KIMCO REALTY CORP
Form 424B3
August 25, 2006

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Filed Pursuant to Rule 424(b)(3)

Registration No. 333-136152

PAN PACIFIC RETAIL PROPERTIES, INC.

1631-B SOUTH MELROSE DRIVE

VISTA, CALIFORNIA 92081

(760) 727-1002

August 23, 2006

Dear Pan Pacific Stockholder:

You are cordially invited to attend a special meeting of the stockholders of Pan Pacific Retail Properties, Inc., a Maryland corporation, to be held at the Marriott San Diego Del Mar, 11966 El Camino Real, San Diego, CA 92130, on September 25, 2006, at 9:00 a.m. Pacific Time.

At the special meeting, you will be asked to consider and vote upon a proposal to approve the transactions contemplated by the merger agreement, including the merger of KRC Acquisition Inc., a subsidiary of Kimco Realty Corporation, with Pan Pacific. In connection with the merger, you will be entitled to receive $70 in cash for each share of Pan Pacific common stock that you own as of the completion of the merger. However, Kimco may elect to issue up to $10 of the per share merger consideration in the form of Kimco common stock. Kimco has the right to make this stock election any time prior to September 10, 2006 the date which is 15 days prior to the date of the Pan Pacific stockholder meeting. Kimco may revoke its stock election at any time if the revocation would not delay the Pan Pacific stockholders meeting by more than 10 business days. If Kimco makes the stock election, the number of shares of Kimco common stock that the Pan Pacific stockholders will receive will be determined based on the closing price average of Kimco common stock over the 10 trading days immediately preceding the trading day which is two days prior to the Pan Pacific stockholders meeting or, if Kimco has elected to delay the closing, based on the closing price average of Kimco common stock over the 10 trading days immediately preceding the closing date. You will no longer be a stockholder of Pan Pacific following the merger. Shares of Kimco common stock are traded on the New York Stock Exchange under the symbol KIM .

Pan Pacific s board of directors unanimously recommends that you vote ***FOR*** the approval of the merger. In arriving at its recommendations, the board of directors gave careful consideration to a number of factors described in the accompanying proxy statement.

Under the Maryland General Corporation Law, the affirmative vote, whether in person or by proxy, of at least a majority of the outstanding shares of Pan Pacific common stock is required to approve the merger.

The accompanying proxy statement/prospectus explains the proposed transactions and provides specific information concerning the special meeting. It also includes copies of the merger agreement and the written opinion of Houlihan Lokey Howard & Zukin Financial Advisors, Inc. Please read it carefully. **In particular, you should carefully consider the discussion in the section entitled *Risk Factors* beginning on page 20.**

Whether or not you plan to attend the special meeting, we urge you to please complete, sign and return your proxy as soon as possible in the enclosed self-addressed envelope so that your vote will be recorded. Even if you return your proxy card, you may still attend the special meeting and vote your common stock in person. Your proxy may be revoked at any time before it is voted by submitting a written revocation or a properly executed proxy bearing a later date to MacKenzie Partners Inc., or by attending and voting in person at the special meeting. For stock held in *street name,* you may revoke or change your vote by submitting instructions to your broker or nominee.

Please do not send your common stock certificates at this time. If the merger is completed, you will be sent instructions regarding the exchange of your certificates.

Stuart A. Tanz

President and Chief Executive Officer

Pan Pacific Retail Properties, Inc.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued under this proxy statement/prospectus or determined if this proxy statement/prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

This proxy statement/prospectus is dated August 23, 2006 and is expected to be first mailed to Pan Pacific stockholders on August 25, 2006.

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SOURCES OF ADDITIONAL INFORMATION

This proxy statement/prospectus incorporates important business and financial information about Kimco and Pan Pacific that is not included or delivered with this document. This information is available without charge to Kimco and Pan Pacific stockholders upon written or oral request. You can obtain the documents incorporated by reference in this proxy statement/prospectus by requesting them in writing or by telephone from the appropriate company at the following addresses and telephone numbers:

Kimco	Pan Pacific
3333 New Hyde Park Road	1631-B South Melrose Drive
New Hyde Park, New York 11042	Vista, California 92081
Attn.: Bruce M. Kauderer, Corporate Secretary Telephone: (516) 869-9000	Attn.: Joseph B. Tyson, Corporate Secretary Telephone: (760) 727-1002

To obtain timely delivery of requested documents prior to the special meeting of Pan Pacific stockholders, you must request them no later than September 18, 2006, which is five business days prior to the date of the meeting.

Also see Where You Can Find More Information on page 89 of this proxy statement/prospectus.

AUTHORIZING YOUR PROXY BY TELEPHONE

Pan Pacific stockholders of record on the close of business on August 18, 2006, the record date for the Pan Pacific special meeting, may authorize their proxies by telephone by following the instructions on their proxy card or voting form. If you have any questions regarding whether you are eligible to authorize your proxy by telephone, you should contact MacKenzie Partners Inc. by telephone at 1-800-322-2885 (toll free) or by email at proxy@mackenziepartners.com.

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PAN PACIFIC RETAIL PROPERTIES, INC.

1631-B SOUTH MELROSE DRIVE

VISTA, CALIFORNIA 92081

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

TO BE HELD ON SEPTEMBER 25, 2006

Dear Pan Pacific Stockholder:

Notice is hereby given that Pan Pacific Retail Properties, Inc., a Maryland corporation, is holding a special meeting of its stockholders at the Marriott San Diego Del Mar, 11966 El Camino Real, San Diego, CA 92130, on September 25, 2006, at 9:00 a.m. Pacific Time, for the following purpose:

(1) to consider and vote on a proposal to approve the merger of KRC Acquisition Inc., a Maryland corporation and subsidiary of Kimco Realty Corporation, a Maryland corporation, with Pan Pacific Retail Properties, Inc., and to approve the other transactions contemplated pursuant to the Agreement and Plan of Merger, dated as of July 9, 2006, by and among Kimco Realty Corporation, KRC Acquisition Inc., KRC CT Acquisition Limited Partnership, KRC PC Acquisition Limited Partnership, Pan Pacific Retail Properties, Inc., CT Operating Partnership, L.P. and Western/Pinecreek, L.P.; and

(2) to approve an adjournment of the special meeting, if necessary, to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the merger.

The merger agreement, which explains the merger, is attached as Annex A to the proxy statement/prospectus accompanying this notice and has been filed as an exhibit to Pan Pacific s quarterly report on 10-Q for the quarter ended June 30, 2006. Only stockholders of record at the close of business on August 18, 2006 will be entitled to notice of or to vote at the special meeting or any adjournment or postponement of that special meeting.

By Order of the Board of Directors

Joseph B. Tyson

Executive Vice President, Chief Financial Officer

and Secretary

Vista, California

August 23, 2006

PLEASE VOTE YOUR SHARES PROMPTLY. INSTRUCTIONS FOR VOTING ARE ON THE ENCLOSED PROXY CARD. IF YOU HAVE QUESTIONS ABOUT THE MERGER PROPOSAL OR ABOUT VOTING YOUR SHARES, PLEASE CALL MACKENZIE PARTNERS, INC. AT (212) 929-5500 (CALL COLLECT) OR (800) 322-2885 (TOLL FREE).

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QUESTIONS AND ANSWERS ABOUT THE MERGER

Q: Why am I receiving these materials?

A: Kimco and Pan Pacific have agreed to the acquisition of Pan Pacific by Kimco under the terms of a merger agreement that is described in this proxy statement/prospectus. For the merger to occur, a majority of the stockholders of Pan Pacific must approve the merger. Pan Pacific will hold a special meeting of its stockholders to obtain the necessary stockholder approval. This proxy statement/prospectus contains important information about the merger and the meeting of the stockholders of Pan Pacific. We are sending you these materials to help you decide whether to approve the merger.

Q: Why are Kimco and Pan Pacific proposing to enter into the merger?

A: Pan Pacific s reasons for the merger include, among other things:

- the value and form of the merger consideration;
- favorable market conditions for selling Pan Pacific;
- the belief of Pan Pacific s board of directors that the merger represents a more desirable alternative for its common stockholders than continuing to operate as an independent public company under Pan Pacific s current strategic business plan;
- the determination by Pan Pacific s board of directors that the merger is more desirable than other strategic alternatives;
- the opinion and analyses of Houlihan Lokey;
- the likelihood that the transaction with Kimco will be completed; and
- the existence of a limited termination right in the event of an unsolicited bona fide superior proposal.

Kimco s reasons for the merger include, among other things:

- the belief of Kimco s board of directors, shared by Kimco s management, that the portfolio of neighborhood shopping centers that Kimco would acquire from Pan Pacific in the merger is of high quality and has positive long-term prospects;
- the fact that Kimco could target a number of properties in Pan Pacific s portfolio for Kimco s strategic co-investment programs, which have historically produced solid investment returns and growth while further expanding Kimco s investment and property management business;

the structuring flexibility provided to Kimco in the merger agreement; and

the belief of Kimco s board of directors that the overall terms of the merger agreement are fair to Kimco.

Q: What will happen to Pan Pacific as a result of the merger?

A: A subsidiary of Kimco will merge with Pan Pacific. As a result of the merger, Pan Pacific will become, or will merge into, a subsidiary of Kimco.

Q: What will I receive in the merger?

A: Each Pan Pacific stockholder will receive $70 in cash for each share of Pan Pacific common stock that he or she owns. However, Kimco may elect to issue up to $10 of the per share merger consideration in the form of Kimco common stock. Kimco has the right to make this stock election any time prior to the date which is 15 days prior to the date of the Pan Pacific stockholders meeting. As soon as practicable after the date which is

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15 days prior to the date of the Pan Pacific stockholders meeting, Kimco and Pan Pacific will issue a joint press release announcing whether Kimco has made a stock election and the amount of such election, and will issue another joint press release as soon as practicable announcing the number of shares of Kimco common stock that Pan Pacific stockholders will receive in the merger. Kimco may revoke its stock election at any time if the revocation would not delay the Pan Pacific stockholders meeting by more than 10 business days.

If Kimco makes the stock election, the number of shares of Kimco common stock that the Pan Pacific stockholders will receive will be determined based on the closing price average of Kimco common stock over the 10 trading days immediately preceding the trading day which is two days prior to the Pan Pacific stockholders meeting or, if Kimco has elected to delay the closing, based on the closing price average of Kimco common stock over the 10 trading days immediately preceding the closing date.

Assuming Kimco elects to deliver $10 of the per share merger consideration in the form of Kimco common stock and assuming the exchange of all outstanding exchangeable units of Pan Pacific s subsidiaries, Kimco common stock issued to Pan Pacific s stockholders and unitholders in the merger would represent approximately 4% of Kimco s outstanding common stock. Kimco common stock is publicly traded on the New York Stock Exchange under the symbol KIM.

Pan Pacific has agreed that, if requested by Kimco, it will enter into one or more asset sales. The closing of the asset sales would occur immediately prior to the effective time of the merger. If there are one or more asset sales, Pan Pacific will declare and pay a dividend to holders of Pan Pacific common stock in an amount equal to the net proceeds of such asset sales, and the cash consideration portion of the merger consideration will be reduced by the amount of such dividend.

Q: What will be the effect on my cash dividend if Kimco does not delay the closing of the merger?

A: If Kimco has not elected to delay the closing as discussed in the next question and the closing of the merger occurs:

prior to September 15, then Pan Pacific stockholders would receive a pro rata portion of the regularly scheduled $0.64 per share dividend through the closing date;

on September 15, then Pan Pacific stockholders would receive the regularly scheduled $0.64 per share dividend;

after September 15 but prior to December 15, then Pan Pacific stockholders would not receive any additional dividends (other than the September 15 dividend);

on December 15, then Pan Pacific stockholders would receive the regularly scheduled $0.64 per share dividend (as well as the September 15 dividend); and

after December 15, then Pan Pacific stockholders would not receive any additional dividends (other than the September 15 and December 15 dividends).

Q: What happens to my cash dividend if Kimco delays the closing of the merger?

A: Kimco may elect to delay the closing for up to 45 days if it waives the closing conditions related to the representations and warranties of Pan Pacific. If Kimco delays the closing and the closing occurs:

prior to September 15, then Pan Pacific stockholders would receive a pro rata portion of the regularly scheduled $0.64 per share dividend through the closing date;

on September 15, then Pan Pacific stockholders would receive the regularly scheduled $0.64 per share dividend;

after September 15 and prior to December 15, then Pan Pacific stockholders would receive the September 15 dividend and additionally would receive a pro rata portion of the $0.64 per share dividend for each day after September 15 that the closing has been delayed;

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on December 15, then Pan Pacific stockholders would receive the regularly scheduled $0.64 per share dividend (as well as the September 15 dividend); and

after December 15, then Pan Pacific stockholders would receive the September 15 and December 15 dividends and additionally would receive a pro rata portion of the $0.64 per share dividend for each day after December 15 that the closing has been delayed.

Q: Will any Kimco common stock to be delivered as part of the merger consideration be revalued if Kimco elects to delay the closing?

A: If Kimco elects to delay the closing and has made and not revoked a stock election, then the value of the Kimco common stock will be based on the closing price average over the 10 trading days immediately preceding the closing date.

Q: Where and when is the special meeting?

A: The special meeting will take place at the Marriott San Diego Del Mar, 11966 El Camino Real, San Diego, CA 92130, on September 25, 2006, at 9:00 a.m., Pacific Time.

Q: What vote is required to approve the merger?

A: In order to complete the merger, holders of a majority of the outstanding shares of Pan Pacific common stock must affirmatively vote to approve the merger.

Q: How does Pan Pacific s board of directors recommend that I vote?

A: Pan Pacific s board unanimously recommends that Pan Pacific stockholders vote **FOR** the proposal to approve the merger. For a more complete description of the recommendation of Pan Pacific s board, see page 35.

Q: What do I need to do now?

A: After you have read this document carefully, please indicate on the enclosed proxy card how you want to vote. Sign and mail the proxy card in the enclosed prepaid return envelope as soon as possible. You should indicate your vote now, even if you expect to attend the special meeting and vote in person. Indicating your vote now will not prevent you from later canceling or revoking your proxy and changing your vote at any time before the vote at the special meeting and will ensure that your shares are voted if you later find you cannot attend the special meeting.

Q: What should I do if my broker holds my shares in street name ?

A: Please contact your broker to obtain instructions on how to vote your shares.

Q: Can my broker vote my shares which are held in street name ?

A: Your broker is not able to vote your shares that are held in street name for you without your instructions. If you do not provide your broker with instructions on how to vote your shares held in street name, your broker will not be permitted to vote your shares on the proposals being presented at the special meeting. Because the merger requires the affirmative vote of the holders of a majority of Pan Pacific s outstanding shares of common stock, a failure to provide your broker instructions will have the same effect as a vote against the merger. You should therefore be sure to provide your broker with instructions on how to vote your shares.

Q: What do I do if I want to change my vote?

A: You may change your vote in three ways:

by delivering a written notice to the corporate secretary of Pan Pacific prior to the voting of the shares stating that you would like to revoke your proxy;

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by signing a later-dated proxy card and delivering it to the corporate secretary of Pan Pacific prior to the voting of the shares; or

by attending the special meeting and voting in person; however, your attendance alone will not revoke your proxy or change your vote.

If you have instructed a broker how to vote your shares, you must follow the directions provided by your broker to change those instructions.

Q: Should I send my certificates representing my Pan Pacific common stock?

A: No. After we complete the merger, Kimco will send former holders of Pan Pacific common stock written instructions for exchanging their share certificates.

Q: When do you expect to complete the merger?

A: We are working toward completing the merger as quickly as possible. We must first obtain the approval of Pan Pacific stockholders at the special meeting. We expect to complete the merger during the fourth quarter of 2006. However, we cannot assure you as to when, or if, the merger will occur. In addition, the merger agreement provides that Kimco may delay the closing date for up to 45 days following the satisfaction of the closing conditions.

Q: Where can I find more information about the companies?

A: Kimco and Pan Pacific each file reports and other information with the Securities and Exchange Commission (SEC). You may read and copy this information at the SEC s public reference facilities. Please call the SEC at 1-800-732-0330 for information about these facilities. This information is also available at the offices of the New York Stock Exchange, and at the Internet site the SEC maintains at *www.sec.gov* In addition, Pan Pacific s SEC filings are available at the Internet site Pan Pacific maintains at *www.pprp.com*, and Kimco s SEC filings are available at the Internet site Kimco maintains at *www.kimcorealty.com*. Information contained on Kimco s website, Pan Pacific s website or the website of any other person is not incorporated by reference into this joint proxy statement/prospectus, and you should not consider information contained on those websites as part of this joint proxy statement/prospectus. You can also request copies of these documents from us. See Where You Can Find More Information on page 88.

Q: Who can help answer my questions?

A: If you have more questions about the merger, you should contact:

MacKenzie Partners, Inc. by telephone at 1-212-929-5500

(call collect) or 1-800-322-2885 (toll free) or by email at

proxy@mackenziepartners.com

If your broker or bank holds your shares, you should also contact your broker or bank for additional information.

or

Joseph B. Tyson

Pan Pacific Retail Properties, Inc.

1631-B South Melrose Drive

Vista, California 92081

Telephone: (760) 727-1002

Facsimile: (760) 727-1430

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If you would like additional copies of this proxy statement/prospectus, you should contact:

Investor Relations

Pan Pacific Retail Properties, Inc.

1631-B South Melrose Drive

Vista, California 92081

Telephone: (760) 727-1002

Facsimile: (760) 727-1430

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SUMMARY

This summary highlights selected information from this document. It may not contain all of the information that is important to you. To understand the merger fully and for a more complete description of the legal terms of the merger, you should read carefully this entire document and the documents to which we have referred you. See Where You Can Find More Information. We have included page references parenthetically to direct you to a more complete description of the topics in this summary.

The Companies

Kimco Realty Corporation (Page 27)

3333 New Hyde Park Road

New Hyde Park, New York 11042

(516) 869-9000

Kimco, a Maryland corporation and a publicly-traded real estate investment trust, has specialized in shopping center acquisitions, development and management for over 45 years. Kimco owns and operates the nation s largest portfolio of neighborhood and community shopping centers with interests in 1,118 properties comprising approximately 143.6 million square feet of leasable space located throughout 45 states, Canada, Mexico and Puerto Rico.

KRC Acquisition Inc. is a newly-formed subsidiary of Kimco that was formed solely for the purpose of effecting the merger. KRC Acquisition Inc. has not conducted and will not conduct any business prior to the merger. KRC Acquisition s executive offices are located at 3333 New Hyde Park Road, New Hyde Park, New York 11042 and its telephone number is (516) 869-9000.

Pan Pacific Retail Properties, Inc. (Page 27)

1631-B South Melrose Drive

Vista, California 92081

(760) 727-1002

Pan Pacific Retail Properties, Inc., a Maryland corporation, is an equity real estate investment trust that owns and operates community and neighborhood shopping centers, predominately grocery-anchored, located in the western United States. Pan Pacific common stock is listed on the New York Stock Exchange under the symbol PNP. As of June 30, 2006, Pan Pacific s portfolio totaled 138 properties, encompassing approximately 22.6 million square feet, and was 96.7% leased to 3,485 tenants. The portfolio is diversified across four Western U.S. markets: Northern California, Southern California, the Pacific Northwest and Nevada.

The Pan Pacific Special Meeting

The Meeting Time and Place (Page 24)

The special meeting will be held on September 25, 2006, at the Marriott San Diego Del Mar, 11966 El Camino Real, San Diego, CA 92130, starting at 9:00 a.m., Pacific Time.

Stockholders Entitled to Vote (Page 24)

Holders of record of shares of Pan Pacific common stock at the close of business on the record date of August 18, 2006 are entitled to notice of, and to vote at, the special meeting. On the record date, there were 40,774,388 shares of Pan Pacific common stock outstanding, each of which will be entitled to one vote on each matter to be acted upon at the special meeting.

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Proposals to be Considered at the Meeting (Page 24)

At the special meeting, Pan Pacific stockholders will be asked to consider and vote upon:

- the proposal to approve the transactions contemplated by the merger agreement; and

- any other matters that are properly brought before the special meeting or any adjournment or postponement of the meeting.

Vote Required (Page 24)

The merger requires the approval of the stockholders of Pan Pacific by the affirmative vote of at least a majority of the outstanding shares of Pan Pacific common stock held of record on August 18, 2006. As of the record date, directors and officers of Pan Pacific owned and were entitled to vote 686,425 shares of Pan Pacific common stock, collectively, which represented approximately 1.7% of the outstanding shares of Pan Pacific common stock.

The Merger (Page 28)

In the merger, KRC Acquisition Inc., a subsidiary of Kimco, will either be merged with and into Pan Pacific, with Pan Pacific surviving as a subsidiary of Kimco, or Pan Pacific will merge with and into KRC Acquisition Inc., with KRC Acquisition Inc. surviving. In connection with the merger, you will be entitled to receive $70 in cash in respect of each share of common stock of Pan Pacific that you own immediately prior to the merger. However, Kimco may elect to issue up to $10 of the per share merger consideration in the form of Kimco common stock. Kimco has the right to make this stock election any time prior to the date which is 15 days prior to the date of the Pan Pacific stockholders meeting. As soon as practicable after the date which is 15 days prior to the date of the Pan Pacific stockholders meeting, Kimco and Pan Pacific will issue a joint press release announcing whether Kimco has made a stock election and the amount of such election, and will issue another joint press release as soon as practicable announcing the number of shares of Kimco common stock that Pan Pacific stockholders will receive in the merger. Kimco may revoke its stock election at any time if the revocation would not delay the Pan Pacific stockholders meeting by more than 10 business days. If Kimco makes the stock election, the number of shares of Kimco common stock that the Pan Pacific stockholders will receive will be determined based on the closing price average of Kimco common stock over the 10 trading days immediately preceding the trading day which is two days prior to the Pan Pacific stockholders meeting or, if Kimco has elected to delay the closing, based on the closing price average of Kimco common stock for over the 10 trading days immediately preceding the closing date. Pan Pacific has agreed that, if requested by Kimco, it will enter into one or more asset sales. The closing of the asset sales would occur immediately prior to the effective time of the merger. If there are one or more asset sales, Pan Pacific will declare and pay a dividend to holders of Pan Pacific common stock in an amount equal to the net proceeds of such asset sales, and the cash consideration portion of the merger consideration will be reduced by the amount of such dividend.

The merger agreement is attached to this proxy statement/prospectus as Annex A and has been filed as an exhibit to Pan Pacific s quarterly report on Form 10-Q for the quarter ended June 30, 2006. We encourage you to read the merger agreement as it is the legal document that governs the merger.

Risk Factors (Page 20)

In evaluating the merger, you should carefully consider the Risk Factors beginning on page 20.

Pan Pacific s Recommendation to its Stockholders

Pan Pacific s board voted unanimously to approve the merger. Pan Pacific s board believes that the merger is in the best interests of Pan Pacific and its stockholders and recommends that Pan Pacific stockholders vote **FOR** the merger.

Fairness Opinion Regarding Merger Consideration (Page 35)

In deciding to approve the merger, on July 9, 2006 the Pan Pacific board received an opinion from Houlihan Lokey Howard & Zukin Financial Advisors, Inc. (Houlihan Lokey), dated July 9, 2006, that, as of that date, based upon and subject to the assumptions, factors, qualifications and limitations set forth in its written opinion, the merger consideration to be received by the holders of Pan Pacific common stock and holders of OP Units (other than holders of OP Units who elect to remain limited partners of the respective entities surviving the partnership mergers) in connection with the merger is fair to such holders from a financial point of view.

The full text of the opinion of Houlihan Lokey is attached as Annex B to this proxy statement/prospectus and you are urged to read the opinion carefully and in its entirety. The opinion of Houlihan Lokey was provided for the use and benefit of the Pan Pacific board in connection with its consideration of the merger and addresses only the fairness to holders of Pan Pacific common stock and holders of OP Units of the merger consideration from a financial point of view. The Houlihan Lokey opinion is not intended to, and does not, address the merits of the underlying decision by Pan Pacific to engage in the merger and is not intended to, and does not, constitute a recommendation to Pan Pacific stockholders or to the holders of OP Units as to whether or not to vote on the merger or any matter related to the merger or the OP Units.

Ownership of Kimco Following the Merger

Assuming Kimco elects to deliver $10 of the per share merger consideration in the form of Kimco common stock and assuming the exchange of all outstanding exchangeable units of Pan Pacific s subsidiaries, Kimco common stock issued to Pan Pacific s stockholders and unitholders in the merger would represent approximately 4% of Kimco s outstanding common stock.

Conditions to the Merger (Page 59)

The obligations of the parties to complete the merger are subject to the following conditions:

- approval of the merger by Pan Pacific stockholders;
- absence of any statute, rule, regulation, judgment, decree, injunction or order precluding the consummation of the merger;
- receipt of governmental and regulatory approvals required to complete the merger.

The obligations of Kimco to complete the merger are further conditioned on:

- accuracy of the representations and warranties of Pan Pacific, CT Operating Partnership and Western/Pinecreek (subject to materiality standards in the merger agreement);
- compliance in all material respects by Pan Pacific with its covenants and agreements under the merger agreement;
- absence of any governmental action as a result of the merger reasonably expected to have a material adverse effect on Kimco or Pan Pacific; and
- receipt of a tax opinion regarding Pan Pacific s REIT status.

The obligations of Pan Pacific to complete the merger are further conditioned on:

accuracy of representations and warranties of Kimco (subject to materiality standards in the merger agreement);

compliance in all material respects by Kimco with its covenants and agreements under the merger agreement;

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- absence of any governmental action as a result of the merger reasonably expected to result in legal action against a Pan Pacific director, officer or employee; and

- absence of any governmental action as a result of the merger reasonably expected to have a material adverse effect on Kimco, but only if Kimco has made and not revoked a stock election.

In addition, the following conditions also must be met if Kimco makes and does not revoke a stock election:

- effectiveness of the registration statement with respect to Kimco common stock;

- NYSE listing approval for Kimco common stock to be issued; and

- receipt of a tax opinion regarding Kimco s REIT status.

Treatment of Pan Pacific Stock Options and Restricted Stock (Page 51)

In connection with the merger, all outstanding options to purchase Pan Pacific common stock will be canceled and converted into the right to receive a cash amount equal to the product of (x) the excess of $70 over the per share exercise price of the option and (y) the number of shares of Pan Pacific common stock underlying the unexercised portion of the option.

Each share of Pan Pacific restricted stock outstanding immediately before the merger will become fully vested immediately before the merger.

Termination

Either Kimco or Pan Pacific can terminate the merger agreement:

- by mutual written consent;

- if the merger has not been completed by January 9, 2007 (other than because of a breach of the merger agreement by the party seeking termination);

- if an order, decree or injunction makes the merger illegal or prohibits the merger; or

- if Pan Pacific has not received the requisite stockholder approval, provided that Pan Pacific cannot terminate for this reason if it breaches its obligations to recommend the merger or its obligations related to timely calling the meeting.

Kimco can also terminate the merger agreement:

- upon a material breach by Pan Pacific of any covenant or agreement contained in the merger agreement or if any representation or warranty of Pan Pacific becomes untrue in any material respect (except if such breach is capable of being cured by Pan Pacific, and Pan Pacific is attempting in good faith to cure the breach); or upon the occurrence of any of the following:

Pan Pacific s board qualifies, withdraws or modifies its recommendation of the merger;

Kimco requests the Pan Pacific board to publicly reconfirm its recommendation and the board fails to do so within 10 business days;

Pan Pacific s board recommends to Pan Pacific stockholders an alternative acquisition, merger or similar transaction;

Pan Pacific fails to timely call and hold the special meeting; or

Pan Pacific materially breaches the no solicitation provisions of the merger agreement.

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Pan Pacific can also terminate the merger agreement upon a material breach by Kimco of any covenant or agreement contained in the merger agreement or if any representation or warranty of Kimco becomes untrue in any material respect (except if such breach is capable of being cured by Kimco, and Kimco is attempting in good faith to cure the breach).

Break-Up Fee and Expenses (Page 60)

In the event that the merger agreement is terminated under the circumstances described below, Pan Pacific will be obligated to pay Kimco a termination fee equal to $65.0 million less the amount of any expenses that have been previously paid to Kimco.

Kimco is entitled to the break-up fee if the merger agreement is terminated because:

- Pan Pacific accepted a superior proposal;
- the Pan Pacific board withdrew, conditioned or qualified its recommendation of the merger;
- Kimco requested that the Pan Pacific board publicly reconfirm its recommendation of the merger but the Pan Pacific board failed to do so within 10 business days;
- the Pan Pacific board recommended a competing proposal;
- Pan Pacific failed to timely call and conduct the stockholders meeting; or
- Pan Pacific breached the no solicitation provisions of the merger agreement in any material respect.

Pan Pacific must pay Kimco s expenses, up to $11.0 million, if an acquisition proposal has been received by an officer or director of Pan Pacific or by its advisors or at the time of the termination of the merger agreement an acquisition proposal has been publicly proposed or publicly announced and the merger agreement has been terminated because:

- the merger has not been completed within six months of signing;
- Pan Pacific stockholders did not approve the merger; or
- Pan Pacific materially breached the merger agreement such that a closing condition would not be satisfied.

In addition, if within 12 months of any termination resulting in payment of Kimco s expenses, Pan Pacific completes an alternative transaction or announces an agreement for an alternative transaction, Pan Pacific will pay Kimco the break-up fee (less any expenses previously paid).

Interests of Certain Directors and Executive Officers of Pan Pacific in the Merger (Page 48)

In considering the recommendation of Pan Pacific s board, you should be aware that members of Pan Pacific s management and board of directors may have interests in the merger that are different from or in addition to, and, therefore, may conflict with, your interests as a Pan Pacific stockholder generally. These interests include, among other things, cash severance benefits following qualifying terminations under their employment agreements, the acceleration of vesting of all outstanding restricted stock held by such persons and continuing indemnification rights. None of Pan Pacific s executive officers or directors holds outstanding stock options other than one director who holds 2,000 options. See

Interests of Directors and Executive Officers of Pan Pacific in the Merger.

The members of Pan Pacific s board were informed of the foregoing and considered them when they approved the merger.

Accounting Treatment (Page 46)

The merger will be accounted for under the purchase method for accounting and financial reporting purposes.

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Material United States Federal Income Tax Considerations (Page 62)

The receipt of the merger consideration for each share of Pan Pacific common stock pursuant to the merger will be a taxable transaction for United States federal income tax purposes. Generally for United States federal income tax purposes, a Pan Pacific stockholder will recognize gain or loss as a result of the merger measured by the difference, if any, between the merger consideration per share and their adjusted tax basis in that share. A Pan Pacific stockholder may also receive a dividend from Pan Pacific in connection with the merger. Under certain circumstances, Kimco or Pan Pacific may be required to withhold a portion of the merger consideration or the above-described dividend under applicable tax laws. Tax matters can be complicated, and the tax consequences of the merger to a Pan Pacific stockholder will depend on their particular tax situation. Pan Pacific stockholders are urged to consult their tax advisors regarding the tax consequences of the merger and related transactions.

Pan Pacific stockholders should read Material United States Federal Income Tax Considerations for a more complete discussion of the federal income tax consequences of the merger.

Regulatory Matters (Page 46)

Neither Kimco nor Pan Pacific is aware of any material federal or state regulatory approvals which must be obtained in connection with the merger.

Appraisal or Dissenters Rights (Page 46)

Maryland law does not provide any appraisal rights or dissenters rights for Kimco or Pan Pacific stockholders in connection with the merger.

Litigation Related to the Merger (Page 46)

As of the date of this proxy statement/prospectus, Pan Pacific is aware of three purported class action lawsuits that have been filed against Pan Pacific and its directors in connection with the merger. Among other things, the lawsuits seek to enjoin the completion of the merger unless and until Pan Pacific implements a procedure to obtain the highest price for the company.

On August 23, 2006, the parties reached an agreement in principle to settle two of the lawsuits. The proposed settlement is subject to court approval following notice to the classes and a hearing.

While the third case is in its early stages, Pan Pacific believes that the case is without merit. The parties intend to contest the lawsuit vigorously.

The Rights of Pan Pacific Stockholders Will Change (Page 81)

The rights of Pan Pacific stockholders are determined by Maryland law and by Pan Pacific s charter and bylaws. If Kimco makes a stock election, when the merger is completed, Pan Pacific stockholders will become stockholders of Kimco. The rights of Kimco stockholders are determined by Maryland law and Kimco s charter and bylaws. As a result of these different organizational documents, Pan Pacific stockholders will have different rights as Kimco stockholders than they currently have as Pan Pacific stockholders.

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Selected Summary Historical and Selected Unaudited Pro Forma Consolidated Financial Data

We are providing the following information to aid you in your analysis of the financial aspects of the merger. We derived this information from the audited consolidated financial statements of each of Kimco and Pan Pacific for the years 2001 through 2005 and the unaudited consolidated financial statements of each of Kimco and Pan Pacific as of and for the six months ended June 30, 2006 and 2005. This information is only a summary and you should read it in conjunction with the historical and unaudited pro forma consolidated financial statements and related notes contained in the annual reports, quarterly reports and other information regarding Kimco and Pan Pacific filed with the SEC and incorporated by reference or included in this proxy statement/prospectus. See Where You Can Find More Information.

Selected Historical Financial Data of Kimco

Kimco s historical consolidated financial data for the annual periods presented below has been derived from its audited consolidated financial statements previously filed with the SEC. The selected historical consolidated financial data for Kimco as of and for the periods ended June 30, 2006 and 2005 are unaudited and were prepared in accordance with accounting principles generally accepted in the United States of America applied to interim financial information. In the opinion of Kimco s management, all adjustments necessary for a fair presentation of results of operations for these interim periods have been included. These adjustments consist only of normal recurring accruals. Because of seasonal and other factors, results for interim periods are not necessarily indicative of the results to be expected for the full year. This information is only a summary and you should read it together with Kimco s historical financial statements and related notes contained in the annual reports, quarterly reports and other information that we have filed with the SEC and incorporated by reference. See Where You Can Find More Information.

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KIMCO REALTY CORPORATION

SELECTED FINANCIAL DATA

(In thousands, except per share data)

	Six Months Ended June 30,	Six Months Ended June 30,	Year Ended December 31, (2)				
	2006	**2005**	**2005**	**2004**	**2003**	**2002**	**2001**
Operating Data:							
Revenues from rental property (1)	$ 293,314	$ 254,274	$ 519,102	$ 504,444	$ 463,572	$ 416,319	$ 415,064
Interest expense (3)	$ 81,912	$ 58,635	$ 127,564	$ 107,177	$ 102,391	$ 84,885	$ 86,088
Depreciation and amortization (3)	$ 65,121	$ 51,854	$ 105,080	$ 98,926	$ 82,532	$ 67,470	$ 65,761
Gain on sale of development properties	$ 14,079	$ 17,857	$ 33,636	$ 16,835	$ 17,495	$ 15,880	$ 13,418
Gain on transfer/sale of operating properties, net (3)	$ 1,394	$ 2,151	$ 2,833	$	$ 3,177	$	$ 3,040
Provision for income taxes	$ 3,952	$ 11,970	$ 11,148	$ 8,320	$ 8,514	$ 12,904	$ 19,376
Income from continuing operations	$ 175,093	$ 160,458	$ 332,546	$ 279,530	$ 242,613	$ 234,453	$ 210,875
Income per common share, from continuing operations (4):							
Basic	$ 0.72	$ 0.68	$ 1.42	$ 1.20	$ 1.03	$ 1.03	$ 0.97
Diluted	$ 0.71	$ 0.67	$ 1.39	$ 1.18	$ 1.01	$ 1.02	$ 0.95
Weighted average number of shares of common stock (4):							
Basic	234,647	225,951	226,641	222,859	214,184	208,916	192,634
Diluted	240,065	230,042	230,868	227,143	217,540	210,922	202,326
Cash dividends declared per common share	$ 0.66	$ 0.61	$ 1.27	$ 1.16	$ 1.10	$ 1.05	$ 0.98

	As of June 30,	As of June 30,	As of December 31,				
	2006	**2005**	**2005**	**2004**	**2003**	**2002**	**2001**
Balance Sheet Data:							
Real estate, before accumulated depreciation	$ 5,434,238	$ 4,239,014	$ 4,560,406	$ 4,092,222	$ 4,174,664	$ 3,398,971	$ 3,201,364
Total assets	$ 6,761,850	$ 4,989,822	$ 5,534,636	$ 4,749,597	$ 4,641,092	$ 3,758,350	$ 3,387,342
Total debt	$ 3,138,854	$ 2,266,526	$ 2,691,196	$ 2,118,622	$ 2,154,948	$ 1,576,982	$ 1,328,079
Total stockholders equity	$ 2,893,280	$ 2,313,575	$ 2,387,214	$ 2,236,400	$ 2,135,846	$ 1,908,800	$ 1,892,647

(1) Does not include (i) revenues from rental property relating to unconsolidated joint ventures, (ii) revenues relating to the investment in retail stores leases and (iii) revenues from properties included in discontinued operations.

(2) All years have been adjusted to reflect the impact of operating properties sold during the six months ended June 30, 2006 and the years ended December 31, 2005, 2004, 2003 and 2002 and properties classified as held for sale as of June 30, 2006 and December 31, 2005, which are reflected in discontinued operations.

(3) Does not include amounts reflected in discontinued operations.

(4) On July 21, 2005, Kimco s Board of Directors declared a two-for-one split (the Stock Split) of Kimco s common stock which was effected in the form of a stock dividend paid on August 23, 2005 to stockholders of record on August 8, 2005. All historical share and per share data has been adjusted to reflect this Stock Split.

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Selected Historical Financial Data of Pan Pacific

Pan Pacific s historical consolidated financial data for the annual periods presented below has been derived from its audited consolidated financial statements previously filed with the SEC. The selected historical consolidated financial data for Pan Pacific as of and for the periods ended June 30, 2006 and 2005 are unaudited and were prepared in accordance with generally accepted accounting principles applied to interim financial information. In the opinion of Pan Pacific s management, all adjustments necessary for a fair presentation of results of operations for these interim periods have been included. These adjustments consist only of normal recurring accruals. Because of seasonal and other factors, results for interim periods are not necessarily indicative of the results to be expected for the full year. This information is only a summary and you should read it together with Pan Pacific s historical consolidated financial statements and related notes contained in the annual reports, quarterly reports and other information that Pan Pacific has filed with the SEC and incorporated by reference. See Where You Can Find More Information.

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PAN PACIFIC RETAIL PROPERTIES, INC.

SELECTED FINANCIAL DATA

(In thousands, except per share data)

	Six Months Ended June 30, 2006	Six Months Ended June 30, 2005 revised (1)	Year Ended December 31, 2005 revised (1)	2004 revised (1)	2003 revised (1)	2002 revised (1)	2001 revised (1)
Statements of Income Data:							
Total revenue	$ 158,964	$ 147,549	$ 303,029	$ 277,763	$ 252,823	$ 180,699	$ 165,074
Property and general and administrative expenses	$ 43,165	$ 40,511	$ 82,811	$ 79,110	$ 71,723	$ 48,194	$ 43,516
Depreciation and amortization	$ 31,468	$ 27,298	$ 56,103	$ 48,011	$ 39,266	$ 29,976	$ 27,773
Interest expense	$ 36,280	$ 33,720	$ 69,352	$ 62,619	$ 58,473	$ 45,926	$ 46,196
Income from continuing operations (2)	$ 48,736	$ 47,687	$ 96,838	$ 91,580	$ 86,348	$ 60,972	$ 56,315
Discontinued operations	$ 2,922	$ 727	$ 14,467	$ 10,409	$ 18,088	$ 16,680	$ 7,907
Net income	$ 51,658	$ 48,414	$ 111,305	$ 101,989	$ 104,436	$ 77,652	$ 64,222
Basic earnings per share:							
Income from continuing operations	$ 1.20	$ 1.18	$ 2.40	$ 2.28	$ 2.19	$ 1.82	$ 1.77
Discontinued operations	$ 0.07	$ 0.02	$ 0.35	$ 0.26	$ 0.46	$ 0.50	$ 0.25
Net income	$ 1.27	$ 1.20	$ 2.75	$ 2.54	$ 2.65	$ 2.32	$ 2.02
Diluted earnings per share:							
Income from continuing operations	$ 1.20	$ 1.18	$ 2.38	$ 2.26	$ 2.16	$ 1.81	$ 1.73
Discontinued operations	$ 0.07	$ 0.01	$ 0.35	$ 0.26	$ 0.45	$ 0.49	$ 0.24
Net income	$ 1.27	$ 1.19	$ 2.73	$ 2.52	$ 2.61	$ 2.30	$ 1.97
Distributions declared per share	$ 1.28	$ 1.18	$ 2.36	$ 2.17	$ 2.03	$ 1.90	$ 1.82

	As of June 30, 2006	As of June 30, 2005	As of December 31, 2005	2004	2003	2002	2001
Balance Sheet Data:							
Properties, net	$ 1,973,736	$ 1,916,292	$ 1,982,153	$ 1,892,131	$ 1,773,894	$ 1,306,033	$ 1,233,189
Total assets	$ 2,086,512	$ 2,021,446	$ 2,098,764	$ 1,995,444	$ 1,863,348	$ 1,424,240	$ 1,339,290
Notes payable	$ 356,604	$ 359,266	$ 390,132	$ 343,736	$ 345,077	$ 239,541	$ 229,135
Line of credit payable	$ 81,500	$ 121,900	$ 44,500	$ 113,000	$ 48,250	$ 66,000	$ 165,300
Senior notes	$ 654,021	$ 554,375	$ 653,908	$ 554,290	$ 503,708	$ 428,677	$ 273,800
Minority interests	$ 18,146	$ 29,493	$ 28,794	$ 30,079	$ 32,325	$ 15,804	$ 20,748
Stockholders equity	$ 939,168	$ 919,797	$ 938,043	$ 915,134	$ 892,285	$ 648,635	$ 622,458

(1) Pan Pacific s consolidated statements of income and consolidated statements of cash flows have been revised from those originally reported to separately reflect the results of discontinued operations for properties that were sold during the six months ended June 30, 2006 and during the years ended December 31, 2005, 2004, 2003 and 2002. The revision had no impact on Pan Pacific s consolidated balance sheets or statements of stockholders equity. The revision had no impact on net income or net income per share of common stock for the six months ended June 30, 2005 and for the years ended December 31, 2005, 2004, 2003, 2002 and 2001.

(2) Income from continuing operations includes minority interests for all periods presented and gain on sale of real estate for the year ended December 31, 2001.

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Summary Unaudited Pro Forma Consolidated Financial Information

In the table below, we present pro forma consolidated balance sheet information for Kimco and Pan Pacific as of June 30, 2006, as if the merger had been completed on June 30, 2006. We also present pro forma consolidated statement of income information for Kimco and Pan Pacific for the fiscal year ended December 31, 2005 and the six months ended June 30, 2006, as if the merger had been completed on January 1, 2005. The merger will be, and has been for purposes of the pro forma information, accounted for under the purchase method of accounting in accordance with Statement of Financial Accounting Standards No. 141, Business Combinations.

The proforma presents two scenarios, (Scenario I) Kimco acquires all of the outstanding shares of Pan Pacific for $60.00 cash per share and issues $10.00 per share of the total merger consideration in the form of Kimco Common Stock and (Scenario II) Kimco acquires all of the outstanding shares of Pan Pacific for $70.00 per share in cash.

The total purchase price is increased by intangible liabilities for the value attributable to the assumed mortgage debt premiums, senior note premiums and below market leases. The purchase price is determined as follows (in thousands, except per share data):

	Scenario I	Scenario II
Outstanding Shares of Pan Pacific Stock (including 305 shares reflecting the assumed conversion of certain partnership units prior to the merger)	41,080	41,080
Cash consideration ($60 and $70 per share, respectively)	$ 2,464,800	$ 2,875,600
Common stock consideration ($10 and $0 per share, respectively)	410,800	
Estimated merger costs (see below)	56,364	56,364
Total consideration	2,931,964	2,931,964
Assumption of Pan Pacific s liabilities, including debt premiums	1,174,851	1,174,851
Total purchase price	$ 4,106,815	$ 4,106,815

Total merger costs are estimated as follows:

Legal, accounting, and other fees and costs	$ 24,100
Real Estate transfer taxes	10,751
Debt assumption fees resulting from the merger	2,826
Termination, severance, change in control and other employee related costs	18,687
Total merger costs	$ 56,364

It is important to remember that this information is hypothetical, and does not necessarily reflect the financial performance that would have actually resulted if the merger had been completed on those dates. Furthermore, this information does not necessarily reflect future financial performance if the merger actually occurs.

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See Kimco Realty Corporation Unaudited Pro Forma Condensed Consolidated Financial Statements attached to this proxy statement/prospectus for a more detailed explanation of this analysis.

	Kimco Pro Forma Six Months Ended June 30, 2006		Kimco Pro Forma Twelve Months Ended December 31, 2005	
	Scenario I	Scenario II	Scenario I	Scenario II
	(In thousands, except per share data)			
Statement of Income:				
Revenue	$ 460,462	$ 460,462	$ 838,512	$ 838,512
Income from continuing operations available to common shareholders	$ 158,564	$ 147,116	$ 321,842	$ 304,004
Income from continuing operations available to common shareholders per share basic	$ 0.64	$ 0.63	$ 1.35	$ 1.34
Income from continuing operations available to common shareholders per share diluted	$ 0.63	$ 0.61	$ 1.33	$ 1.32
Balance Sheet Data (At End of Period):				
Real estate properties, net	$ 8,196,333	$ 8,196,333		
Investment and advances in real estate joint ventures	$ 819,294	$ 819,294		
Accounts and notes receivable	$ 77,125	$ 77,125		
Total assets	$ 11,133,564	$ 11,133,564		
Notes payable	$ 5,681,885	$ 6,092,685		
Mortgages payable	$ 799,473	$ 799,473		
Construction loans payable	$ 261,706	$ 261,706		
Minority interests	$ 308,799	$ 308,799		
Total equity	$ 3,304,080	$ 2,893,280		

Comparative Per Share Data

Set forth below are income from continuing operations available to common shareholders, book value and cash dividends per share data for Kimco and Pan Pacific on a historical basis and for Kimco on a pro forma basis.

The pro forma data was derived by combining the historical consolidated financial information of Kimco and Pan Pacific using purchase accounting.

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You should read the information below together with the historical financial statements and related notes contained in the annual reports and other information that Kimco and Pan Pacific have filed with the SEC and incorporated by reference. See Where You Can Find More Information. The unaudited pro forma combined data below is for illustrative purposes only. The companies might have performed differently had they always been combined. You should not rely on this information as being indicative of the historical results that would have been achieved had the companies always been combined or the future results that the combined company will experience after the merger.

	Kimco Historical Data	Pan Pacific Historical Data	Kimco Pro Forma Combined Data Scenario I	Kimco Pro Forma Combined Data Scenario II
Income per share from continuing operations available to common shareholders basic				
Year ended December 31, 2005	$ 1.42	$ 2.40	$ 1.35	$ 1.34
Six months ended June 30, 2006	$ 0.72	$ 1.20	$ 0.64	$ 0.63
Income per share from continuing operations available to common shareholders dilutive				
Year ended December 31, 2005	$ 1.39	$ 2.38	$ 1.33	$ 1.32
Six months ended June 30, 2006	$ 0.71	$ 1.20	$ 0.63	$ 0.61
Book value per share of common stock				
As of December 31, 2005	$ 10.46	$ 23.05	N/A	N/A
As of June 30, 2006	$ 12.02	$ 23.03	$ 13.73	$ 13.73
Cash dividends per share of common stock				
Year ended December 31, 2005	$ 1.27	$ 2.36	$ 1.27	$ 1.27
Six months ended June 30, 2006	$ 0.66	$ 1.28	$ 0.66	$ 0.66

Comparative Per Share Market Price And Dividend Information

At the close of business on August 18, 2006, the record date for the special meeting, there were approximately 2,754 holders of record of Kimco common stock and 1,172 holders of record of Pan Pacific common stock.

Market Prices and Dividends

Kimco common stock is listed on the New York Stock Exchange under the symbol KIM. Pan Pacific common stock is listed on the New York Stock Exchange under the symbol PNP.

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The following table sets forth the high and low closing prices per share of Kimco common stock and Pan Pacific common stock as reported by the New York Stock Exchange, based on published financial sources for the quarterly periods indicated, which correspond to the quarterly fiscal periods for financial reporting purposes.

	Kimco Common Stock			Pan Pacific Common Stock		
	High	Low	Declared Dividend	High	Low	Declared Dividend
2004:						
First Quarter	$ 25.66	$ 21.88	$ 0.285	$ 52.60	$ 47.85	$ 0.5425
Second Quarter	$ 25.60	$ 19.77	$ 0.285	$ 53.16	$ 41.80	$ 0.5425
Third Quarter	$ 25.90	$ 22.42	$ 0.285	$ 54.46	$ 48.88	$ 0.5425
Fourth Quarter	$ 29.64	$ 25.27	$ 0.305(a)	$ 62.70	$ 54.81	$ 0.5425
2005:						
First Quarter	$ 29.09	$ 25.90	$ 0.305	$ 61.93	$ 56.25	$ 0.5900
Second Quarter	$ 30.00	$ 26.17	$ 0.305	$ 68.00	$ 56.10	$ 0.5900
Third Quarter	$ 33.35	$ 29.19	$ 0.330	$ 70.49	$ 64.15	$ 0.5900
Fourth Quarter	$ 33.21	$ 27.81	$ 0.330(b)	$ 68.30	$ 60.25	$ 0.5900
2006:						
First Quarter	$ 41.40	$ 32.73	$ 0.330	$ 73.45	$ 66.77	$ 0.6400
Second Quarter	$ 39.50	$ 34.85	$ 0.330	$ 69.37	$ 63.77	$ 0.6400
As of August 18, 2006	$ 40.29	$ 36.54	N/A	$ 70.38	$ 68.86	N/A

(a) Paid on January 18, 2005 to stockholders of record on January 3, 2005.

(b) Paid on January 17, 2006 to stockholders of record on January 3, 2006.

Pan Pacific has agreed that, if requested by Kimco, it will enter into one or more asset sales. The closing of the asset sales would occur immediately prior to the effective time of the merger. If there are one or more asset sales, Pan Pacific will declare and pay a dividend to holders of Pan Pacific common stock in an amount equal to the net proceeds of such asset sales, and the cash consideration portion of the merger consideration will be reduced by the amount of such dividend.

Comparative Market Data

The following table presents trading information for Kimco common stock and Pan Pacific common stock for July 7, 2006 and August 18, 2006. July 7, 2006 was the last full trading day prior to the public announcement of the proposed merger. August 18, 2006 was the last practicable trading day for which information was available prior to the date of the first mailing of this proxy statement/prospectus. The Pan Pacific pro forma equivalent closing share price is equal to $70.00, the fixed value of the merger consideration.

	Kimco Common Stock	Pan Pacific Common Stock	Pan Pacific Pro Forma Equivalent
	Close	Close	Close
July 7, 2006	$ 36.87	$ 70.00	$ 70.00
August 18, 2006	$ 40.29	$ 69.28	$ 70.00

The market prices of Kimco common stock and Pan Pacific common stock fluctuate. As a result, we urge you to obtain current market quotations of Kimco common stock and Pan Pacific common stock.

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RISK FACTORS

In addition to general investment risks and the other information contained in or incorporated by reference into this proxy statement/prospectus, you should carefully consider the following factors in evaluating the proposals to be voted on at the special meeting.

Risk Factors Relating to the Merger

Stockholders will not know until the closing of the merger the number of shares of Kimco common stock, if any, that will be issued in the merger.

In connection with the merger, you will be entitled to receive $70 in cash in respect of each share of Pan Pacific common stock that you own immediately prior to the merger; however, Kimco may elect to issue up to $10 per share of the merger consideration in the form of Kimco common stock. Kimco has the right to make this stock election at any time prior to the date which is 15 days prior to the date of the Pan Pacific stockholder meeting. Kimco may revoke the stock election at any time so long as such revocation would not delay the Pan Pacific stockholders meeting by more than 10 business days. If Kimco makes the stock election, the number of shares of Kimco common stock that the Pan Pacific stockholders will receive will be determined based on the closing price average of Kimco common stock over the 10 trading days immediately preceding the trading day which is two days prior to the Pan Pacific stockholders meeting or, if Kimco has elected to delay the closing, based on the closing price average of Kimco common stock over the 10 trading days immediately preceding the closing date. This market price may vary from the closing price of Kimco common stock on the date the merger was announced, on the date that this proxy statement/prospectus was mailed to Pan Pacific stockholders and on the date of the Pan Pacific special meeting. Accordingly, in the event that Kimco exercises the option to deliver part of the merger consideration in the form of its common stock, the exact number of shares of Kimco common stock that you will be entitled to receive for each of your Pan Pacific shares will not be known until immediately prior to either the Pan Pacific stockholder meeting or, if Kimco elects to delay the closing, the date of the closing of the merger.

Neither Kimco nor Pan Pacific is permitted to terminate the merger agreement or resolicit the vote of Pan Pacific stockholders solely because of changes in the market prices of either company s stock. Stock price changes may result from a variety of factors, including general market and economic conditions, changes in the respective businesses, operations and prospects of Pan Pacific and Kimco. Many of these factors are beyond the control of Pan Pacific or Kimco.

There may be unexpected delays in the consummation of the merger, which would delay Pan Pacific stockholders receipt of the merger consideration and could impact Kimco s ability to timely achieve cost savings associated with the merger.

The merger is expected to close during the fourth quarter of 2006. However, certain events may delay the consummation of the merger. If these events were to occur, the receipt of cash and potentially shares of Kimco common stock by Pan Pacific stockholders would be delayed. Some of the events that could delay the consummation of the merger include difficulties in obtaining the approval of Pan Pacific stockholders or satisfying the closing conditions to which the merger is subject. In addition, Kimco has the right under the merger agreement to delay the closing by up to 45 days.

If the merger does not occur, Pan Pacific may incur payment obligations to Kimco and Pan Pacific s stock price may decline.

If the merger agreement is terminated under certain circumstances, Pan Pacific may be required to pay Kimco a $65.0 million break-up fee. If the merger agreement is terminated in certain other circumstances, Pan Pacific may be obligated to pay Kimco up to $11.0 million as an expense reimbursement. See The Merger Agreement Termination; Break-up Fees and Expenses.

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The merger is subject to customary conditions to closing, including the receipt of required approval of the stockholders of Pan Pacific. If any condition to the merger is not satisfied or, if permissible, waived, the merger will not be completed. In addition, Pan Pacific and Kimco may terminate the merger agreement in certain circumstances. If Pan Pacific and Kimco do not complete the merger, the market price of Pan Pacific common stock may fluctuate to the extent that the current market prices of those shares reflect a market assumption that the merger will be completed. Pan Pacific has diverted significant management resources in an effort to complete the merger and is subject to restrictions contained in the merger agreement on the conduct of its business. If the merger is not completed, Pan Pacific will have incurred significant costs, including the diversion of management resources, for which it will have received little or no benefit.

Certain of Pan Pacific s directors and executive officers may have interests in the merger that are different from, or in addition to, the interests of Pan Pacific stockholders generally.

In considering the recommendation of Pan Pacific s board of directors with respect to the merger, Pan Pacific stockholders should be aware that certain of Pan Pacific s directors and executive officers may have interests in the merger that are different from, or in addition to, the interests of Pan Pacific stockholders generally. See Interests of Certain Directors and Executive Officers of Pan Pacific in the Merger. These interests include the following:

Kimco will provide indemnification for the present and former directors and officers of Pan Pacific against all costs or expenses incurred in connection with any existing claim or any claim occurring at or prior to the Merger to the fullest extent permitted under applicable law.

For six years after the effective time of the Merger, Kimco will continue Pan Pacific s current director s and officer s liability insurance for the benefit of Pan Pacific s present and former directors and officers, provided that Kimco is not required to spend more than 200% of the aggregate of Pan Pacific s current premiums to obtain such insurance.

In connection with the merger, all options to purchase shares of Pan Pacific common stock will be canceled and the holder thereof will be compensated in cash for all outstanding, unexercised options in an amount equal to the product of the excess of $70 over the per share exercise price of the option and the number of shares of Pan Pacific common stock underlying the unexercised portion of the option.

163,287 unvested shares of Pan Pacific restricted stock previously awarded to three Pan Pacific executive officers will vest immediately prior to the effective time of the merger and will be exchanged for the merger consideration in connection with the merger. Using a $70 pro forma equivalent value for Pan Pacific common stock, the aggregate value of the unvested Pan Pacific restricted stock previously awarded to Pan Pacific directors and executive officers is approximately $11.4 million.

Under their respective employment agreements, three executive officers of Pan Pacific would be entitled to receive estimated cash payments of approximately $7.0 million in the aggregate upon qualifying terminations of employment.

Risk Factors Relating to Kimco Following the Merger

Real property investments are subject to varying degrees of risk that may adversely affect the business and the operating results of Kimco after the merger.

The combined company s revenue and the value of its properties may be adversely affected by a number of factors, including:

the national economic climate;

the local economic climate;

local real estate conditions;

changes in retail expenditures by consumers;

the perceptions of prospective tenants of the attractiveness of the properties;

- the combined company s ability to manage and maintain its properties and secure adequate insurance; and

- increases in operating costs (including real estate taxes and utilities).

In addition, real estate values and income from properties are also affected by factors such as applicable laws, including tax laws, interest rate levels and the availability of financing. If the combined company s properties do not generate revenue sufficient to meet operating expenses, including debt service, tenant improvements, leasing commissions and other capital expenditures, it may have to borrow additional amounts to cover its expenses. This would harm the combined company s cash flow and ability to make distributions to its stockholders.

The market price of Kimco common stock after the merger may be affected by factors different from those affecting the shares of Pan Pacific currently.

The businesses of Kimco and Pan Pacific are different and, accordingly, the results of operations of Kimco and the market price of Kimco s common stock may be affected by factors different from those currently affecting the results of operations and market prices of Pan Pacific s common stock. For a discussion of the businesses of Kimco and Pan Pacific and of certain factors to consider in connection with those businesses, see the documents incorporated by reference in this proxy statement/prospectus and referred to under Where You Can Find More Information.

Kimco would incur adverse tax consequences if it or Pan Pacific failed to qualify as a real estate investment trust for United States federal income tax purposes.

Kimco may elect to issue its stock to Pan Pacific stockholders as a portion of the merger consideration. Kimco has assumed based on public filings that Pan Pacific has qualified and, should it be the surviving entity of the merger, will continue to qualify as a real estate investment trust (REIT), under the Internal Revenue Code of 1986, as amended (Code), following the merger. However, if Pan Pacific has failed or fails to qualify as a REIT, Kimco generally would succeed to or incur significant tax liabilities.

Kimco has been organized as, and believes that its past and present operations qualify it as, a REIT. In addition, following the merger, Kimco intends to operate in a manner that will allow it to continue to qualify as a REIT. However, the Internal Revenue Service, or the IRS, could successfully assert that Kimco was not or will not continue to be qualified as a REIT. That is because qualification as a REIT involves the application of highly technical and complex Code provisions for which there are only limited judicial or administrative interpretations and involves the determination of various factual matters and circumstances not entirely within Kimco s control. If Kimco fails to qualify as a REIT, it will not be allowed a deduction for dividends paid to stockholders in computing taxable income and would become subject to federal income tax at regular corporate tax rates. In such an event, it could be subject to potentially significant tax liabilities. Unless entitled to relief under certain statutory provisions, Kimco would also be disqualified from treatment as a REIT for the four taxable years following the year in which it lost its qualification. If this were to occur, the market price of Kimco stock may decline and Kimco may reduce the amount of its distributions to stockholders to pay the resulting taxes.

Some of Pan Pacific s facilities will be subject to property tax reappraisal.

As a result of the merger, some of Pan Pacific s facilities will be subject to property tax reappraisal that could increase property tax expense. A portion of Pan Pacific s domestic facilities are located in jurisdictions that may provide for property tax reappraisal upon a change of ownership and so may face such a reassessment. The merger and the associated publicity together with the possible related transfers of property and property name changes that may occur in connection with the merger may cause other jurisdictions, in which the timing of the reappraisals is discretionary with the taxing authorities, to decide to reappraise Pan Pacific s properties in those jurisdictions and may correspondingly increase the property tax expense to the surviving entity of the merger. Due to the significant uncertainties involved, the possible increases in property tax expense have not been quantified.

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CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This proxy statement/prospectus, including information included or incorporated by reference in this proxy statement/prospectus, may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, statements about the benefits of the merger, including future financial and operating results and performance; statements about Kimco s and Pan Pacific s plans, objectives, expectations and intentions with respect to future operations, products and services; and other statements identified by words such as expects, anticipates, intends, plans, believes, seeks, estimates, should, may or w meaning. These forward-looking statements are based upon the current beliefs and expectations of Kimco s and Pan Pacific s management and are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are difficult to predict and generally beyond the control of Kimco and Pan Pacific. In addition, these forward-looking statements are subject to assumptions with respect to future business strategies and decisions that are subject to change. Actual results may differ materially from the anticipated results discussed in these forward-looking statements.

The following factors, among others, could cause actual results to differ materially from the anticipated results or other expectations expressed in the forward-looking statements:

- those discussed and identified in public filings with the Securities and Exchange Commission made by Kimco and Pan Pacific;
- the vote of Pan Pacific on the merger at the Pan Pacific special meeting;
- the timing of the completion of the merger;
- the amount of expenses and other liabilities incurred or accrued between the date of the signing of the merger agreement and date of the closing of the merger; and
- Pan Pacific and Kimco each being able to maintain its qualification as a REIT.

You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this proxy statement/prospectus or the date of any document incorporated by reference in this proxy statement/prospectus. All subsequent written and oral forward-looking statements concerning the merger or other matters addressed in this proxy statement/prospectus and attributable to Kimco or Pan Pacific or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Except to the extent required by applicable law or regulation, Kimco and Pan Pacific undertake no obligation to update these forward-looking statements to reflect events or circumstances after the date of this proxy statement/prospectus or to reflect the occurrence of unanticipated events.

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THE PAN PACIFIC SPECIAL MEETING

Date, Time And Place

There will be a special meeting of the stockholders of Pan Pacific on September 25, 2006, at 9:00 a.m., Pacific Time, at the Marriott San Diego Del Mar, 11966 El Camino Real, San Diego, CA 92130.

Purpose

At the special meeting, holders of Pan Pacific common stock will be asked to consider a proposal to approve the transactions contemplated by the Agreement and Plan of Merger, dated as of July 9, 2006, including the merger pursuant to which Pan Pacific will be merged with a subsidiary of Kimco. At the Pan Pacific special meeting, Pan Pacific stockholders will also be asked to approve the adjournment of the special meeting, if necessary, to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the merger, and to approve an adjournment of the special meeting, if necessary, to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the merger.

Recommendation of Pan Pacific s Board of Directors

With regard to the merger, Pan Pacific s board has unanimously determined it to be advisable and fair to and in the best interests of Pan Pacific and its stockholders, authorized and approved it and recommended that Pan Pacific stockholders approve it. See The Merger Background of the Merger and The Merger Recommendation of Pan Pacific s Board of Directors, and Interests of Directors and Executive Officers of Pan Pacific in the Merger.

Record Date, Outstanding Shares and Voting Rights

Pan Pacific s board has fixed August 18, 2006, as the record date for the special meeting. Accordingly, only holders of record of issued and outstanding shares of Pan Pacific common stock at the close of business on the record date are entitled to vote at the special meeting. At the close of business on the record date, there were 40,774,388 shares of Pan Pacific common stock outstanding, held by approximately 1,172 holders of record. Each holder is entitled to one vote for each share of Pan Pacific common stock held on the record date.

Vote Required; Quorum

Approval of the Pan Pacific merger proposal requires the affirmative vote of the holders of at least a majority of Pan Pacific s common stock outstanding as of the record date. Approval of the merger will also constitute approval of the amendment to the Pan Pacific charter, which is contemplated by the merger agreement.

The representation, in person or by properly executed proxy, of the holders of a majority of the shares of Pan Pacific common stock entitled to vote at the Pan Pacific special meeting is necessary to constitute a quorum at the Pan Pacific special meeting. Shares of Pan Pacific common stock represented in person or by proxy will be counted for the purposes of determining whether a quorum is present at the Pan Pacific special meeting. Abstentions will be counted for quorum purposes and will have the same effect as votes against approval of the Pan Pacific merger proposal (and the related charter amendment) since the merger proposal requires the affirmative vote of a majority of outstanding shares of Pan Pacific common stock. If a broker or nominee holding shares of record for a customer submits a properly executed proxy, but indicates that it does not have discretionary authority to vote as to a particular matter, those shares, which are referred to as broker non-votes, will be treated as present and entitled to vote at the Pan Pacific special meeting for purposes of determining whether a quorum exists.

Under New York Stock Exchange rules, brokers and nominees holding shares of record for customers are not entitled to vote on the Pan Pacific merger proposal unless they receive specific voting instructions from the

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beneficial owner of the shares. Accordingly, broker non-votes will have the same effect as shares voted against approval of the Pan Pacific merger proposal.

If a quorum is not present, the stockholders entitled to vote at the special meeting, present in person or by proxy, may adjourn the meeting from time to time to a date not more than 120 days after the original record date without notice other than an announcement at the meeting. Any business may be transacted at an adjourned meeting which might have been transacted at the special meeting as originally called.

Voting of Proxies

All shares of Pan Pacific common stock that are entitled to vote and are represented at the Pan Pacific special meeting by properly executed proxies received prior to or at such meeting, and not revoked, will be voted at such meeting in accordance with the instructions indicated on such proxies. Pan Pacific stockholders may choose to vote for or against or abstain from voting on the approval of the merger. If a Pan Pacific stockholder returns a signed proxy card, but does not indicate how the shares are to be voted (with the exception of broker non-votes), the shares of Pan Pacific common stock represented by the proxy card will be voted **FOR** the merger. If a Pan Pacific stockholder does not return a signed proxy card, that stockholder s shares will not be voted and will have the same effect as a vote against the approval of the merger.

If a motion is made to adjourn the special meeting to another time or place for the purposes of soliciting additional proxies, the persons named in the enclosed form of proxy and acting thereunder generally will have discretion to vote on such matters in accordance with their discretion, except that any shares which were voted against the Pan Pacific merger proposal will not be voted in favor of the adjournment or postponement of the Pan Pacific special meeting in order to solicit additional proxies.

Authorizing Your Proxy by Telephone. Stockholders of record and many stockholders who hold their shares through a broker or bank will have the option to authorize their proxies by telephone. Please note that there are separate arrangements for using the telephone depending on whether your shares are registered in Pan Pacific s stock records in your name or in the name of a broker, bank or other nominee who holds your shares. If you hold your shares through a broker, bank or other nominee, you should check your proxy card or voting instruction card forwarded by your broker, bank or other nominee who holds your shares to see which options are available.

In addition to submitting the enclosed proxy by mail, Pan Pacific stockholders of record may authorize their proxies by telephone by following the instructions on their proxy card or voting form. If you have any questions regarding whether you are eligible to authorize your proxy by telephone, you shall contact MacKenzie Partners, Inc. by telephone at 1-800-322-2885 (toll free) or by email at proxy@mackenziepartners.com.

Appraisal Rights

Under Section 3-202 of the Maryland General Corporation Law, Pan Pacific stockholders do not have the right to receive the appraised value of their shares in connection with merger because Pan Pacific common stock is listed on the New York Stock Exchange. If Pan Pacific stockholders do not vote in favor of the merger and the merger occurs anyway, Pan Pacific stockholders will be bound by the terms of the merger under the merger agreement, and each of their shares of Pan Pacific common stock will be converted into the right to receive $70 cash. Kimco may elect to issue up to $10 per share of the merger consideration in the form of Kimco common stock.

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Revocation of Proxies

A proxy card is enclosed. Any stockholder who executes and delivers the proxy card may revoke the authority granted under the proxy at any time before the shares are voted by:

- delivering to the Secretary of Pan Pacific, at or before the vote is taken at the Pan Pacific special meeting, a later-dated written notice stating that you would like to revoke your proxy and change your vote;

- properly executing a new proxy card bearing a later date relating to the same shares and delivering it in time to the Secretary of Pan Pacific so that the new proxy card is received before the shares are voted; or

- attending the Pan Pacific special meeting and voting in person, although attendance at the Pan Pacific special meeting will not in and of itself constitute a revocation of a proxy or a change of your vote.

If you have instructed your broker to vote your shares and you wish to revoke those instructions, you must follow your broker s revocation procedures.

Any written notice of revocation or subsequent proxy should be sent to Pan Pacific Retail Properties, Inc., 1631-B South Melrose Drive, Vista, California, 92081, Attention: Secretary, so as to be received prior to the Pan Pacific special meeting, or hand delivered to the Corporate Secretary of Pan Pacific at or before the taking of the vote at the Pan Pacific special meeting. Stockholders that have instructed a broker to vote their shares must follow directions received from such broker in order to change their vote or to vote at the Pan Pacific special meeting.

Solicitation of Proxies; Expenses

All expenses of Pan Pacific s solicitation of proxies, including the cost of mailing this proxy statement/prospectus to Pan Pacific stockholders, will be paid by Pan Pacific. In addition to solicitation by use of the mail, Pan Pacific s stockholders, directors, officers and employees may solicit proxies by telephone, e-mail, fax or other means of communication. Such stockholders, directors, officers and employees will not be additionally compensated, but may be reimbursed for reasonable out-of-pocket expenses in connection with such solicitation. Arrangements will also be made with brokerage houses, custodians, nominees and fiduciaries for forwarding of proxy solicitation materials to beneficial owners of shares held of record by such brokerage houses, custodians, nominees and fiduciaries, and Pan Pacific will reimburse such brokerage houses, custodians, nominees and fiduciaries for their reasonable expenses incurred in forwarding such materials. Pan Pacific has retained MacKenzie Partners, Inc., a proxy soliciting firm, to assist Pan Pacific in the solicitation of proxies. MacKenzie s solicitation fee is $12,500, plus reasonable expenses.

PAN PACIFIC STOCKHOLDERS SHOULD NOT SEND IN THEIR STOCK CERTIFICATES WITH THE PROXY CARDS. YOU WILL RECEIVE SEPARATE WRITTEN INSTRUCTIONS ON HOW TO EXCHANGE YOUR PAN PACIFIC STOCK CERTIFICATES FOR THE MERGER CONSIDERATION IF THE MERGER IS COMPLETED.

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THE COMPANIES

Kimco

Kimco began operations through a predecessor in 1966, and today is one of the nation s largest publicly-traded owners and operators of neighborhood and community shopping centers (measured by gross leasable area, which we refer to as GLA). Kimco owns interests in 1,118 properties. These properties have a total of approximately 143.6 million square feet of GLA and are located in 45 states and in Canada, Mexico and Puerto Rico.

Kimco s ownership interests in real estate consist of its consolidated portfolio and in portfolios in which it owns an economic interest, such as; Kimco Income REIT, the RioCan Venture, Kimco Retail Opportunity Portfolio and other properties or portfolios where it also retains management.

Kimco believes that it has operated, and it intends to continue to operate, in such a manner to qualify as a REIT under the Code. Kimco is self-administered and self-managed through present management, which has owned and managed neighborhood and community shopping centers for more than 35 years. Kimco has not engaged, nor does it expect to retain, any external advisors in connection with the operation of its properties. Kimco s executive officers are engaged in the day-to-day management and operation of its real estate exclusively, and Kimco administers nearly all operating functions for its properties, including leasing, legal, construction, data processing, maintenance, finance and accounting. Kimco s executive offices are located at 3333 New Hyde Park Road, New Hyde Park, New York 11042-0020 and its telephone number is (516) 869-9000. For additional information on Kimco, see Where You Can Find More Information.

Following the merger, Kimco is expected to continue to be managed by its existing board of directors and by its existing senior management team.

KRC Acquisition Inc., a Maryland corporation, is a newly formed, wholly-owned subsidiary of Kimco that was formed solely for the purpose of effecting the merger. KRC Acquisition Inc. has not conducted and will not conduct any business prior to the merger.

Pan Pacific

Pan Pacific is a self-administered and self-managed equity real estate investment trust that owns and operates community and neighborhood shopping centers, predominately grocery-anchored, located in the western United States. Pan Pacific completed its initial public offering in August 1997 and its shares are traded on the New York Stock Exchange under the symbol PNP. As of June 30, 2006, Pan Pacific s portfolio totaled 138 shopping center properties, encompassing approximately 22.6 million square feet, diversified across Northern California, Southern California, the Pacific Northwest and Nevada.

THE MERGER

General

The merger agreement provides that either KRC Acquisition Inc., a subsidiary of Kimco, will be merged with and into Pan Pacific with Pan Pacific surviving as a subsidiary of Kimco or that Pan Pacific will merge with and into KRC Acquisition Inc. with KRC Acquisition Inc. surviving as a subsidiary of Kimco.

In connection with the merger, you will be entitled to receive $70 in cash in respect of each share of Pan Pacific common stock that you own immediately before the completion of the merger. However, Kimco may elect to issue up to $10 per share of the merger consideration in the form of Kimco common stock. If Kimco makes the stock election, the number of shares of Kimco common stock that the Pan Pacific stockholders will receive will be determined based on the closing price average of Kimco common stock over the 10 trading days immediately preceding the trading day which is two days prior to the Pan Pacific stockholders meeting or, if Kimco has elected to delay the closing, based on the closing price average of Kimco common stock over the 10 trading days immediately preceding the closing date. If Kimco makes the stock election, cash (without interest) will be paid to Pan Pacific stockholders instead of fractional shares of Kimco common stock. Pan Pacific has agreed that, if requested by Kimco, it will enter into one or more asset sales. The closing of the asset sales would occur immediately prior to the effective time of the merger. If there are one or more asset sales, Pan Pacific will declare and pay a dividend to holders of Pan Pacific common stock in an amount equal to the net proceeds of such asset sales, and the cash consideration portion of the merger consideration will be reduced by the amount of such dividend.

In connection with the merger, all outstanding Pan Pacific stock options will be accelerated and fully vested. Each then-outstanding Pan Pacific stock option will be cancelled and the holder of the option will be entitled to receive cash in an amount equal to the product obtained by multiplying the excess of $70 over the per share exercise price of the option by the number of shares of Pan Pacific common stock underlying the unexercised portion of the option. Immediately prior to the effective time of the merger, the vesting of each restricted share of Pan Pacific common stock granted under any Pan Pacific stock plan will be fully accelerated and the contractual restrictions on such shares will terminate.

This proxy statement/prospectus constitutes a prospectus of Kimco, which is a part of the registration statement on Form S-4 filed by Kimco with the SEC under the Securities Act of 1933 in order to register the shares of Kimco common stock to be issued to Pan Pacific stockholders in the merger and a proxy statement of Pan Pacific in connection with the solicitation of the approval by Pan Pacific stockholders of the merger.

Background of the Merger

Pan Pacific s board and management have from time to time evaluated and considered a variety of strategic alternatives as a part of Pan Pacific s long-term strategy to maximize stockholder value.

On October 29, 2003, Pan Pacific s board held a regular meeting, at which Pan Pacific s management presented its proposed business plan to Pan Pacific s board and discussed various business and strategic alternatives. In addition, Pan Pacific s board met with representatives of an investment banking firm and discussed possible business and strategic alternatives as part of Pan Pacific s continuing effort to maximize stockholder value. Among the alternatives discussed were: expanding Pan Pacific s geographic focus beyond its current five key markets, expanding the property type in which Pan Pacific invested (for example, to include regional malls as well as strip centers), pursuing joint ventures to acquire properties, initiating a strip center development capability, seeking an acquisition of another REIT, pursuing an orderly liquidation of Pan Pacific and exploring a sale of Pan Pacific. The Pan Pacific board evaluated the various risks, benefits and reasonably anticipated costs of each of the strategic alternatives. After an extended discussion, Pan Pacific s board directed Pan Pacific s management and the investment banking firm to conduct further work to evaluate these alternatives.

On November 20, 2003, at a special meeting of Pan Pacific s board, Pan Pacific s management and the investment banking firm updated Pan Pacific s board regarding the evaluation of the alternatives and their recommendations. The board also evaluated the potential deleterious impact on Pan Pacific s business and employees if the fact that Pan Pacific was exploring strategic options became widely known and, accordingly, determined that the number of companies contacted should be limited to those most likely to be interested and able to complete a transaction. Based on the foregoing and the information discussed at the October 29, 2003 board meeting, and after an extended discussion, the Pan Pacific board concluded that pursuing a strategic business combination could well be an attractive course. With Pan Pacific management s endorsement, Pan Pacific s board directed the investment banking firm to solicit expressions of interest regarding a possible business combination transaction with three selected transaction candidates, including Kimco. Each of these candidates was selected based on the Pan Pacific board s evaluation of the likelihood of their interest, their ability to complete a transaction, the quality of their management and operations (should common stock be the form of acquisition consideration), and their access to capital.

Following Pan Pacific s November 2003 board meeting, the investment banking firm and Pan Pacific s management entered into a formal offering process. Initially, the investment banking firm contacted the three specified potential transaction candidates to explore their interest in a possible business combination transaction with Pan Pacific. Based on the investment banking firm s preliminary solicitation, two companies executed confidentiality agreements with Pan Pacific. Kimco declined to participate citing a lack of interest in pursuing an auction process with respect to Pan Pacific. Throughout the offering process, Pan Pacific s management kept Pan Pacific s board informed of discussions they held regarding a possible business combination with Pan Pacific.

The two remaining companies engaged in due diligence which consisted of an in-depth evaluation of Pan Pacific s properties, assets and liabilities, including meetings with Pan Pacific s management, access to a data room and tours of the properties, as requested. Upon completion of the due diligence process, however, both companies advised Pan Pacific that they were not prepared to submit a proposal given the then trading price of Pan Pacific common stock.

At a Pan Pacific special board meeting on January 12, 2004, the investment banking firm informed Pan Pacific s board of the status of the process. Pan Pacific s board decided that, at that time, it was in the best interests of Pan Pacific and its stockholders for Pan Pacific s management to focus its time and efforts on executing its business plan and formally resolved that Pan Pacific and its representatives cease pursuing discussions regarding strategic alternatives. Following the January board meeting, Pan Pacific s management continued to conduct its operations in accordance with its business plan.

Going forward, the Pan Pacific board, at its regularly scheduled meetings, reviewed Pan Pacific s business plan, evaluated the acquisition market and the increasing prices for and declining capitalization rates associated with the types of properties it was interested in acquiring. During this time, Pan Pacific did not receive any offers, indications of interest or approaches from a party interested in acquiring Pan Pacific s business.

On May 18, 2006, the Pan Pacific board held a special meeting at which the strategic alternatives for Pan Pacific were once again evaluated. It was noted that the mix of risks, benefits and likely costs for each strategic alternative had not changed meaningfully since the board s last review. Based on this analysis and given Pan Pacific s high stock price, its extremely strong funds from operation multiple and low dividend yield, the relative lack of attractive property acquisition candidates in Pan Pacific s five key markets (which limited its ability to grow), and the relatively high stock prices for REITs in general, the Pan Pacific board concluded, with Pan Pacific management s endorsement, that the time was right to explore strategic alternatives regarding Pan Pacific. The Pan Pacific board also considered the desirability of receiving cash versus stock and which likely acquirors would be able to pay a substantial portion of any transaction price in cash for Pan Pacific. Based on its analysis of these factors, the Pan Pacific board concluded that Kimco was the most attractive potential acquiror based on its size, access to capital, likely expectations as to capitalization rate on a portfolio like Pan Pacific s and its ability to finance any potential transaction through its joint venture relationships. Pan Pacific s board then instructed Pan Pacific s management and lead independent director, Joseph P. Colmery, to contact Kimco s management.

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On June 5, 2006, Stuart A. Tanz, Pan Pacific s Chairman, Chief Executive Officer, and President, and Joseph B. Tyson, Pan Pacific s Chief Financial Officer and Executive Vice President and Mr. Colmery met with Milton Cooper and Jeff Olson of Kimco to discuss the merits of a possible business combination with Pan Pacific. At this meeting, Pan Pacific discussed a possible merger transaction involving Kimco. Pan Pacific also noted that the proposed consideration in the merger was expected to be primarily paid in cash and securities valued on a fixed basis. Following the meeting, Mr. Olson called Mr. Tanz on June 7, 2006 to indicate that Kimco was interested in exploring the proposal further and desired to initiate due diligence.

On June 8, 2006, Pan Pacific circulated to Kimco a confidentiality agreement, which the parties negotiated and signed. On June 12, 2006, personnel from Kimco initiated due diligence on Pan Pacific starting with meetings with Messrs. Tanz and Tyson.

On June 19, 2006, Pan Pacific received an outline of principal terms from Kimco pursuant to which Kimco proposed to acquire Pan Pacific for $69 per share and without Pan Pacific receiving any dividends from and after the signing of the merger agreement. The term sheet addressed provisions of a potential merger agreement, including consideration, the treatment of stock options and restricted shares, the general nature of representations and warranties and interim covenants, no solicitation, termination and the conditions under which a break-up fee and expenses would be payable, closing conditions, the definition of material adverse effect and the intended tax treatment of the merger. The term sheet also summarized Kimco s expectations as to the focus and timing of the due diligence process.

On June 20, 2006, the Pan Pacific board held a special meeting at which the Kimco outline of principal terms was discussed. After an extensive discussion, the Pan Pacific board concluded that the price was not high enough and that, while the other terms were also not entirely acceptable (particularly those provisions regarding no solicitation, termination and the conditions under which a break-up fee and expenses would be payable, and closing conditions), the proposal indicated a level of seriousness that made it appropriate to request that Kimco instruct its counsel to prepare and circulate a draft merger agreement. While the draft merger agreement was being prepared, Kimco continued to conduct due diligence on Pan Pacific. In addition, since the Kimco outline of principal terms indicated that a small portion of the acquisition price might be paid in shares of Kimco common stock, Pan Pacific initiated reciprocal due diligence regarding Kimco. The due diligence of Kimco conducted by Pan Pacific and its advisors included documentary review and interviews with management, and was conducted between mid June and early July.

Following the Pan Pacific board meeting, Kimco and Pan Pacific continued to negotiate the price and dividend provisions.

On June 26, 2006, Kimco s counsel circulated to all parties the initial draft of the merger agreement, after which Kimco s and Pan Pacific s respective legal counsel and management negotiated the terms of the definitive merger agreement and continued due diligence.

On June 28, 2006, an industry daily news email letter, published a rumor that Kimco was working on a large public deal in the shopping center REIT sector and offered speculation as to the likely targets. The publication did not identify Pan Pacific as a potential target, but nevertheless Pan Pacific s stock price increased from $65.66 per share (the closing price on June 27) to $67.54 on June 28 and $69.37 on June 30.

On July 9, 2006, Pan Pacific s board held a special meeting with Latham & Watkins LLP, special counsel to Pan Pacific, Venable LLP, special Maryland counsel, and Houlihan, Lokey, Howard and Zukin, an investment banking firm engaged to evaluate the fairness of the transaction from a financial point of view (Houlihan Lokey), to discuss various aspects of the merger, the merger agreement and other related matters. First, Venable LLP reviewed with Pan Pacific s board the directors duties under Maryland law. Then, the directors discussed the course of negotiations with Kimco, the benefits that would be received by the stockholders of Pan Pacific and the limited partners of CT Operating Partnership, L.P. and Western/Pinecreek, L.P. as a result of the merger. Also at this special meeting of Pan Pacific s board, management and counsel reviewed with the directors the terms and conditions of the proposed merger agreement with Kimco. Representatives of Latham & Watkins LLP, special counsel to Pan Pacific, then reviewed with Pan Pacific s board the results of its due diligence investigation of Kimco. Pan Pacific s management then reviewed with Pan Pacific s board the results of its due diligence investigation by Pan Pacific of Kimco. Representatives of Houlihan Lokey delivered a presentation to Pan Pacific s board regarding its analysis of the financial terms of the proposed transaction with Kimco. Houlihan Lokey then delivered its oral opinion to Pan Pacific s board, which was subsequently confirmed by delivery to Pan Pacific s board of a written opinion, dated July 9, 2006, that, as of July 9, 2006, based upon and subject to the assumptions, factors, qualifications and limitations set forth in the written opinion the merger consideration to be received by the holders of Pan Pacific s common stock and holders of OP Units (other than holders of OP Units who elect to remain partners of the respective entities surviving the partnership mergers) in connection with the merger was fair, from a financial point of view, to such holders. After further discussion, Pan Pacific s board concluded that the proposed merger was advisable and fair to, and in the best interests of, Pan Pacific and its stockholders and authorized and unanimously approved the merger agreement and the transactions contemplated thereby, including the merger and the charter amendment, and resolved to recommend that the Pan Pacific stockholders approve and adopt the merger. Pan Pacific s board also reviewed the reasons for the merger, including the benefits that would be received by the limited partners of CT Operating Partnership and Western/Pinecreek as a result of the merger, and unanimously determined that the merger agreement was fair to, and in the best interests of, CT Operating Partnership, Western/Pinecreek and their respective limited partners. See Pan Pacific s Reasons for the Merger.

Shortly after the Pan Pacific board meeting on July 9, 2006, the parties executed the merger agreement. Early in the morning on July 10, 2006, the parties announced the execution of the merger agreement via a joint press release.

Pan Pacific s Reasons for the Merger

In making its determination with respect to the merger, Pan Pacific s board considered a number of factors, including, among others, the following factors:

Value and Form of Merger Consideration

Each share of Pan Pacific common stock that is outstanding at the effective time of the merger will be converted into, and canceled in exchange for, the right to receive cash consideration of $70.00 unless Kimco elects to include up to $10.00 per share in stock consideration in which case each share of Pan Pacific common stock will be converted into at least $60.00 in cash and a number of shares of Kimco common stock equal to up to $10.00 per share, with the aggregate merger consideration being $70.00. The consideration of $70.00 for each share is fixed and will not be adjusted for changes in the price of our common stock prior to the closing date of the merger and represents an implied capitalization rate on Pan Pacific s projected net operating income for the twelve months ending June 30, 2007, which is historically low for an acquisition of a public strip center REIT.

The consideration to be received by Pan Pacific common stockholders in the merger, which was determined based on arm s-length negotiations, represents an attractive price. In addition, most if not all, of the merger consideration will be paid in cash with only a small portion, if any, payable in Kimco common stock, the number of shares of which will be fixed just before the closing date.

Favorable Market Conditions

As discussed above in Background of the Merger, the Pan Pacific board of directors determined that the merger allows it to take advantage of conditions in the real estate markets generally, and in Pan Pacific s five core markets specifically, that have created an unusually favorable environment for effecting a strategic transaction to maximize stockholder value:

- Prices for real estate assets, particularly in Pan Pacific s five core markets have increased rapidly in recent years, reaching historic highs, while capitalization rates have reached historic lows.

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- Strip center property fundamentals, such as rents, occupancy and tenant expense reimbursement, were strengthening in Pan Pacific s markets.

- Interest rates remained low by historic standards, but were generally expected to rise in the near-term. As interest rates rise, demand for real estate assets would be expected to decrease, and because REIT stock prices historically have had a negative correlation to interest rates, our stock price may have greater downside risk in the future.

- A number of large portfolio acquisitions in 2004 and 2005 suggested that a successful sale of Pan Pacific at an attractive valuation was feasible.

Pan Pacific s Business and Prospects

Pan Pacific s board of directors believes that the merger represents a more desirable alternative for its common stockholders than continuing to operate as an independent public company under Pan Pacific s current strategic business plan. In the view of Pan Pacific s board, pursuing this merger provides more value for Pan Pacific s common stockholders on a risk-adjusted basis than executing Pan Pacific s strategic business plan. In making this determination, the Pan Pacific board considered a number of risks facing Pan Pacific in the future, including the various risks discussed in Pan Pacific s Annual Report on Form 10-K, as well as the following:

- The valuations of public REITs and funds from operations multiples have reached historic highs in recent months, while dividend yields have reached historic lows.

- Pan Pacific s funds from operations per share multiple is above the mean of strip center REITs generally, while analysts consensus estimates for Pan Pacific s 2006 and 2007 funds from operations per share growth is only in line with the strip center peer average.

- Pan Pacific s stock price is, and has been since prior to the beginning of the strategic transaction process in 2006, trading at a premium to Pan Pacific management s estimate of the net asset value of Pan Pacific s portfolio.

- Competition in Pan Pacific s markets for properties and tenants is significant, with numerous strip center REITs or real estate operating companies focused on acquiring strip center properties in our five key markets.

Other Strategic Alternatives

As discussed above in Background of the Merger, in addition to the merger transaction, our board of directors considered other strategic alternatives that might be available to us, including expanding Pan Pacific s geographic focus beyond its current five key markets, expanding the property type in which Pan Pacific invested (for example, to include regional malls as well as strip centers), pursuing joint ventures to acquire properties, initiating a shopping center development capability, seeking an acquisition of another REIT, pursuing an orderly liquidation of Pan Pacific and exploring a sale of Pan Pacific. After considering the potential benefits and risks to Pan Pacific and Pan Pacific s common stockholders associated with each of these alternatives, Pan Pacific s board of directors determined that the merger represented the alternative that was in the best interests of Pan Pacific s common stockholders.

Opinion of Houlihan Lokey

Pan Pacific s board of directors considered as favorable to its determination the opinion and analyses of Houlihan Lokey described in Fairness Opinion Regarding the Merger Consideration, including the oral opinion of Houlihan Lokey, which was subsequently confirmed in writing, to the effect that, as of July 9, 2006, subject to and based upon the assumptions, factors, qualifications and limitations set forth in its written opinion, the merger consideration to be received by holders of Pan Pacific s common stock and holders of OP Units (other than holders of OP Units who elect to remain limited partners of the respective entities surviving the partnership mergers) pursuant to the merger agreement is fair from a financial point of view to such holders.

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The High Probability of Transaction Completion

Pan Pacific s board of directors considered as favorable that, in its judgment, there is a high probability of completing the proposed transaction. The merger agreement does not contain a financing condition, therefore whether or not it can obtain attractive financing, Kimco would be obligated to consummate the merger. In addition, the transaction requires no material regulatory approvals.

The Existence of a Limited Termination Right in the Event of a Superior Proposal

Pan Pacific s board of directors is not prohibited from receiving proposals and inquiries for other potential acquisition proposals (although to date Pan Pacific has not received any such inquiries). If, however, before receiving stockholder approval for the merger, Pan Pacific receives an unsolicited bona fide acquisition proposal, Pan Pacific may furnish information to, and participate in discussions and negotiations with, the party making the proposal if Pan Pacific s board of directors determines in good faith that (i) failure to do so would be reasonably likely to be inconsistent with Pan Pacific s directors duties to the company or Pan Pacific s common stockholders, (ii) prior to taking such action, Pan Pacific enters into a confidentiality agreement with the party making the acquisition proposal and (iii) the acquisition proposal is reasonably likely to lead to a transaction that would be more favorable to Pan Pacific s common stockholders than the merger. Upon making such a determination and subject to the satisfaction of specified conditions and payment of a termination fee, Pan Pacific may enter into an agreement with respect to a superior proposal with a third party.

Approval of Pan Pacific Common Stockholders Is Required

The merger is subject to the approval of Pan Pacific common stockholders and our common stockholders have the option to reject the merger agreement and merger.

Pan Pacific s board of directors also considered the following potentially negative factors in its deliberations concerning the merger agreement and the merger:

Recent Trading Prices of Our Common Stock

Although Pan Pacific s board of directors believes that the merger consideration of $70.00 for each share represents an attractive price and a premium to Pan Pacific management s estimated net asset value, the per-share closing price of Pan Pacific s common stock on the last trading day before we announced the merger was $70.00 for each share. Accordingly, the merger consideration of $70.00 for each share provides no premium to the closing price of our common stock on July 7, 2006. As discussed above in Background of the Merger, however, Pan Pacific s board of directors concluded, after extensive discussion, and after taking into account the correlation between speculation about the sale of Pan Pacific in analyst circles, trade publications and mainstream press, the significant increases in the price of our common stock since June 28, 2006 when the rumors first were published, the relative absence of other new, publicly available information about Pan Pacific and the performance of other comparable REITs, that a sale premium was reflected in the price of Pan Pacific s common stock by the time Pan Pacific s board met to consider the proposed merger with Kimco.

Pan Pacific s Common Stockholders Will Be Unable to Share in Pan Pacific s Future Growth

Pan Pacific s board of directors recognized that the merger would preclude Pan Pacific common stockholders from having the opportunity to participate in the future performance of Pan Pacific s assets and any future appreciation in the value of Pan Pacific s common stock. After the closing, common stockholders will no longer share in any of Pan Pacific s future growth or receive quarterly dividends from Pan Pacific. Since December 2003, Pan Pacific has paid annual dividends of $2.17 in 2004 and $2.36 in 2005 for each share to Pan Pacific s common stockholders on a quarterly basis.

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Tax Consequences to Pan Pacific s Common Stockholders

Pan Pacific s board of directors recognized that the merger is a taxable transaction and, as a result, Pan Pacific s common stockholders will generally be required to pay taxes on any gains that result from their receipt of the merger consideration and on any dividends received in connection with the merger.

Significant Costs Involved

Pan Pacific s board of directors considered the significant costs involved in connection with completing the merger, the substantial management time and effort required to effectuate the merger and the related disruption to Pan Pacific s operations. If the merger is not consummated, then Pan Pacific will be required to bear these expenses and the costs of these disruptions. Moreover, Pan Pacific s board considered that if the merger agreement is terminated by Kimco because Pan Pacific s common stockholders do not approve the merger, Pan Pacific would be obligated to reimburse Kimco for its reasonable out-of-pocket expenses incurred in connection with the merger and related transactions up to an aggregate maximum amount of $11.0 million.

Prohibition against Soliciting Other Offers

Even though the merger agreement permits Pan Pacific s board of directors to receive unsolicited inquiries and proposals regarding other potential acquisition proposals, it also prohibits Pan Pacific from soliciting, initiating, knowingly encouraging or taking any other action to facilitate inquiries with respect to acquisition proposals or making any proposals for, or participating in any discussions or negotiations regarding any acquisition proposals except under the circumstances discussed in The Merger Agreement No Solicitation. If Pan Pacific receives a superior proposal and ultimately enters into an agreement for such a transaction, Pan Pacific would be obligated to pay a termination fee in the amount of $65.0 million to Kimco, subject to certain conditions.

Benefits to Certain Directors and Executive Officers

Pan Pacific s board of directors also considered the fact that Messrs. Tanz and Tyson have interests in the merger that differ from, or are in addition to, and therefore may conflict with, the interests of Pan Pacific s common stockholders. These interests are discussed in Interests of Pan Pacific s Directors and Executive Officers in the Merger, including the lapsing of restrictions and immediate vesting of common stock awarded under Pan Pacific s benefit plans, and additional severance payments that may be received under certain circumstances. Pan Pacific s board believes, however, that Mr. Colmery s significant involvement in, and oversight of, the negotiation of the transaction minimized these potential conflicts. Moreover, Pan Pacific s senior management team and legal advisors had negotiated a transaction in which Pan Pacific s common stockholders would receive the largest amount of merger consideration that Kimco had indicated that it would be willing to pay, satisfying Pan Pacific s directors duties to the company. In addition, Pan Pacific s board determined that the transaction would satisfy Pan Pacific s duties and contractual obligations to the limited partners of CT Operating Partnership, L.P. and Western/Pinecreek, L.P. by providing a structure that would allow them to receive the same merger consideration to be received by Pan Pacific s stockholders or, if they so choose, a continuing holding in limited partnerships formed by Kimco.

In view of the wide variety of factors considered by Pan Pacific s board of directors, Pan Pacific s board did not find it practicable to, and did not, quantify or otherwise attempt to assign relative weights to the specific factors considered. Pan Pacific s board of directors views its recommendation as being based on the totality of the information presented to, and considered by, it. After taking into consideration all of the factors discussed above, among others, Pan Pacific s board of directors determined that the potential benefits of the merger substantially outweigh the potential detriments associated with the merger.

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Recommendation of Pan Pacific s Board of Directors

Pan Pacific s board of directors, at a special meeting held on July 9, 2006, after due consideration, unanimously:

- determined that it was advisable, fair to and in the best interests of Pan Pacific and Pan Pacific s common stockholders for Pan Pacific to enter into the merger agreement and consummate the merger and the other transactions contemplated by the merger agreement; and
- approved the merger agreement and the merger and directed that the merger be submitted to Pan Pacific s common stockholders for approval at a special meeting of stockholders.

Pan Pacific s board of directors unanimously recommends that Pan Pacific s common stockholders vote FOR the Proposal, the approval of the merger.

Kimco s Reasons for the Merger

The factors that the Kimco board of directors considered in reaching its determination to approve the merger agreement were as follows:

- the belief of Kimco s board of directors, shared by Kimco s management, that the portfolio of neighborhood shopping centers that Kimco would acquire from Pan Pacific in the merger is of high quality and has positive long-term prospects;
- the fact that Kimco could target a number of properties in Pan Pacific s portfolio for Kimco s strategic co-investment programs, which have historically produced solid investment returns and growth while further expanding Kimco s investment and property management business;
- the structuring flexibility provided to Kimco in the merger agreement; and
- the belief of Kimco s board of directors that the overall terms of the merger agreement are fair to Kimco.

The Kimco board of directors also considered certain potentially negative factors that could arise from the proposed merger. The material potentially negative factors considered were as follows:

- the potential difficulties that Kimco might experience integrating properties acquired in the merger into Kimco s strategic co-investment programs;
- the risk that Pan Pacific stockholders might not approve the merger; and
- the risk that the anticipated benefits of the merger might not be fully realized.

The foregoing discussion addresses the material information and factors considered by Kimco s board of directors in its consideration of the merger. In view of the variety of factors and the amount of information considered, Kimco s board did not find it practicable to, and did not, make specific assessments of, quantify or otherwise assign relative weights to, the specific factors considered in reaching its determination. The recommendation of Kimco s board of directors was made after consideration of all the factors as a whole. In addition, individual members of Kimco s board may have given different weights to different factors.

Fairness Opinion Regarding Merger Consideration

On June 30, 2006, Pan Pacific s board of directors retained Houlihan Lokey Howard & Zukin Financial Advisors, Inc. to render an opinion to the board of directors as to whether the merger consideration to be received by the holders of Pan Pacific s common stock and holders of OP Units (as defined in The Merger Agreement Structure of Merger Transactions) (other than holders of OP Units who elect to remain limited partners of the entities surviving the partnership mergers (as defined in The Merger Agreement Structure of Merger Transactions)) in connection with the merger is fair to such holders from a financial point of view. Houlihan Lokey did not participate in the parties due diligence investigation or in the merger negotiations.

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Pan Pacific s board of directors selected Houlihan Lokey and decided to retain Houlihan Lokey based upon its experience in the valuation of businesses and their securities in connection with mergers, acquisitions, recapitalizations and similar transactions, particularly with respect to REITs. Houlihan Lokey is a nationally recognized investment banking firm that is continually engaged in providing financial advisory services and rendering fairness opinions in connection with mergers and acquisitions, leveraged buyouts, business valuations and securities valuations for a variety of regulatory and planning purposes, recapitalizations, financial restructurings and private placements of debt and equity securities.

On July 9, 2006, Houlihan Lokey delivered its oral opinion, subsequently confirmed by its written opinion dated July 9, 2006, to the Pan Pacific board of directors to the effect that, as of the date of such opinion, based upon and subject to the assumptions, factors, qualifications and limitations set forth in the written opinion, the merger consideration to be received by the holders of Pan Pacific s common stock and holders of OP Units (other than holders of OP Units who elect to remain limited partners of the respective entities surviving the partnership mergers) in connection with the merger is fair to such holders from a financial point of view.

The full text of the Houlihan Lokey opinion, which describes, among other things, the assumptions made, general procedures followed, matters considered and limitations on the review undertaken by Houlihan Lokey in rendering its opinion is attached to this proxy statement/prospectus as Annex B and is incorporated in this proxy statement/prospectus by reference. The summary of the Houlihan Lokey opinion in this proxy statement/prospectus is qualified in its entirety by reference to the full text of the Houlihan Lokey opinion. Stockholders are urged to read the Houlihan Lokey opinion carefully and in its entirety.

The Houlihan Lokey opinion was furnished for the benefit of the Pan Pacific board of directors in connection with its consideration of the merger. It is not intended to be, and does not, constitute a recommendation to the board of directors or Pan Pacific stockholders or to the holders of OP Units on whether or not to support the merger and is not intended to be, and does not constitute, a recommendation to any Pan Pacific stockholder or holder of OP Units as to how to vote on any matter relating to the merger or the OP Units. In addition, Houlihan Lokey s opinion is not intended to be, and does not constitute, a recommendation to any holder of OP Units as to whether such holder should accept the merger consideration for such holder s OP Units or elect to remain a limited partner of the entity surviving the relevant partnership merger. The Houlihan Lokey opinion does not constitute legal, regulatory, accounting, insurance, tax or other similar professional advice.

Houlihan Lokey has no material prior relationship with Pan Pacific or its affiliates. During the last three years Houlihan Lokey has had no material relationship with Kimco or its affiliates. Pan Pacific has agreed to pay Houlihan Lokey $1.25 million in compensation for its services in connection with the rendering of its opinion. In addition, Pan Pacific has agreed to indemnify Houlihan Lokey and its affiliates, agents and advisors against certain liabilities, including liabilities that arise under federal securities laws or out of the engagement of Houlihan Lokey, and to reimburse Houlihan Lokey for its reasonable expenses. No portion of Houlihan Lokey s fee, indemnity or reimbursement rights is contingent upon the conclusions reached in the opinion or the consummation of the merger.

The Houlihan Lokey opinion does not address:

(i) the underlying business decision of Pan Pacific, its security holders, the holders of OP Units or any other party to proceed with or effect the merger,

(ii) the fairness of any portion or aspect of the merger not expressly addressed in the written opinion,

(iii) the fairness of any portion or aspect of the merger to the holders of any class of securities, creditors or other constituencies of Pan Pacific or any other party other than those set forth in the written opinion,

(iv) the fairness of any portion or aspect of the merger to the holders of OP Units who elect to remain limited partners of the respective entities surviving the partnership mergers,

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(v) the relative merits of the merger as compared to any alternative business strategies that might exist for Pan Pacific or any other party or the effect of any other transaction in which Pan Pacific or any other party might engage,

(vi) the tax or legal consequences of the merger to Pan Pacific, its security holders, holders of OP Units or any other party,

(vii) the fairness of any portion or aspect of the merger to any one class or group of Pan Pacific s or any other party s security holders vis-à-vis any other class or group of Pan Pacific s or such other party s security holders, or

(viii) whether or not Pan Pacific, its security holders, the holders of OP Units or any other party is receiving or paying reasonably equivalent value in the merger.

In connection with rendering its opinion, Houlihan Lokey made such review, analyses and inquiries as it deemed necessary and appropriate under the circumstances. Among other things Houlihan Lokey:

1. reviewed Pan Pacific s annual report to shareholders on Form 10-K for the fiscal year ended December 31, 2005, and quarterly report on Form 10-Q for the quarter ended March 31, 2006, which Pan Pacific s management had identified as being the most current financial statements available;

2. reviewed Kimco s annual report to shareholders on Form 10-K for the fiscal year ended December 31, 2005, and quarterly report on Form 10-Q for the quarter ended March 31, 2006, which Kimco s management has identified as being the most current financial statements available;

3. held discussions with certain members of Pan Pacific s management team regarding the operations, financial condition, future prospects and projected operations and performance of Pan Pacific and regarding the merger, and held discussions with representatives of Pan Pacific s counsel regarding Pan Pacific, the merger, and related matters;

4. held discussions with certain members of the management of Kimco regarding the operations, financial condition, future prospects and projected operations and performance of Kimco and regarding the merger;

5. reviewed a final draft of the merger agreement, dated July 9, 2006;

6. visited certain of Pan Pacific s real property;

7. reviewed financial forecasts and projections prepared by our management for the fiscal years ending December 31, 2006 through 2007 and publicly available financial forecasts and projections with respect to Pan Pacific and Kimco for the fiscal years ended December 31, 2006 through 2007;

8. reviewed the historical market prices for the past two years and trading volume for the past year for Pan Pacific s and Kimco s publicly traded securities and those of certain publicly traded companies which Houlihan Lokey deemed relevant;

9.

reviewed certain other publicly available financial data for certain companies that Houlihan Lokey deem relevant and publicly available transaction prices and premiums paid in other change of control transactions that Pan Pacific deemed relevant; and

10. conducted such other financial studies, analyses and inquiries as Pan Pacific deemed appropriate.

Fairness Analysis

In order to determine the fairness of the consideration from a financial point of view, to Pan Pacific s stockholders, Houlihan Lokey determined a range of values for Pan Pacific s common stock. In order to determine such range of value for Pan Pacific s common stock, Houlihan Lokey used the following valuation methodologies: public stock price approach, market approach, comparable transaction approach and net asset value approach:

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Public Price Approach. Houlihan Lokey reviewed the historical market prices and trading volume for Pan Pacific s publicly traded common stock and reviewed publicly-available analyst reports, news articles and press releases relating to Pan Pacific. Houlihan Lokey also analyzed Pan Pacific s closing stock price on a spot basis and on 5-day and 30-day average basis, both as of July 7, 2006, the trading day immediately preceding public announcement of the merger, and June 23, 2006, the Friday of the week prior to significant movement in the price of Pan Pacific s common stock and published market speculation about a potential sale of Pan Pacific. Based on this analysis, Houlihan Lokey noted per share value indications ranging from $67.30 to $70.05 as of July 7, 2006, and from $65.17 to $66.33 as of June 23, 2006. Based upon the indicated range of stock prices of between $65.00 to $70.00 per share, the public stock price approach implies an enterprise value, which is referred to as EV in this proxy statement, ranging from $3,750 million to $3,950 million. EV was calculated by adding an entity s market value of equity, plus the book value of its existing debt and preferred stock, less cash and cash equivalents.

Market Approach. Houlihan Lokey reviewed certain financial information of the following nine comparable publicly traded retail REITs that are owners/operators of neighborhood and community grocery-anchored shopping centers that were selected solely by Houlihan Lokey: Developers Diversified Realty, Equity One Inc., Federal Realty Investment Trust, Heritage Property Investment Trust, Kimco Realty Corp, New Plan Excel Realty Trust, Realty Income Corp, Regency Centers Corp, and Weingarten Realty Investors.

Houlihan Lokey calculated certain financial ratios of the comparable companies based on the most recent publicly available information. These financial ratios included: (i) capitalization rates of EV to latest twelve months, which is referred to as LTM in this proxy statement, net operating income, which is referred to as NOI in this proxy statement, (ii) multiples EV to LTM earnings before interest, taxes, depreciation and amortizations, which is referred to as EBITDA in this proxy statement, and (iii) multiples of market value of equity, which is referred to as the MVE in this proxy statement, to LTM funds from operations, which is referred to as FFO in this proxy statement. Additionally, based upon consensus earnings forecasts for the comparable public companies identified above, Houlihan Lokey calculated: (i) capitalization rates of EV to next fiscal year (2006) NOI, (ii) capitalization rates of EV to next fiscal year plus one (2007) NOI, (iii) multiples of EV to next fiscal year (2006) EBITDA, (iv) multiples of EV to next fiscal year plus one (2007) EBITDA, (v) multiples of MVE to next fiscal year (2006) FFO, and (vi) multiples of MVE to next fiscal year plus one (2007) FFO. Houlihan Lokey also considered the dividend yield for each of the comparable companies.

Houlihan Lokey s analysis showed that the capitalization rates, multiples and dividend yields exhibited by the comparable companies were as follows:

	LTM			2006 (1)			2007 (1)				
Company Name	**FFO Multiple**	**EBITDA Multiple**	**Cap Rate (NOI)**	**FFO Multiple**	**EBITDA Multiple**	**Cap Rate (NOI)**	**FFO Multiple**	**EBITDA Multiple**	**Cap Rate (NOI)**	**Dividend Yield**	**Payout Ratio**
Developers Diversified Rlty	16.3x	19.4x	5.7%	15.4x	17.6x	6.2%	14.3x	16.1x	6.8%	4.4%	66.3%
Equity One Inc.	12.9x	16.3x	6.7%	12.9x	14.9x	7.3%	12.3x	14.0x	7.8%	5.6%	71.8%
Federal Realty Investment Tr	22.1x	19.6x	5.5%	20.8x	18.3x	5.9%	18.9x	17.0x	6.3%	3.1%	68.5%
Heritage Ppty Investment Tr	13.7x	14.8x	7.9%	12.9x	14.4x	7.9%	12.4x	14.1x	8.1%	6.0%	81.3%
Kimco Realty Corp.	18.6x	16.2x	5.1%	16.9x	14.4x	5.9%	15.2x	12.7x	6.8%	3.6%	69.2%
New Plan Excel Realty Tr	15.9x	14.3x	7.3%	13.6x	13.7x	7.9%	12.8x	12.8x	8.5%	5.0%	78.7%
Realty Income Corp.	14.2x	14.8x	7.3%	12.6x	13.3x	8.1%	11.6x	12.3x	8.8%	6.4%	89.9%
Regency Centers Corp.	17.9x	15.6x	5.8%	16.3x	15.0x	6.0%	15.3x	14.5x	6.3%	3.8%	62.3%
Weingarten Realty Invst	13.5x	14.9x	7.0%	13.6x	14.7x	7.2%	12.9x	14.1x	7.5%	4.8%	64.9%
Min	12.9x	14.3x	5.1%	12.6x	13.3x	5.9%	11.6x	12.3x	6.3%	3.1%	62.3%
Max	22.1x	19.6x	7.9%	20.8x	18.3x	8.1%	18.9x	17.0x	8.8%	6.4%	89.9%
Mean	16.1x	16.2x	6.5%	15.0x	15.2x	6.9%	14.0x	14.2x	7.4%	4.7%	72.5%
Median	15.9x	15.6x	6.7%	13.6x	14.7x	7.2%	12.9x	14.1x	7.5%	4.8%	69.2%

Footnotes:

(1) Calculated based upon analyst projections for the comparable REITs.

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Houlihan Lokey derived EV indications for Pan Pacific by applying selected LTM, next fiscal year (2006) and next fiscal year plus one (2007) NOI capitalization rates and EBITDA and FFO multiples to actual adjusted and estimated NOI, EBITDA, and FFO provided by Pan Pacific s management for the twelve months ended March 1, 2006 and the projected twelve month periods ended December 31, 2006 and December 31, 2007. Adjustments to the LTM financial results were made to reflect the acquisition of certain assets during that period. Based on the above, Houlihan Lokey determined that the market approach implied an EV of Pan Pacific s operations ranging from approximately $3,620.0 million to $3,840.0 million. On an MVE basis, the market approach yielded values ranging from $61.94 to $67.30 per share.

Under the dividend yield approach, Houlihan Lokey applied selected market yields to Pan Pacific s stated annual dividend paid to the holders of Pan Pacific common stock in Pan Pacific s 2005 fiscal year, and added the book value of Pan Pacific s existing debt less cash and cash equivalents to derive EV indications. Based on the aforementioned ranges of dividend yields exhibited by the comparable public companies, Houlihan Lokey applied dividend yields of 3.75% to 3.25% to Pan Pacific s fiscal year 2005 dividend per share of $2.36. On the basis of this approach, Pan Pacific s dividend yield implied an EV of Pan Pacific s operations ranging from approximately $3,660.0 million to $4,060.0 million. On an MVE basis, the dividend yield approach indicated values ranging from $62.93 to $72.62 per share.

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Comparable Transaction Approach: Houlihan Lokey reviewed the consideration paid in selected change of control acquisitions of REITs announced between January 1, 2004 and July 7, 2006 that had a transaction value in excess of one billion dollars and for which purchase price multiples were available and where the target company had an SIC of 6798, as shown in the following table:

($ in millions)

						Implied	Premium Prior to Announcemen		
unced	**Target**	**Asset Type**	**Acquirer**	**EV**	**EV/EBITDA**	**Cap Rate**	**1 Day**	**5 Day Avg.**	**30 Day A**
006	Trizec Canada, Inc.	Office	Brookfield Properties Corp.	$ 2,431.5	*NMF*	*NMF*	30.2%	36.6%	2
006	Trizec Properties, Inc.	Office	Brookfield Properties Corp.	6,648.0	18.2x	6.3%	17.9%	24.2%	1
006	CNL Retirement Properties, Inc.	Healthcare	Health Care Property Investors, Inc.	5,202.0	16.4x	6.1%	NA	NA	I
006	Shurgard Storage Centers, Inc.	Self Storage	Public Storage, Inc.	4,951.1	23.8x*	4.2%*	2.4%	1.6%	1
006	CarrAmerica Realty Corp.	Office	The Blackstone Group LP	4,694.0	15.8x	6.3%	8.9%	9.1%	2
2006	MeriStar Hospitality Corp.	Lodging	The Blackstone Group LP	2,493.0	14.0x	7.1%	5.2%	5.4%	1
/2005	Arden Realty, Inc.	Office	General Electric Real Estate	4,982.4	18.5x	5.4%	-3.7%*	-2.1%*	
/2005	Town & Country Trust	Apartment	Onex Corp.	1,226.9	18.1x	5.5%	32.7%	32.3%	3
2005	Centerpoint Properties	Industrial	CalEast	3,326.0	*NMF*	4.1%	9.6%	9.4%	1
2005	La Quinta	Lodging	The Blackstone Group LP	3,404.0	14.1x	8.3%	38.9%	33.1%	3
/2005	Amli Residential Ppty Trust	Apartment	Prime Property Fund	2,100.0	23.9x*	4.2%*	20.7%	22.7%	1
2005	Prentiss Properties Trust	Office	Brandywine Realty Trust	3,277.0	15.1x	6.6%	5.8%	6.5%	1
005	Capital Automotive REIT	Retail -Auto	DRA Advisors LLC	3,400.0	18.1x	5.5%	9.3%	9.9%	
2005	Wyndham International	Lodging	The Blackstone Group LP	3,240.0	15.4x	6.6%	18.6%	19.8%	2
2005	CRT Properties Inc.	Office	DRA Advisors LLC	1,699.7	17.3x	5.8%	15.4%	17.2%	1
005	Gables Residential Trust	Apartment	ING Clarion Partnership	2,800.0	24.8x*	4.0%*	14.1%	19.5%	1
005	Catellus Development Corp.	Industrial	ProLogis	4,749.0	15.0x	6.0%	25.7%	27.0%	5
005	Storage USA	Self Storage	Extra Space /Prudential Real Estate Investors	2,291.0	*NMF*	7.4%	NA	NA	I
2005	Provident Senior Living Trust	Healthcare	Ventas	1,197.0	*NMF*	7.0%	NA	NA	I
2005	CalPERS / First Washington	Retail	Regency Centers / Macquarie CountryWide	2,686.0	15.9x	6.3%	NA	NA	I
/2004	Kramont Realty Trust	Retail	Centro Watt America REIT III	1,200.0	15.6x	6.4%	17.0%	16.6%	1
/2004	Cornerstone Realty Income Tr	Apartment	Colonial Properties Trust	1,425.7	15.8x	6.3%	5.3%	8.9%	1
2004	Summit Properties Inc.	Apartment	Camden Property Trust	1,900.0	20.1x*	5.0%*	14.0%	19.8%	1
2004	Price Legacy Corp.	Retail	PL Retail LLC	1,200.0	14.7x	6.8%	0.7%	-0.2%*	
2004	Rouse Co.	Retail	General Growth Properties Inc.	12,600.0	18.9x	5.3%	33.4%	38.3%	4
2004	Chelsea Property Group Inc.	Retail	Simon Property Group Inc.	4,800.0	16.9x	5.9%	13.9%	19.9%	2
004	Keystone Property Trust	Industrial	Investor Group	1,500.0	18.9x	5.3%	17.0%	14.2%	
				$ 1,197.0	14.0x	4.1%	0.7%	1.6%	
				$ 12,600.0	18.9x	8.3%	38.9%	38.3%	5
an				$ 3,020.0	15.9x	6.3%	14.1%	18.3%	1
				$ 3,422.8	16.5x	6.2%	15.6%	17.8%	1

** Excluded from Range. Houlihan Lokey excluded certain EV/EBITDA multiples and implied cap rates that were outliers from the range when calculating low, high, median and mean values for the data set. In addition Houlihan Lokey excluded negative premiums when calculating low, high, median and mean premiums observed in comparable transactions.*

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Houlihan Lokey also reviewed the consideration paid in selected change of control acquisitions of retail REITs announced between January 1, 2004 and July 7, 2006 for which purchase price multiples were available and where the target company had an SIC of 6798, as shown in the following table:

Announced	Target	Asset Type	Acquirer	EV	EV/EBITDA	Implied Cap Rate	Premium Prior to Announcement 1 Day	5 Day Avg.	30 Day Avg.
2/14/2005	CalPERS / First Washington	Shopping Center	Regency Centers / Macquarie CountryWide	2,686.0	15.9x	6.3%	NA	NA	NA
12/19/2004	Kramont Realty Trust	Shopping Center	Centro Watt America REIT III	1,200.0	15.6x	6.4%	17.0%	16.6%	18.2%
8/24/2004	Price Legacy Corp.	Shopping Center	PL Retail LLC	1,200.0	14.7x	6.8%	0.7%	-0.2%*	2.3%
Low (1)				$ 1,200.0	14.7x	6.3%	0.7%	16.6%	2.3%
High (1)				$ 2,686.0	15.9x	6.8%	17.0%	16.6%	18.2%
Median (1)				$ 1,200.0	15.6x	6.4%	8.9%	16.6%	10.3%
Mean (1)				$ 1,695.3	15.4x	6.5%	8.9%	16.6%	10.3%
9/2/2005	Capital Automotive REIT	Automotive	DRA Advisors LLC	3,400.0	18.1x	5.5%	9.3%	9.9%	4.0%
8/20/2004	Rouse Co.	Mall	General Growth Properties Inc.	12,600.0	18.9x	5.3%	33.4%	38.3%	41.2%
6/21/2004	Chelsea Property Group Inc.	Mall	Simon Property Group Inc.	4,800.0	16.9x	5.9%	13.9%	19.9%	27.4%
Low (2)				$ 1,200.0	14.7x	5.3%	0.7%	9.9%	2.3%
High (2)				$ 12,600.0	18.9x	6.8%	33.4%	38.3%	41.2%
Median (2)				$ 3,043.0	16.4x	6.1%	13.9%	18.2%	18.2%
Mean (2)				$ 4,314.3	16.7x	6.0%	14.9%	21.2%	18.6%

* *Excluded from Range. Houlihan Lokey excluded negative premiums when calculating low, high, median and mean premiums observed in comparable transactions.*

(1) *Includes only Shopping Center transactions.*

(2) *Includes all Retail REIT transactions.*

Houlihan Lokey reviewed the foregoing comparable transactions to understand the range of multiples paid for the REITs that were subject to such transactions. Houlihan Lokey derived an indication of the range of Pan Pacific s EV by applying the EBITDA and NOI multiples indicated by the identified transactions to Pan Pacific s adjusted LTM EBITDA and NOI ended March 31, 2006. Based on the aforementioned ranges of multiples exhibited by the comparable transactions, Houlihan Lokey applied EBITDA multiples of 16.0x to 17.0x and NOI capitalization rates of 6.50% to 6.00% to Pan Pacific s LTM EBITDA of $234.2 million and LTM NOI of $238.7 million, respectively. Based on this comparable transaction analysis, Houlihan Lokey calculated EV indications to be in the range of $3,710.0 million to $3,980.0 million. On an MVE basis, this approach implied values ranging from $64.13 to $70.71 per share.

Net Asset Value Approach. Houlihan Lokey reviewed the underlying assumptions used by Pan Pacific s management to arrive at Pan Pacific s management s estimated net asset value range for each of Pan Pacific s properties. Specifically, Houlihan Lokey reviewed Pan Pacific s management s asset values and the implied capitalization based upon management s forecasted NOI for the next fiscal year (2006). Houlihan Lokey compared the capitalization rates implied for each asset to publicly available capitalization rate data for the regions in which Pan Pacific s assets are located. The capitalization rates implied by Pan Pacific s management s asset values were generally between 5.5% and 8%. Houlihan Lokey noted that the capitalization rates implied by Pan Pacific s management s asset values were generally within or below the relevant ranges of capitalization rates indicated by the publicly available data.

Houlihan Lokey also noted that Pan Pacific s management s range of estimated market value of Pan Pacific s properties indicated an EV (excluding any transaction costs associated with realizing net asset value and assuming all assets were sold immediately upon liquidation) ranging from $3,640.0 million to $3,940.0 million. On an MVE basis, this approach implied a value range of $62.42 to $69.74 per share. In addition, using Pan Pacific s management s range of estimated market values for Pan Pacific s properties, Houlihan Lokey calculated a value range based on net asset value less estimated transaction costs. In the event of a liquidation of Pan Pacific s properties, transaction costs could include certain interest costs, debt pre-payment penalties, certain taxes and professional fees and expenses. Houlihan Lokey noted that using a net asset value approach that takes into account estimated transaction costs indicated an MVE that ranged between $57.99 and $68.28 per share.

Comparison of Indicated Valuations to Merger Consideration. Houlihan Lokey also analyzed the per share merger consideration provided for in the merger. The per share merger consideration was assumed to be $70.00, which is to be paid in cash unless Kimco elects to include stock consideration, in which case the per share merger consideration would consist of cash consideration of at least $60.00 and a sufficient number of shares of Kimco common stock such that the cash consideration plus the value of the stock consideration would equal $70.00. The stock consideration would be valued using the average closing price for the ten trading days ending two trading days prior to the date of Pan Pacific s stockholder meeting to approve the merger (unless Kimco elects to delay the closing). In connection with its evaluation of the merger consideration, Houlihan Lokey considered the market and trading characteristics of Kimco s common stock, as set forth below.

Kimco Public Market Trading Analysis. Houlihan Lokey analyzed the historical market prices and trading volume of Kimco s publicly held common stock and reviewed analyst reports, news articles and press releases relating to Kimco. Houlihan Lokey noted that Kimco s common stock traded on the New York Stock Exchange at a price ranging between $27.81 and $42.00 per share during the 52-week period ending on July 7, 2006, and that it closed at a price of $36.87 on July 7, 2006. Houlihan Lokey also noted that Kimco s stock benefits from institutional and retail ownership, strong analyst following and trading characteristics that are similar to trading in the stock of its peer companies. It found no evidence suggesting that the price of Kimco common stock indicated by the public market failed to reflect the fair market value of Kimco. Houlihan Lokey, however, noted that, during the period from June 28, 2006 to July 7, 2006, there were press reports and message board speculation regarding potential acquisitions by Kimco.

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Implied Multiple and Premium Approaches. Houlihan Lokey compared the NOI capitalization rates and EBITDA multiples implied by the merger to the NOI capitalization rates and EBITDA multiples observed in selected change of control transactions of publicly-traded retail REITs that Houlihan Lokey considered comparable to Pan Pacific and the merger. These NOI capitalization rates and EBITDA multiples were determined based upon data drawn from public filings of the companies involved.

On the basis of the closing share price of Pan Pacific common stock on July 7, 2006, Houlihan Lokey concluded that the merger consideration represents an implied capitalization rate of LTM NOI and of next fiscal year (2006) NOI of 6.0% and an implied capitalization rate of net fiscal year plus one (2007) NOI of 6.2% as compared with the comparable public companies, which indicated a median LTM NOI capitalization rate of 6.7%, a median next fiscal year (2006) NOI capitalization rate of 7.2%, and a median next fiscal year plus one (2007) NOI capitalization rate of 7.5%. Houlihan Lokey also compared the 6.0% to 6.2% implied capitalization rates to comparable retail REIT transactions involving shopping centers, which exhibited a median NOI capitalization rate of 6.4%, and to all retail REIT transactions, which exhibited a median NOI capitalization rate of 6.1%. Similarly, Houlihan Lokey concluded that the merger consideration represents an implied multiple of LTM EBITDA of 16.9x, an implied multiple of next fiscal year (2006) EBITDA of 17.1x and an implied multiple of net fiscal year plus one (2007) EBITDA of 16.6x, as compared with comparable public companies, which indicated a median LTM EBITDA multiple of 15.6x, a median next fiscal year (2006) EBITDA multiple of 14.7x and a median next fiscal year plus one (2007) EBITDA multiples of 14.1x. Houlihan Lokey also compared the implied 16.6 to 17.1x EBITDA multiples to comparable retail REIT transactions involving shopping centers, which exhibited a median EBITDA multiple of 15.6x, and to all retail REIT transactions, which exhibited a median EBITDA multiple of 16.4x.

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Houlihan Lokey also reviewed certain publicly available information related to selected transactions announced between January 1, 2004 and July 7, 2006 to calculate the premiums implied by the consideration paid by acquirers in the selected transactions. As summarized in the following table, Houlihan Lokey compared the premiums paid in these selected transactions to the premiums implied in the merger based on the closing share price of Pan Pacific s common stock on July 7, 2006, the trading day immediately preceding public announcement of the merger, and June 23, 2006, the Friday of the week prior to significant movement in the price of Pan Pacific s common stock and published market speculation about a potential sale of Pan Pacific. Houlihan Lokey also calculated the average closing share price for Pan Pacific s common stock for the 5 day and 30-day periods prior to and including both July 7, 2006 and June 23, 2006. For comparison purposes, the table also shows the closing price for the 1 day and the average closing price for the 5-day and 30-day periods prior to announcement of the comparable public company acquisition transactions:

Offer Price	$ 70.00	$ 70.00	$ 70.00
	Spot	**5 Day Avg.**	**30 Day Avg.**
Current Trading Price: July 7, 2006	$ 70.00	$ 70.05	$ 67.30
Implied Premiums	*0.0%*	*-0.1%*	*4.0%*
Market Speculation: June 23, 2006	$ 65.17	$ 65.88	$ 66.33
Implied Premiums	*7.4%*	*6.3%*	*5.5%*

Transaction Premiums (2004-Current)

	Premium Prior to Announcement		
	1 Day	**5 Day Avg.**	**30 Day Avg.**
Retail REIT Transactions			
Low	0.7%	9.9%	2.3%
High	33.4%	38.3%	41.2%
Median	13.9%	18.2%	18.2%
Mean	14.9%	21.2%	18.6%
REIT Transactions > $1 Billion			
Low	0.7%	1.6%	0.6%
High	38.9%	38.3%	58.6%
Median	14.1%	18.3%	17.2%
Mean	15.6%	17.8%	18.8%

Assumptions

For purposes of its opinion, Houlihan Lokey did not undertake any inquiry as to, or take into consideration, the possible tax consequences of the merger (including whether the public shareholders of Pan Pacific will recognize taxable income as a result of participating in the merger). Such tax consequences could be material and could affect the analysis underlying the conclusions reached in the Houlihan Lokey opinion.

Houlihan Lokey s opinion was based on the financial, economic, market and other conditions, as in effect on, and the information made available to it as of, July 9, 2006. Houlihan Lokey did not undertake, and is under no obligation, to update, revise, reaffirm or withdraw its opinion, or otherwise comment on or consider events occurring after the date of its opinion. In rendering its opinion, Houlihan Lokey relied upon and assumed, without independent verification, the accuracy and completeness of all data, material and other information furnished, or otherwise made available, to it, discussed with or reviewed by it, or publicly available, and does not assume any responsibility with respect to such data, material and other information. In addition, Houlihan Lokey relied upon and assumed, without independent verification, that the financial forecasts and projections have been reasonably prepared on bases reflecting the best currently available estimates and judgments of the future financial results and condition of Pan Pacific, and Houlihan Lokey expressed no opinion with respect to such forecasts and projections or the assumptions on which they are based. In addition, Houlihan Lokey relied upon and assumed, without independent verification, that publicly available financial forecasts and projects for Pan Pacific and Kimco represented reasonable estimates and judgments of the future financial results and condition of Pan Pacific and Kimco, and Houlihan Lokey expressed no opinion with respect to such forecasts and projections or the assumptions on which they are based. Houlihan Lokey relied upon and assumed, without independent verification, that there was no material change in the assets, liabilities, financial condition, results of operations, business or prospects of Pan Pacific or Kimco since the date of the most recent financial statements provided to it, and that there was no information or facts that would make the information reviewed by it incomplete or misleading. Houlihan Lokey did not consider any aspect or implication of any transaction to which Pan Pacific or Kimco is a party (other than the merger). In addition, Houlihan Lokey assumed, based on the advice of Pan Pacific management, that the value of each OP Unit was identical to the value of one share of our common stock and that holders of OP Units had as of the date of the written opinion, and will continue to have through the effective time of the merger, the right to freely exchange their OP Units for shares of Pan Pacific common stock on a one-to-one basis. Houlihan Lokey also assumed that the Kimco shares to be issued to holders of Pan Pacific common stock and OP Units in the merger will be listed on the New York Stock Exchange. Houlihan Lokey was not requested to make, and did not make, any physical inspection or independent appraisal or evaluation of any of the assets, properties or liabilities (contingent or otherwise) of Pan Pacific, Kimco or any other party, nor was it provided with any such appraisal or evaluation. Houlihan Lokey expressed no opinion regarding the liquidation value of any entity. Houlihan Lokey undertook no independent analysis of any potential or actual litigation, regulatory action, possible unasserted claims or other contingent liabilities, to which Pan Pacific, Kimco or any other party is or may be a party or is or may be subject, or of any governmental investigation of any possible unasserted claims or other contingent liabilities to which Pan Pacific, Kimco or any other party is or may be a party or is or may be subject.

Houlihan Lokey also relied upon and assumed, without independent verification, that:

(a) the representations and warranties of all parties to the merger agreement and any other related documents and instruments that are referred to therein were true and correct,

(b) each party to all such agreements will fully and timely perform all of the covenants and agreements required to be performed by such party,

(c) all conditions to the consummation of the merger will be satisfied without waiver thereof,

(d) the merger will be consummated in a timely manner in accordance with the terms described in the agreements provided to Houlihan Lokey, without any amendments or modifications thereto or any adjustment to the aggregate consideration (through offset, reduction, indemnity claims, post-closing purchase price adjustments or otherwise),

(e) all governmental, regulatory, and other consents and approvals necessary for the consummation of the merger will be obtained and that no delay, limitations, restrictions or conditions will be imposed that would result in the disposition of any material portion of the assets of Pan Pacific, CT Operating Partnership, L.P., Western/Pincreek, L.P. or Kimco, or otherwise have an adverse effect on Pan Pacific, CT Operating Partnership, L.P., Western/Pincreek, L.P. or Kimco or any expected benefits of the merger, and

(f) that the final forms of the documents identified in the written opinion will not differ in any material respect from such draft documents.

The summary set forth above describes the material points of more detailed analyses performed by Houlihan Lokey in arriving at its opinion. The preparation of a fairness opinion is a complex analytical process involving various determinations as to the most appropriate and relevant methods of financial analysis and application of those methods to the particular circumstances and is therefore not readily susceptible to summary description. In arriving at its opinion, Houlihan Lokey made qualitative judgments as to the significance and relevance of each

analysis and factor. Accordingly, Houlihan Lokey believes that its analyses and summary set forth herein must be considered as a whole and that selecting portions of its analyses, without considering all analyses and factors, or portions of this summary, could create an incomplete and/or inaccurate view of the processes underlying the analyses set forth in Houlihan Lokey s opinion. In its analysis, Houlihan Lokey made numerous assumptions with respect to Pan Pacific, the merger, industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of the respective entities. The estimates contained in such analyses are not necessarily indicative of actual values or predictive of future results or values, which may be more or less favorable than suggested by such analyses. Additionally, analyses relating to the value of the businesses or securities of Pan Pacific or Kimco are not appraisals. Accordingly, such analyses and estimates are inherently subject to substantial uncertainty.

Accounting Treatment for the Merger

The merger will be accounted for using the purchase method of accounting, with Kimco treated as the acquiror. Under this method of accounting, Pan Pacific s assets and liabilities will be recorded by Kimco at their respective fair values as of the closing date of the merger and added to those of Kimco. Financial statements of Kimco issued after the merger will reflect these values, but will not be restated retroactively to reflect the historical financial position or results of operations of Pan Pacific prior to the merger. The results of operations of Pan Pacific will be included in the results of operations of Kimco beginning on the effective date of the merger.

Regulatory Matters

Neither Kimco nor Pan Pacific is aware of any material federal or state regulatory approvals which must be obtained in connection with the merger.

Delisting and Deregistration of Pan Pacific Common Stock; Listing of Kimco Common Stock Issued in Connection with the Merger

Pan Pacific common stock currently is listed on the New York Stock Exchange under the symbol PNP. Upon completion of the merger, Pan Pacific common stock will be delisted from the New York Stock Exchange and deregistered under the Securities Exchange Act of 1934. Application will be made for the listing of the shares of Kimco common stock to be issued in the merger on the New York Stock Exchange under the symbol KIM. The approval for listing of such shares on the New York Stock Exchange is not a condition to the completion of the merger but is only a condition to closing if Kimco elects to deliver shares of its common stock as part of the merger consideration. See The Merger Agreement Conditions to Obligations to Complete the Merger. Following the merger, holders of Pan Pacific common stock will be instructed to exchange their outstanding stock certificates for cash and, if Kimco makes a stock election, stock certificates representing shares of Kimco common stock. See The Merger Agreement Exchange of Stock Certificates.

Appraisal or Dissenters Rights

Neither Kimco nor Pan Pacific stockholders are entitled to any appraisal or dissenters rights under Maryland law as a result of the merger.

Litigation Related to the Merger

On July 11, 2006, a lawsuit was filed by Doris Staehr and all others similarly situated against Pan Pacific and all members of Pan Pacific s board of directors (Stuart A. Tanz, David P. Zimel, Joseph P. Colmery, Bernard M. Feldman and Mark J. Riedy) in the Superior Court for San Diego County, California. In addition, on July 12, 2006, a lawsuit was filed by Michael Nick against Pan Pacific in the Superior Court for San Diego County, California. Both suits are denominated as class action purportedly on behalf of a class of Pan Pacific stockholders. The complaints are substantially similar, and both allege, among other things, that the members of

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Pan Pacific s board breached their fiduciary duties owed to the purported class by entering into a merger agreement that favors the interests of certain members of the board but is detrimental to Pan Pacific s public stockholders. The plaintiffs further allege that the defendants breached their fiduciary duties to the purported class by tailoring the deal to meet the specific needs of Kimco rather than maximizing value to Pan Pacific stockholders. The plaintiffs seek relief:

- ordering the action to be maintained as a class action and certifying plaintiffs as the class representatives;
- declaring that the merger agreement was entered into by the defendants in breach of their fiduciary duties and is unlawful and unenforceable;
- enjoining the completion of the merger unless and until Pan Pacific implements a procedure to obtain the highest price for the company;
- directing the defendants to exercise their fiduciary duties to obtain a transaction that is in the best interest of the stockholders;
- rescinding the merger to the extent it has already been implemented;
- setting up a constructive trust in favor of the plaintiffs upon any benefits received by defendants as a result of their wrongful conduct;
- awarding plaintiff the costs of the action, including reasonable attorneys and experts fees; and
- granting such other and further relief as the Court may deem just and proper.

On August 23, 2006, the parties reached an agreement in principle to settle the Staehr and Nick lawsuits. The proposed settlement is subject to court approval following notice to the classes and a hearing.

In addition, on August 6, 2006, shareholders of the Company filed a purported class action against the Company, its directors and Kimco in the Circuit Court for Baltimore County, Maryland on behalf of all holders of stock in the Company. The complaint alleges that defendants have breached their fiduciary duties to Company shareholders and, in the case of Kimco, conspired in and aided and abetted such breaches, in causing the Company to be sold to Kimco for an inadequate consideration. The plaintiffs seek relief:

- ordering the action to be maintained as a class action and certifying plaintiffs as the class representatives;
- declaring that the Company, its directors and Kimco Realty Corp. breached their fiduciary duties, conspired in such breaches and aided and abetted in such breaches;
- enjoining the completion of the merger and, if the merger is already completed, rescinding it;
- awarding plaintiff compensatory and/or recissory damages;

granting such other relief as the Court may deem just and proper.

While these cases are in their early stages, Pan Pacific believes that the cases are without merit and intends to contest each of them vigorously.

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INTERESTS OF DIRECTORS AND EXECUTIVE OFFICERS OF

PAN PACIFIC IN THE MERGER

In considering the recommendation of the Pan Pacific board to approve the merger, Pan Pacific stockholders should be aware that certain of Pan Pacific s directors and executive officers have certain interests in the merger that are different from or in addition to, and, therefore, may conflict with, the interests of Pan Pacific stockholders generally. When members of Pan Pacific s board approved the merger and the merger agreement and recommended the approval of the merger to Pan Pacific stockholders, the members of Pan Pacific s board knew about and considered these additional interests. Certain of these interests are set forth below.

At the close of business on the record date, the directors and officers of Pan Pacific owned and were entitled to vote 686,425 shares of Pan Pacific common stock, collectively, which represented approximately 1.7% of the outstanding shares of Pan Pacific common stock.

Employment Agreements; Acceleration of Stock Awards

Each of Stuart A. Tanz, Joseph B. Tyson and Jeffrey S. Stauffer is party to an employment agreement with Pan Pacific. Each employment agreement provides for the payment of a cash severance benefit and for the acceleration of vesting with respect to options and restricted stock granted to the executive officer, if the executive officer s employment is terminated other than for good cause, or if, pursuant to his employment agreement, he voluntarily terminates his employment upon the occurrence of a change of control, which includes a merger of any corporation with or into Pan Pacific, which merger has been approved by Pan Pacific stockholders. The cash severance benefit that would be payable under such circumstances would equal, for Mr. Tanz, three times base salary plus the average of his two most recent annual bonuses, and for Messrs. Tyson and Stauffer, two times base salary plus the average of the officer s two most recent annual bonuses. In addition, each individual will be entitled to continued health benefits for three years (four years in the case of Mr. Tanz) following a termination entitling the officer to severance under the employment agreement, and the non-competition covenant in the individual s employment agreement will not apply following such a termination. The employment agreement also provides that the executive officer will be entitled to an additional tax gross up payment, if the executive officer s compensation and benefits would be subject to the excise tax on excess parachute payments under Section 4999 of the Internal Revenue Code. None of the executive officers is expected to receive tax gross up payments in connection with the proposed merger.

In addition, in connection with the merger, all outstanding options to purchase Pan Pacific common stock will be canceled and converted into the right to receive a cash amount equal to the product of the excess of $70 over the per share exercise price of the option and the number of shares of Pan Pacific common stock underlying the unexercised portion of the option. None of Pan Pacific s executive officers or directors holds outstanding stock options other than director Mark J. Riedy. Mr. Riedy holds 2,000 fully vested options which were issued in April 2002 at a strike price of $30.42. Also, in connection with the merger, the vesting of all outstanding restricted shares of Pan Pacific common stock will be fully accelerated.

The amount of cash severance benefits to be received by certain of Pan Pacific s directors and executive officers upon a qualifying termination, as well as the number of unvested restricted shares held by each such individual as of the date hereof, is set forth below:

	Cash Severance Amount			Number of Restricted Shares
Name of Individual	***Salary***	***Bonus***	***Total***	
Stuart A. Tanz	$ 2,400,000	$ 1,800,000	$ 4,200,000	88,858
Joseph B. Tyson	$ 830,000	$ 600,000	$ 1,430,000	42,263
Jeffrey S. Stauffer	$ 756,000	$ 600,000	$ 1,356,000	32,166

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Indemnification

Pursuant to the terms of the merger agreement, Kimco has agreed to provide the officers and directors of Pan Pacific and its subsidiaries with rights to indemnification and exculpation with respect to matters occurring at or prior to the merger, including, without limitation, all transactions contemplated by the merger agreement, which are the same as the rights to indemnification and exculpation under their respective charter documents or bylaws as in effect immediately before the merger. The merger agreement also obligates Kimco to provide additional indemnification to the officers, directors and employees of Pan Pacific and its subsidiaries. For a period of six years following the merger, Kimco will maintain in effect a directors and officers liability insurance policy covering the persons currently covered by Pan Pacific s directors and officers liability insurance policy, including Pan Pacific s current directors and officers. The new directors and officers liability insurance policy will have coverage in amount and scope at least as favorable as Pan Pacific s existing coverage, provided that Pan Pacific will not be required to spend more than 200% of the aggregate of Pan Pacific s current premiums to obtain such coverage. If the premium for a policy having comparable coverage exceeds this amount, then Kimco will be only obligated to maintain in place a policy which provides the maximum coverage that is reasonably available at such amount. Kimco has further agreed to indemnify and hold harmless, to the fullest extent permitted by applicable law, each person presently covered by the directors and officers liability insurance policy of Pan Pacific against any costs, damages or expenses or amounts paid in settlement that are incurred in connection with any civil, criminal, administrative or investigative action that arises out of or pertains to matters existing or occurring at or prior to the merger.

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THE MERGER AGREEMENT

The following is a brief summary of the material provisions of the merger agreement, a copy of which is attached as Annex A and is incorporated by reference in this proxy statement/prospectus. This summary is qualified in its entirety by reference to the merger agreement. We urge all stockholders of Pan Pacific to read the merger agreement in its entirety.

The merger agreement contains representations and warranties that the parties have made to each other as of specific dates. The assertions embodied in those representations and warranties were made solely for purposes of the contract between the parties, and may be subject to important qualifications and limitations agreed to by the parties in connection with negotiating its terms. Moreover, the representations and warranties are subject to a contractual standard of materiality that may be different from what may be viewed as material to stockholders, and the representations and warranties may have been used for the purpose of allocating risk between the parties rather than establishing matters as facts. For the foregoing reasons, you should not rely on the representations and warranties as statements of factual information.

The Merger