Center is also located.

SUMMARY

Armada Hoffer appears capable of delivering sustainable, low-risk growth to investors through its diversified real estate portfolio, which includes a healthy development pipeline.

- AHH has dependable cash flow created by occupancy in excess of 95%.
- The company has developed approximately \$1.6 billion in assets to date and had two major projects underway as of 6/30/15, one of which includes a partnership with Johns Hopkins in Baltimore, MD.
- With its internal team of developers, AHH can manage costs and timing on project, creating immediate equity when taking properties online at an estimated spread of 150 – 200 bps; this factor not only gives the company several advantages in the marketplace but also significantly differentiates AHH from other publicly traded REITs operating as pure-play acquirers of income-producing properties.
- Management has closed on approximately \$115 million in strategic acquisitions since its IPO, adding 6 properties that were immediately accretive to its portfolio.
- Its construction business (operated through a taxable REIT subsidiary) gross profit was \$4.6M in 2014 and could approach \$6M in 2015; AHH had approximately \$195.5 million in its construction backlog as of 6/30/15.
- The company constantly re-evaluates its properties and disposes of non-core assets when identified so that capital can be redeployed; the recent sale of Whetstone Apartments yielded AHH in excess of 20% profit; just prior to that, sales of Sentara Williamsburg and Virginia Natural Gas yielded cap rates of 6.3% and 6.25%, respectively.
- The current dividend yield is 6.7%, with the most recently report dividend of \$0.17 in Q215.
- Armada Hoffer has a long-standing management team that together owns approximately 24% of outstanding common shares and OP units.
- The company is well-positioned within the real estate industry with very favorable growth dynamics for its retail, office and multifamily designs and locations.
- To date, AHH has formed over 20 public/private relationships as part of its development efforts, which add considerable barriers to entry for competitors.

We believe that Armada Hoffer offers a well-diversified real estate investment opportunity for the marketplace, with a current share price trading approximately 27% below our median estimated Net Asset Value (NAV) per share.

VALUATION

We believe Armada Hoffler Properties, Inc. holds significant potential for investors - a current yield of 6.7% from a diversified portfolio with high occupancy rates, coupled with strong industry dynamics and a healthy development pipeline, should result in a growing Net Asset Value (NAV) and stock price. Investing in AHH provides the following benefits:

- An opportunity to limit risk in a real estate investment that has averaged returns between 100 – 200 bps greater than the common REIT indices over the past year
- Occupancy that has steadily increased to greater than 95% on properties with leases locked in at favorable rates for the longer-term, with staggered expirations
- A successful track record of developing properties with immediately accretive equity once put into production
- Participation in an area of the real estate industry with predicted strong growth – urban development of mixed-use properties that combine office, living and retail spaces

Our current projections are through FY15 and only include the current acquisitions announced to date (expected to close in Q315). For modeling purposes, we have assumed no additional acquisitions or dispositions for the remainder of the year. We are projecting 2015 net operating income of \$54M, representing a 27% increase YOY, with the majority of growth generated by new properties being brought online. Additionally, our model shows significant gains for EBITDA, FFO and AFFO

calculations, all important metrics for the analysis of REIT operations. Management's control in its cost structure should contribute to improving margins quarter over quarter throughout the remainder of 2015. We show G&A increasing to \$8.37M in 2015, in-line with management's guidance, but up from \$7.71M in the prior year.

Due to the difficulty of predicting the size, timing and financing structure (equity vs. debt) of acquisitions and the stabilization of development properties, we have not introduced 2016 projections. However, management's disclosures do slate two significant developments being brought online in FY16 with estimated costs of \$92M and stabilization in late 2016/1H 2017, and one currently occupied Virginia Beach office building being stabilized in 3Q16.

Our estimates for the construction company's annual gross profit are also in agreement with management's projected range of \$5.4 - \$5.9M, a healthy contribution to AHH's operating results.

Armada Hoffler expects a 2015 full-year normalized FFO per share estimate of \$0.88 - \$0.91. Our model comes in at \$.90 per share normalized FFO for FY15.

Armada Hoffler represents a compelling growth story as a respected developer in its industry, and as PWC reports, the development of vibrant urban centers is almost a universal trend among the 75 markets included in its 2015 survey *Emerging Trends in Real Estate 2015*. The company is positioned to continue to provide investors with growth in both current yield and NAV.

Exhibit 1: NAV Analysis Based on 6/30/15 Data and Stonegate Estimates (000s)

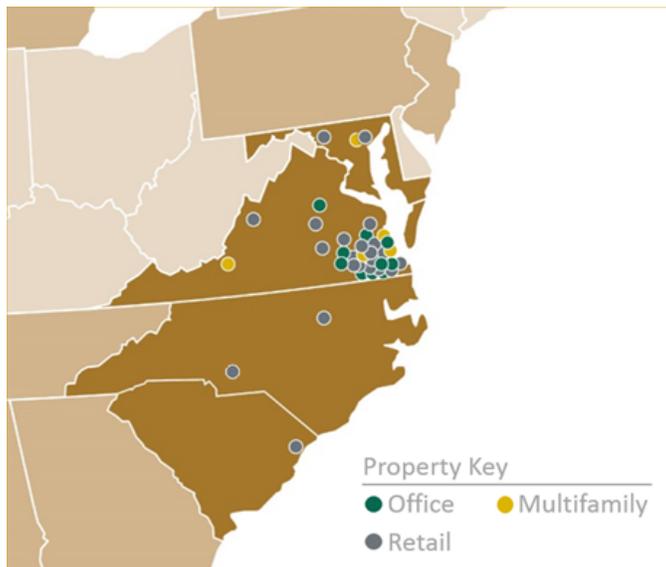
Cap Rate Range	6.25%	6.50%	6.75%	7.00%	7.25%	7.50%	7.75%
Stable Portfolio NOI Annualized on Cash Basis	\$48,684	\$48,684	\$48,684	\$48,684	48,684	48,684	48,684
Property Market Value @ Cap Rate	\$778,944	\$748,985	\$721,244	\$695,486	\$671,503	\$649,120	\$628,181
Add: Investment in Developments	\$126,915	\$126,915	\$126,915	\$126,915	\$126,915	\$126,915	\$126,915
Add: Estimated TRS Value	\$32,000	\$32,000	\$32,000	\$32,000	\$32,000	\$32,000	\$32,000
Add: Other Assets	\$133,343	\$133,343	\$133,343	\$133,343	\$133,343	\$133,343	\$133,343
Less: Liabilities	\$458,693	\$458,693	\$458,693	\$458,693	\$458,693	\$458,693	\$458,693
Total	\$612,509	\$582,550	\$554,809	\$529,051	\$505,068	\$482,685	\$461,746
Diluted Shares and OP Units	41,100	41,100	41,100	41,100	41,100	41,100	41,100
NAV Per Share	\$14.90	\$14.17	\$13.50	\$12.87	\$12.29	\$11.74	\$11.23

Source: Company Reports, Stonegate Capital Partners

BUSINESS OVERVIEW

Armada Hoffer Properties, Inc. is an internally managed, publicly traded full-service REIT that diversifies its portfolio among institutional grade office space, retail and multifamily properties. AHH also offers general contracting services to third-party clients. The company currently has the majority of its producing assets and development projects located in the Mid-Atlantic and Southeastern regions.

Exhibit 2: Portfolio Locations throughout Southeast and Mid-Atlantic



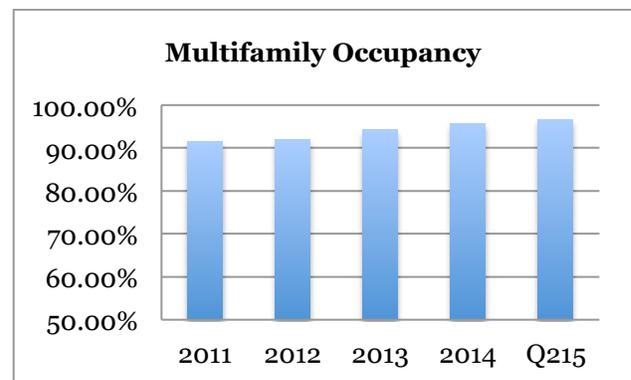
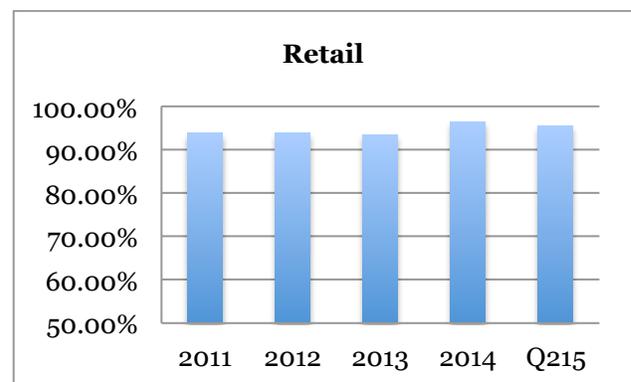
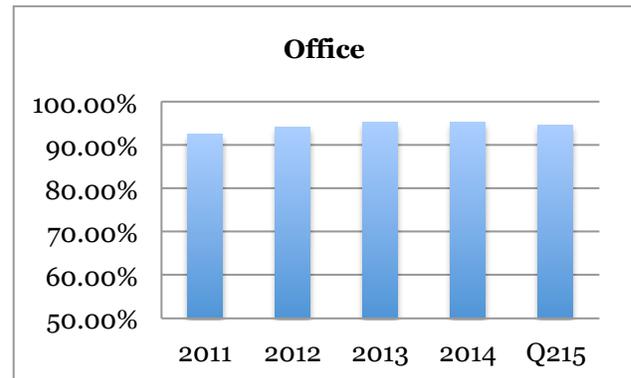
Source: Company Reports

Armada Hoffer has three main components within its integrated business model, which we describe in more detail below:

- A stable portfolio of completed properties with high occupancy levels generating healthy cash flow
- Properties under development that create immediate equity at the wholesale level upon completion/occupancy
- A construction segment that services 3rd party needs but overall makes up a smaller part of AHH's business

As most recently reported, Armada Hoffer had 36 properties representing approximately 3.2 million rentable square-feet of office and retail space, plus 1,109 multifamily units, and 2 properties under development. The office and retail space is approximately 75% externally managed, while the multifamily properties are 100% externally managed. The company has historically high occupancy rates across all three categories.

Exhibit 3: Historically High Occupancy Rates



Source: Company Reports, Stonegate Capital Partners

Each portfolio is managed for long-term, stable cash flow. Office and retail lease terms are designed to create low turnover risk, with a significant portion expiring beyond 2025.

Exhibit 4: Longer-term Staggered Lease Expirations



Source: Company Reports, Stonegate Capital Partners

By developing many of its own properties through in-house general contractors, AHH can control the entire construction process as well as the associated costs; additionally, there are no fees or mark-ups on the projects, which makes it considerably less expensive than using an outsider. Subcontractors are used for individual phases/areas. Building designs maximize efficiency and rentable space. Management states that typically there is a 150 – 200 bps spread upon completion of the total capitalized costs vs. the fair market value of the property.

The company’s most significant development to date is its Virginia Beach Town Center. This approximate \$700 million development created a now thriving central business district where there was none and was formed through a partnership with the city of Virginia Beach (contributed approximately \$200 million in funds to the project). Since 2000, Town Center has been an on-going, 17-block, multi-phase development offering:

- 750,000 square-feet of office space
- 15 restaurants
- 640 apartments
- 410 hotel rooms
- 30,000 square-feet of conference space
- a performing arts theatre

Town Center currently makes up approximately 40% of the company’s net operating income. The development has high occupancy rates and garners a premium on most of its spaces due to its location, the quality of its design, and its many A-list tenants that attract significant business to the area. The photos below show the “before and after” for the Town Center development.



While a smaller part of the overall picture, AHH’s construction business is a solid source of gross profit that builds relationships, expands the Armada Hoffer reach, and continues to build upon the company’s already strong name recognition in its industry. The company also recognizes revenues from its real estate services group related to development and management opportunities. All general contracting and real estate services are conducted through a taxable REIT subsidiary (TRS).

MANAGEMENT TEAM

The long-term history of AHH's management is impressive as detailed by the bios included later in this report. Many members of the executive group have been together at Armada Hoffler for 2 – 3 decades and have gained in-depth knowledge of the business working in different areas of the company; the team has extensive experience in portfolio/property management, construction, and real estate development.

In addition to Chairman and founder Dan Hoffler, Vice Chairman Russ Kirk and CEO Lou Haddad, Armada Hoffler's independent board member also bring strong resumes to the company. For example:

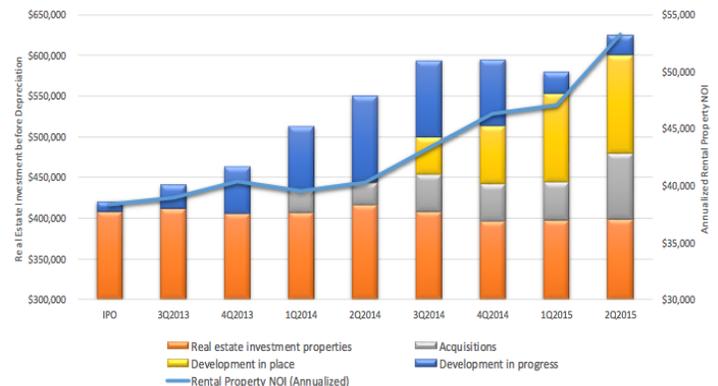
- George Allen – Former congressman, senator, and Governor of Virginia
- James Carroll – President and CEO Crestline Hotels & Resorts, LLC
- James Cherry – Previously Chairman and CEO for the Mid-Atlantic Banking Region at Wachovia
- Eva Hardy – Served as EVP of Public Policy and Corporate Communications at Dominion Resources
- Admiral Joseph Prueher (Ret.) – Former US Ambassador to the People's Republic of China
- John Snow – Served as US Treasury Secretary under President George W. Bush

Together, management owns approximately 24% of all outstanding shares and OP units. Therefore, they are heavily invested on both professional as well as personal levels. And because of the unique tax status of a REIT, tax implications are always at the forefront of their minds when making business decisions and maximizing returns.

GROWTH STRATEGY

The company reports a trailing 12-month average same property cash NOI growth of 4.2%. Organic growth is gained thru increasing rental rates and high occupancy, while managing/reducing costs on company properties. For AHH, however, the primary avenue for growth is through bringing properties online via its development pipeline, creating instant equity. By developing its own properties, Armada Hoffler can control the process from beginning to end and cut out excess fees to third-parties. And many times, the company has potential tenants looking to be located in a certain area or third-parties interested in pitching AHH an idea on a project. Armada Hoffler does partner with both public and private entities on its developments. To date, the company reports having developed \$1.6 billion in assets.

Exhibit 5: Portfolio Growth since IPO



Source: Company Reports

Whether considering potential land purchases for development or established properties currently producing income, management looks for assets that offer barriers to entry for future competitors attempting to enter the space. The company also investigates tenant types, tenant satisfaction, growth in sales, and lease terms and renewal opportunities, among other factors, for established properties. And AHH does not invest in projects that can be easily replicated nearby, so location and the surrounding demographics are key in the decision-making process, as is its list of key retailers that will anchor the development from a retail perspective. Funding is accomplished with outside capital, the use OP units as well as utilizing proceeds from the sale of another property in order to re-deploy capital.

Exhibit 6: Top 10 Retail Tenants by Annualized Base Rent

Tenant	# of Leases/Expiration	% of Retail Portfolio
Home Depot	2 - 2019	8.0%
Harris Teeter	3 - 2030	7.4%
Food Lion	3 - 2020	4.7%
Dick's Sporting Goods	1 - 2020	3.1%
Weis Markets, Inc.	1 - 2028	2.9%
Safeway, Inc.	2 - 2021	2.9%
Regal Cinemas	1 - 2019	2.5%
PetSmart	2 - 2018	2.3%
Kroger	1 - 2018	2.0%
Yard House	1 - 2023	2.0%
		<u>37.8%</u>

Source: Company Reports, Stonegate Capital Partners

As part of actively managing its portfolio and always re-evaluating each property's contribution to the long-term business goals, assets that no longer fit the bill are strategically disposed of given market conditions, and the capital is re-deployed and put to work elsewhere building value. A recent example of this is the sale of Whetstone Apartments in Durham, NC, on which the company made an estimated 20%+ profit and immediately utilized the proceeds towards the acquisitions of Providence Plaza in Charlotte, NC, and Socastee Commons in Myrtle Beach, SC. The Armada Hoffer management team has the ultimate goal of increasing total shareholder returns, as demonstrated by its growth over the past year, averaging between 100 – 200 bps greater than two common REIT indices, MSCI US REIT and SNL US REIT.

INDUSTRY OVERVIEW

Per *Emerging Trends in Real Estate 2015, US and Canada*, by PWC and the Urban Land Institute (ULI), many factors are playing into real estate's strengths in this rising market cycle, including above-trend GDP growth, continued drops in unemployment, minimal CPI inflation percentages, and still-low levels of new construction, especially commercial. And many of these factors playing into this solid real estate forecast benefit AHH.

The industry outlook for real estate is favorable for the majority of current players. While many segments continue recovery and improvement since the Recession, there has been limited supply (lesson of overbuilding and overleveraging learned?) in the interim. While great coastal cities continue to thrive for their around the clock options and activities, re-emergent downtown areas have spurred investment and development raising the quality of life in those areas with a combination of housing, retail, dining, and walk-to-work offices. This concept has lit a fire within the real estate industry and among city planners.

Boomers are healthier and living longer lives, and many are still seeking to recover from the losses during the Recession. They are staying in the workforce longer and often choosing urban over suburban for living – not migrating to Florida and golf course communities as once was the retirement-age trend. This has altered the housing picture for this demographic, many not wanting to be tied to a big house with a big mortgage, and many choosing to live closer to work with little commute.

As interest rates remain low and occupancy ticks up, competition can be fierce for acquisitions. It appears that a tide of capital is flowing through America's real estate markets, and "a rising tide lifts all boats". Who knows exactly when will be the end of a historic opportunity to lock in long-term mortgage money at exceptionally cheap rates; thus, interested parties are jumping on investment and development opportunities. And investors continue to like markets with vibrant urban centers.

According to *Emerging Trends in Real Estate 2015, US and Canada*, by PWC and the Urban Land Institute (ULI), "The development of vibrant urban centers is almost a universal trend among the 75 markets included in the 2015 survey. Only five markets have seen negative growth in urban center population over the past three years. This improvement is not limited to markets that have established urban centers". The tired concept of going to a shopping mall is being replaced by ground-floor retail under small offices or residential units, offering a mix-use development opportunity and is showing great success.

Armada Hoffer Properties is currently capitalizing on these industry trends and appears well-positioned with its office, retail and multifamily segment designs as well as property locations.

RISKS

As with any investment, there are certain risks associated with Armada Hoffer's operations as well as with the surrounding economic and regulatory environments.

- Seeking growth principally through acquisitions and development, management must be capable of consistently identifying and closing on suitable locations in their respective target markets in order to continue making accretive additions to their current asset portfolio.
- The scale of the company's development projects is large and can be longer-term; failure to control costs and stay on schedule can have negative consequences on the ultimate cost basis of the completed project. Similar risks apply to its third-party construction business.
- While the current management team has extensive experience and relationships in the real estate market, the company runs the risk of operations being significantly impacted should a member of management choose to leave the company.

- Because of AHH’s classification as a REIT, the company is required to distribute annually at least 90% of its taxable income to maintain its elected tax status. This leaves AHH with the need to finance its asset purchases with outside capital at times. Availability and terms for future credit needs might not be favorable, and those as well as any future equity offerings could cause potential dilution for current investors.
- As of year-end, the company had approximately 94% and 6% of the total annualized base rent of the properties in its stabilized portfolio located in Virginia and North Carolina, respectively; this creates higher geographic risk for the company of being affected by adverse events, conditions, or governmental regulations in those concentrated areas.
- Williams Mullen is the company’s top office tenant, making up 12% of its annualized base rents for office space; this dependence upon one tenant creates a risk for the company should Williams Mullen become unable or unwilling to continue leasing the space.
- Armada Hoffer’s retail properties rely on several larger, nationally recognized tenants to anchor their shopping centers. The loss of an anchor or similar major tenant could significantly affect the company’s overall occupancy levels and thus seriously impair the retail property’s ability to produce income and thus its value.
- Because many of the company’s costs and expenses are fixed (real estate taxes, insurance, loan payments and maintenance), they will not decline if AHH’s revenues decline. Therefore, any adverse economic or other conditions affecting occupancy or rental rates could have a very negative impact on operating results and affect the company’s ability to service debt and pay shareholders.
- Overall, Armada Hoffer faces numerous risks commonly related to the real estate industry; the company’s business is very influenced by changes in interest rates and the behavior of the lending markets, the potential illiquidity of its properties if the desire/need arises to sell, tenant preferences for renting vs. buying given market conditions and the rental rates that individual markets will bear, public concern over economic downturn or the potential that it will occur, changes to governmental laws and regulations where properties are being developed or located, and/or an oversupply or reduction in demand for office, retail or multifamily space in its markets.

COMMON REIT METRICS AND TERMINOLOGY

Net Asset Value (NAV)	Essentially represents the market value of the company's assets (in this case its income-producing property portfolio, assets under development, and its TRS construction business) less liabilities. For REITS, a common approach to calculating NAV takes net operating income divided by an assumed cap rate to arrive at a current market value for the real estate.
EBITDA	A non-GAAP measure representing earnings before interest, taxes, depreciation and amortization. AHH also excludes gains or losses from sales of depreciable property.
Funds from Operations (FFO)	Calculated as net income (loss) plus depreciation and depletion and excluding gains or losses from sales of depreciable operating property; it is a non-GAAP measure for REIT analysis.
Normalized FFO	Takes FFO and adjusts for acquisition, development, and other pursuit costs, gains or losses from early extinguishment of debt, impairment charges, mark-to-market adjustments on interest rate derivatives and other non-comparable items.
Adjusted Funds from Operations (AFFO)	A frequently used REIT/non-GAAP metric that starts with Normalized FFO, and then adjusts for stock based compensation, tenant improvement, leasing commission and leasing incentive costs associated with second generation rental space, capital expenditures, non-cash interest expense, straight-line rents, and the amortization of leasing incentives above/below market rents and the proceeds from government development grants. Management believes that AFFO provides useful supplemental information to investors regarding the company’s cash generated by operations.
Cap Rate	Rate of return on real estate investment property based on the income the property generates after operating costs; it reflects the investor's return on his or her investment given risks associated with certain real estate asset types and asset location, among other factors. A higher cap rate indicates higher returns, and generally greater perceived risk.

BALANCE SHEETS

Armada Hoffer, Inc. (NYSE: AHH)			
Consolidated Balance Sheets (\$000s)			
Fiscal Year: December			
	FY 2013	FY 2014	Q2 Jun-15
ASSETS			
Assets			
Real estate investments:			
Income producing property	\$406,239	\$513,918	\$599,339
Held for development	-	-	1,180
Construction in progress	56,737	81,082	24,169
	462,976	595,000	624,688
Accumulated depreciation	(105,228)	(116,099)	(124,975)
Net real estate investments	357,748	478,901	499,713
Real estate investments held for sale	-	8,538	-
Cash and cash equivalents	18,882	25,883	27,356
Restricted cash	2,160	4,224	3,090
Accounts receivable, net	18,272	20,548	21,412
Construction receivables, including retentions	12,633	19,432	39,603
Construction contract costs and est. earnings in excess of billings	1,178	272	53
Other assets	24,409	33,108	41,829
Total Assets	\$435,282	\$590,906	\$633,056
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities			
Indebtedness	\$277,745	\$359,229	\$386,871
Debt secured by real estate investments held for sale	-	-	-
Accounts payable and accrued liabilities	6,463	8,358	4,606
Construction payables, including retentions	28,139	42,399	42,700
Billings in excess of construction contract costs and est. earnings	1,541	1,053	1,683
Other liabilities	15,873	17,961	22,833
Other non-current liabilities	-	-	-
Total Liabilities	329,761	429,000	458,693
Shareholders' Equity			
Common stock - par value	192	250	258
Additional paid-in capital	1,247	51,472	59,831
Distributions in excess of earnings	(47,934)	(54,413)	(51,447)
Accumulated other comprehensive loss	-	-	(344)
Predecessor deficit	-	-	-
Total Shareholders' Equity (deficit)	(46,495)	(2,691)	8,298
Non-controlling interests	152,016	164,597	166,065
Total Liabilities and Shareholders' Equity	\$435,282	\$590,906	\$633,056
Ratios			
Liquidity			
Current Ratio	1.5x	1.4x	1.9x
Working Capital	\$17,345	\$19,330	\$44,155
Availability under Credit Facility	\$82M	\$87.5M	\$59M
Leverage			
Core Debt to EV	46.5%	34.6%	40.3%
Core Debt to Annualized Core EBITDA	6.5x	6.1x	6.7x

Source: Company Reports, Stonegate Capital Partners

INCOME STATEMENTS
Armada Hoffler, Inc. (NYSE: AHH)
Consolidated Statements of Income (\$000s, except per share amounts)
Fiscal Year: December

	FY 2013	FY 2014	FY 2015 E
Revenues			
Rental revenues	\$57,520	\$64,746	\$81,058
General contracting and real estate services revenues	82,516	103,321	147,137
Total revenues	140,036	168,067	228,195
Expenses			
Rental expenses	14,025	16,667	19,391
Real estate taxes	5,124	5,743	7,716
General contracting and real estate services expenses	78,813	98,754	141,595
Depreciation and amortization	14,898	17,569	22,411
General and administrative expenses	6,937	7,711	8,374
Acquisition, development and other pursuit costs	-	229	762
Impairment charges	580	15	23
Total expenses	120,377	146,688	200,272
Operating income (loss)	19,659	21,379	27,923
Other income (expense)			
Interest expense	(12,303)	(10,648)	(13,604)
Loss on extinguishment of debt	(2,387)	-	(407)
Gain on real estate dispositions	9,460	2,211	13,407
Other income/(expense)	297	(113)	(148)
Total other income (expense)	(4,933)	(8,550)	(752)
Income (loss) before taxes	14,726	12,829	27,171
Income tax benefit (provision)	(273)	(70)	35
Net income (loss)	14,453	12,759	27,206
Results from discontinued operations			
Net income attributable to predecessor	(2,020)	-	-
Net income attributable to non-controlling interests	(5,097)	(5,068)	(9,677)
Net income (loss) attributable to stockholders	\$7,336	\$7,691	\$17,529
Weighted average common shares outstanding	19,046	20,946	26,426
Weighted average operating partnership units outstanding	13,059	14,125	15,334
Basic and diluted outstanding	32,105	35,071	41,760
Dividends and distributions declared per common share and unit	\$0.40	\$0.64	\$0.68
EBITDA	\$34,557	\$38,948	\$50,334
EBITDA per diluted weighted average share	\$1.08	\$1.11	\$1.21
Funds from operations (FFO)	\$19,806	\$28,117	\$36,210
Normalized FFO	\$22,785	\$28,594	\$37,402
Normalized FFO per diluted weighted average share	\$0.71	\$0.82	\$0.90
Adjusted funds from operations (AFFO)*	\$21,420	\$21,590	\$30,315
AFFO per diluted weighted average share	\$0.67	\$0.62	\$0.73

Source: Company Reports, Stonegate Capital Partners

*2013 calculation includes Q3 & Q4 adjustments (post-IPO only)

SIGNIFICANT EVENTS

July 13, 2015 - AHH closes on the acquisition of Columbus Village, a retail center adjacent to the Town Center development, its flagship asset, in Virginia Beach with an additional 65,000 square-foot; Town Center currently makes up approximately 40% of the company's net operating income.

June 26, 2015 - AHH receives the NAREIT 2015 Silver Investor CARE award for communication and reporting excellence among small cap equity REITs

May 29, 2015 - The company completes the sale of Whetstone Apartments in Durham, NC, for \$35.6M, making an approximate 20%+ profit while disposing of a non-core asset in order to redeploy capital elsewhere as well as monetize its wholesale to retail development spread

February 20, 2015 - New \$200M senior unsecured credit facility obtained, replacing old \$155M facility due to mature May 2016; the new facility includes an accordion feature allowing borrowing to increase up to \$250M under certain conditions

February 3, 2015 - AHH declares a \$0.17 cash dividend per common share for Q115, representing a 6.3% increase over the prior quarter

January 5, 2015 - Sale of Sentara Williamsburg office building completed for \$15.5M, representing a 6.3% cap rate

November 20, 2014 - Sale of Virginia Natural Gas office building completed for \$8.9M, representing a 6.25% cap rate

September 15, 2014 - The company completes an underwritten public offering of 5.75M shares of common stock for net proceeds of \$49.3M

August 1, 2014 - AHH acquires 100% interest in Dimmock Square, adding over 100,000 square feet of 100% occupied retail space to operating portfolio

October 10, 2013 - Borrowing capacity increased under the original credit facility to \$155M

May 13, 2013 - \$100M senior credit facility secured with an accordion feature that could potentially increase borrowing capacity to \$250M

May 13, 2013 - AHH completes its IPO of 16,525,000 shares of common stock for net proceeds of \$192.2M following the underwriters exercising their overallotment option in full to purchase an additional 2,478,750 shares approximately 1 week later

May 8, 2013 - The Company's stock begins trading on the NYSE under the ticker "AHH"

CORPORATE GOVERNANCE

Louis S. Haddad, President and Chief Executive Officer

Mr. Haddad has served as President and Chief Executive Officer and a director since the formation of the Company. Mr. Haddad has more than 25 years of experience in the commercial real estate industry. Mr. Haddad has served in executive roles within predecessor entities since 1987, including Chief Executive Officer of predecessor entities between 1999 and the completion of the initial public offering in 2013, and President of AHH's predecessor between 1996 and 1999. From 1987 to 1996, Mr. Haddad served as President of Armada Hoffer Construction Company. Additionally, Mr. Haddad served as an on-site construction supervisor for Armada Hoffer Construction Company from 1985 until 1987. Prior to joining Armada Hoffer, Mr. Haddad worked at Harkins Builders, which provides construction management services, in Baltimore, Maryland.

Michael P. O'Hara, Chief Financial Officer and Treasurer

Mr. O'Hara has served as Chief Financial Officer and Treasurer since the initial public offering. Mr. O'Hara has more than 25 years of experience in commercial real estate, accounting, tax, information technology and structured finance. From 2002 until the completion of the initial public offering, Mr. O'Hara served as chief financial officer for AHH's predecessor. Mr. O'Hara joined the predecessor in 1996 as Controller of the construction company and was promoted to Controller of Armada Hoffer Holding Company in 1999. Prior to joining the predecessor, Mr. O'Hara served as Controller of Beacon Construction in Boston, Massachusetts. Mr. O'Hara received a B.S. in accounting from Fairfield University. Mr. O'Hara was previously licensed as a certified public accountant.

Eric L. Smith, Chief Investment Officer and Corporate Secretary

Mr. Smith serves as Chief Investment Officer and Corporate Secretary and has been with AHH since the initial public offering. Mr. Smith has over 17 years of experience in asset management, strategic planning, finance and development. Mr. Smith previously served as Vice President of Operations for AHH's predecessor. From 2005 until 2011, Mr. Smith served as Asset Manager, Manager of Real Estate Finance and Director of Real Estate Finance of the predecessor. Prior to joining the predecessor, Mr. Smith was an associate within the commercial consulting business of Booz Allen Hamilton, a financial analyst in the international corporate finance group of Federal Express, and owned his own seat as a financial derivative trader on the New York Futures Exchange. Mr. Smith holds a B.S. in finance from the University of Connecticut and an MBA from the Wharton School at the University of Pennsylvania.

Anthony P. Nero, President of Development

Mr. Nero has served as President of Development since the initial public offering. Mr. Nero has over 20 years of experience in real estate development operations. Mr. Nero previously served as President of one of AHH's predecessor entities, a position he held from 1998 until the completion of the initial public offering. From 1989 until 1996, Mr. Nero served as Treasurer and Chief Financial Officer of one of the predecessor entities. Prior to joining the predecessor, Mr. Nero served as Vice President and Treasurer of the Washington Corporation, a development company in Northern Virginia and was with Arthur Andersen. Mr. Nero received a B.S. in Finance from Georgetown University, where he graduated with honors, as well as an MBA in accounting from George Washington University. He is a licensed real estate agent and was previously licensed as a certified public accountant.

Shelly R. Hampton, President of Asset Management

Ms. Hampton has served as President of Asset Management since the initial public offering. Ms. Hampton has over 25 years of experience in accounting, finance, administration, operations and management. Ms. Hampton previously served as President of Asset Management of one of AHH's predecessor entities since 2011 until the completion of the initial public offering. From 2009 to 2011, Ms. Hampton served as Vice President of Asset Management of one of the predecessor entities. From 1999 until 2011, Ms. Hampton served as the Director of Asset Management of one of the predecessor entities. Ms. Hampton previously served as Vice President of Finance at JLM Holdings. Ms. Hampton holds an AAS in Business Management from Metropolitan College and graduated cum laude with a B.S. in Business Administration from Western New England College.

Eric E. Apperson, President of Construction

Mr. Apperson has served as President of Construction since the initial public offering. Mr. Apperson has over 25 years of experience in real estate management, development and construction. Mr. Apperson previously served as President of Construction of one of AHH's predecessor entities, a position he assumed in 2000. Prior to being named President of Construction, Mr. Apperson served as President of a subsidiary of the predecessor formerly known as Goodman Segar Hogan Hoffer Construction. Beginning in 1987, Mr. Apperson served the predecessor as project manager. Mr. Apperson earned a B.A. from Hampden-Sydney College.

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