SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549
Form 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarter Ended: September 30, 2003
Commission File No. 0-14510

CEDAR SHOPPING CENTERS, INC.

(Exact name of registrant as specified in its charter)

Maryland	42-1241468
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

44 South Bayles Avenue, Port Washington, New York	11050
(Address of principal executive offices)	(Zip Code)

(516) 767-6492

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X   No ___

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Yes ___   No X

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at November 12, 2003
Common Shares	14,431,166

Cedar Shopping Centers, Inc.

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Part I. Financial Information
Item1. Financial Statements

Cedar Shopping Centers, Inc.
Consolidated Balance Sheets

<TABLE>
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	September 30, 2003 (unaudited)	December 31, 2002
<S>	<C>	<C>
Assets		
Real estate		
Land	$ 36,896,000	$ 24,741,000
Buildings and improvements	148,527,000	98,893,000
	185,423,000	123,634,000
Less accumulated depreciation	(4,829,000)	(2,396,000)
Real estate, net	180,594,000	121,238,000
Cash and cash equivalents	2,740,000	3,827,000
Cash at joint ventures and restricted cash	2,784,000	2,883,000
Property deposits and advance closing costs	3,593,000	344,000
Real estate tax deposits	891,000	627,000
Rents and other receivables, net	211,000	304,000
Prepaid expenses, net	1,499,000	496,000
Straight line rent receivable	947,000	432,000
Deferred charges, net	5,448,000	2,987,000
Total Assets	$ 198,707,000	$ 133,138,000
Liabilities and Shareholders' Equity		
Liabilities		
Mortgage loans payable	$ 139,411,000	$ 93,537,000
Loans payable	13,555,000	7,464,000
Accounts payable and accrued expenses	2,844,000	1,767,000
Security deposits	483,000	335,000
Deferred liabilities	9,399,000	5,195,000
Advance tenant payments	982,000	468,000
Total Liabilities	166,674,000	108,766,000
Minority Interests	19,633,000	10,238,000
Limited partner's interest in consolidated Operating Partnership	6,650,000	7,889,000
Series A preferred 9% convertible, redeemable Operating Partnership units	3,000,000	3,000,000
	9,650,000	10,889,000
Shareholders' Equity		
Common stock ($0.06 par value, 50,000,000 shares authorized, 238,000 and 232,000 shares issued and outstanding, respectively)	14,000	14,000
Accumulated other comprehensive loss	(227,000)	(65,000)
Additional paid-in-capital	2,963,000	3,296,000
Total Shareholders' Equity	2,750,000	3,245,000
Total Liabilities and Shareholders' Equity	$ 198,707,000	$ 133,138,000
Total Shareholders' Equity in the Company, limited partner's (equity) interest in Operating Partnership, and minority interests	$ 32,033,000	$ 24,372,000

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See the accompanying notes to the consolidated financial statements.

Cedar Shopping Centers, Inc.
Consolidated Statements of Shreholders' Equity

(unaudited)

<TABLE>
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	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Total Shareholders' Equity
	Shares	$0.06 par value			
<S>	<C>	<C>	<C>	<C>	<C>
Balance at December 31, 2002	232,000	$ 14,000	$ 3,296,000	$ (65,000)	$ 3,245,000
Unrealized loss on change of fair value of interest rate hedge	-	-	-	(162,000)	(162,000)
Issuance of warrants	-	-	39,000	-	39,000
Issuance of stock	6,000	-	95,000	-	95,000
Conversion of OP units to stock	46,000	3,000	500,000	-	503,000
Conversion of stock to OP units	(46,000)	(3,000)	(500,000)	-	(503,000)
Net loss	-	-	(467,000)	-	(467,000)
Balance at September 30, 2003	238,000	$ 14,000	$ 2,963,000	$ (227,000)	$ 2,750,000

</TABLE>

See the accompanying notes to the consolidated financial statements.

Cedar Shopping Centers, Inc.
Consolidated Statements of Operations
(unaudited)

<TABLE>
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	Three Months Ended September 30,		Nine Months Ended September 30,	
	2003	2002	2003	2002
<S>	<C>	<C>	<C>	<C>
REVENUE				
Rents	$5,199,000	$2,820,000	$14,122,000	$6,675,000
Expense Recoveries	1,452,000	786,000	3,912,000	2,087,000
Interest and Other	20,000	8,000	60,000	19,000
Total Revenue	6,671,000	3,614,000	18,094,000	8,781,000
EXPENSES				
Operating, Maintenance and Management	1,594,000	790,000	4,784,000	2,021,000
Real Estate Taxes	662,000	446,000	1,895,000	1,039,000
General and Administrative	355,000	192,000	1,542,000	720,000
Depreciation and Amortization	1,150,000	607,000	2,917,000	1,720,000
Interest	3,243,000	1,593,000	7,533,000	4,049,000
Debt Repayment Fee	-	-	-	269,000
Total Expenses	7,004,000	3,628,000	18,671,000	9,818,000
Loss before the following:	(333,000)	(14,000)	(577,000)	(1,037,000)
Minority interests	(367,000)	(142,000)	(790,000)	(21,000)
Limited partner's interest	490,000	96,000	939,000	787,000
Distribution to preferred shareholders (net of limited partner's share of $43,000 and $91,000)	(18,000)	-	(39,000)	-
Loss on sale of Southpoint Parkway	-	-	-	(49,000)

Net loss	($228,000)	($60,000)	($467,000)	($320,000)
Net loss per share	($0.96)	($0.26)	($1.78)	($1.39)
Weighted average number of shares outstanding	238,000	231,000	263,000	231,000

</TABLE>

See the accompanying notes to the consolidated financial statements.

Cedar Shopping Centers, Inc.
Consolidated Statements of Cash Flows
(unaudited)

<TABLE>
<CAPTION>

<S>	Nine Months Ended September 30, 2003 <C>	September 30, 2002 <C>
Cash Flow From Operating Activities		
Net loss	$ (467,000)	$ (320,000)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Minority interests	790,000	21,000
Limited partner's interest in Operating Partnership	(939,000)	(787,000)
Loss on sale of Southpoint Parkway	-	49,000
Distributions to partners	(1,145,000)	(737,000)
Depreciation and amortization	2,917,000	1,720,000
Straight line rent	(515,000)	(248,000)
Amortization of intangible lease liabilities	(590,000)	-
Changes in operating assets and liabilities:		
Decrease (increase) in rent and other receivables	93,000	(344,000)
Increase in prepaid expenses	(1,003,000)	(867,000)
(Increase) decrease in taxes held in escrow	(264,000)	60,000
Increase in accounts payable and accrued expenses	1,077,000	812,000
Increase in security deposits	148,000	43,000
Increase in advance tenant payments	514,000	193,000
Net cash provided by (used in) operating activities	616,000	(405,000)
Cash Flow From Investing Activities		
Expenditures for real estate and improvements	(57,468,000)	(9,663,000)
Increase in property deposits and advance closing costs	(3,249,000)	(684,000)
Decrease in cash at joint ventures and restricted cash	99,000	98,000
Sale of Southpoint Parkway	-	4,353,000
Net cash used in investing activities	(60,618,000)	(5,896,000)
Cash Flow From Financing Activities		
Proceeds from mortgage financing	46,927,000	20,000,000
Repayment of mortgage financing	-	(17,900,000)
Contributions from minority interest partners	9,661,000	8,030,000
Proceeds from line of credit and other borrowings	11,041,000	500,000
Repayment of line of credit and other loans payable	(4,950,000)	(5,093,000)
Principal portion of scheduled mortgage payments	(1,053,000)	(253,000)
Deferred financing, legal and other costs, net	(2,711,000)	(221,000)
Net cash provided by financing activities	58,915,000	5,063,000
Net decrease in cash and cash equivalents	(1,087,000)	(1,238,000)
Cash and cash equivalents at beginning of the period	3,827,000	2,872,000
Cash and cash equivalents at end of period	$ 2,740,000	$ 1,634,000
Supplemental Disclosure of Cash Activities		
Interest paid	$ 6,119,000	$ 3,529,000

</TABLE>

See the accompanying notes to the consolidated financial statements.

Cedar Shopping Centers, Inc.
Notes to Consolidated Financial Statements
September 30, 2003
(unaudited)

Note 1. Organization

Cedar Shopping Centers, Inc. (the "Company"), formerly Cedar Income Fund, Ltd., was organized in 1984 and qualified to operate as a real estate investment trust ("REIT"). The Company focuses on the ownership, operation and redevelopment of community and neighborhood shopping centers located primarily in Pennsylvania. As of September 30, 2003, the Company owned 15 properties, aggregating approximately 2.5 million square feet of gross leasable area ("GLA").

Name Change

During the second quarter of 2003, the Company changed its name from Cedar Income Fund, Ltd. to Cedar Shopping Centers, Inc. At the same time, the name of the operating partnership, of which the Company is the sole general partner, was changed from Cedar Income Fund Partnership, L.P. to Cedar Shopping Centers Partnership, L.P. (the "Operating Partnership"). The Board of Directors (the "Board") and management determined that the new name more accurately reflects the nature of the current operations and activities of the Company and of the Operating Partnership.

Stock Split and Reverse Stock Split

On June 25, 2003, the Company announced a 2-for-1 split of the Company's common shares. The split was effected to maintain the minimum "float" requirement for purposes of the Company's listing on the NASDAQ small cap market. The Company paid a stock dividend of one new share for each share of common stock outstanding, payable July 14, 2003 to shareholders of record on July 7, 2003. On October 20, 2003 the Company effectuated a 1-for-6 "reverse" stock split in connection with a public Offering of its common shares. The reverse stock split was intended to facilitate efficient trading of the Company's stock which was listed on the New York Stock Exchange (see Note 2 below). The accompanying financial statements have been adjusted to give retroactive effect to the stock dividend and the reverse stock split.

Stock Based Compensation

In December 2002, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 148, "Accounting for Stock-Based Compensation-Transition and Disclosure" ("SFAS 148"). SFAS 148 amends SFAS No. 123, "Accounting for Stock-Based Compensation" ("SFAS 123"), to provide alternative methods of transition for an entity that voluntarily adopts the fair value recognition method of recording stock option expense. SFAS 148 also amends the disclosure provisions of SFAS 123 and Accounting Principles Board ("APB") Opinion No. 28, "Interim Financial Reporting", to require disclosure in the summary of significant accounting policies of the effects of an entity's accounting policy with respect to stock options on reported net income and earnings per share in annual and interim financial statements.

Note 1. Organization (continued)

Stock Based Compensation (continued)

The following table sets forth, on a pro forma basis, the net loss and net loss per share as if the fair value method of accounting defined in SFAS 123 had been applied:

Pro Forma Basic Net Loss Per Share
<TABLE>
<CAPTION>

	Nine Months Ended	
	September 30, 2003	September 30, 2002
<S>	<C>	<C>
Net loss as reported	$ 467,000	$ 320,000
Adjustment to amortize the value of options granted	12,000	12,000
Pro forma net loss	$ 479,000	$ 332,000

	=========	=========
Weighted average number of shares outstanding	238,000	232,000
	=========	=========
Pro forma basic net loss per share	$ (2.01)	$ (1.43)
	=========	=========

</TABLE>

Note 2. Offering, New York Stock Exchange listing, and related transactions

During October 2003, the Company completed an Offering (the "Offering") of 13,500,000 shares of its common stock at a price of $11.50 per share pursuant to a registration statement filed with the Securities and Exchange Commission and received approximately $145,000,000 after underwriting fees and Offering costs. The Company's shares were listed on the New York Stock Exchange on October 24, 2003, and commenced trading on that date. The listing of the Company's stock on the NASDAQ was simultaneously terminated. In addition to the transactions described in Note 12, the following transactions are expected to be completed during the fourth quarter of 2003 as a result of the completion of the Offering. On November 11, 2003, the underwriter exercised its over-allotment option to purchase an additional 2,025,000 shares at $11.50 per share less the underwriters' discount.

Transactions with CBRA, SKR and Brentway, the Company's Advisors

Prior to the equity Offering, the Company was an externally advised REIT, and in this connection Cedar Bay Realty Advisors, Inc. ("CBRA"), SKR Management Corp. ("SKR") and Brentway Management LLC ("Brentway") provided advisory, management and legal services to the Company. Immediately prior to the Offering, CBRA and SKR merged into the Company and Brentway merged into the Operating Partnership. Each of the Company's executive officers was also a principal or officer of the Company's advisors and each became an employee of the Company upon consummation of the Offering. An independent committee of the Board, consisting of disinterested directors, retained a financial advisor who advised them as to the fairness of the consideration to be paid in connection with the merger of the Company's advisors from a financial perspective. The merger was submitted to and approved by the Company's

Note 2. Offering, New York Stock Exchange listing, and related transactions (continued)

Transactions with CBRA, SKR and Brentway, the Company's Advisors (continued)

stockholders at the annual meeting of stockholders held on October 9, 2003. With more than 70% of the Company's outstanding shares voting, approximately 93% of the shares were voted in favor of the merger. The total consideration for CBRA, SKR and Brentway in connection with the mergers was 1,040,000 shares of common stock and units of the Operating Partnership which will be distributed to the owners, who are also executive officers of the Company; and to other executive officers and employees of the Company. Each share of common stock and each Operating Partnership unit issued pursuant to the merger is valued at $11.50 per share/unit, the Offering price for the shares.

Transactions with Cedar Bay Company

In addition to the acquisition of certain shopping center transactions more fully described in Note 12, Cedar Bay Company ("CBC"), which as of September 30, 2003 owned approximately 78% of the Company's common stock and units on a fully-diluted basis, received $9.0 million of the proceeds from the Offering in connection with the repurchase of all of the units of the Operating Partnership owned by CBC, representing a price of $15.87 per unit. The aforementioned independent committee of the Board retained the same financial advisor who advised them as to the fairness of the consideration to be paid to CBC for the repurchase of the units. After the Offering, CBC owned less than 1% of the then-outstanding common stock.

Affiliates of CBC currently own a 50% interest in The Point Shopping Center. The Company will use $2.4 million of the proceeds from the Offering to purchase this 50% interest. The purchase price for this interest was arrived at through negotiation with CBC.

Affiliates of CBC currently own Golden Triangle Shopping Center. The Company will use $1.5 million, plus closing costs, of the proceeds from the Offering to purchase this property and will assume the then-remaining balance, estimated at $9.9 million, of the existing first mortgage.

In connection with the Company's lease agreement to obtain operating control of South Philadelphia Shopping Plaza, in August 2003, an affiliate of

CBC loaned the Company $750,000 to make a portion of the deposit in connection with the proposed transaction. The loan matured in October 2003 and bore interest at a rate of 15%. A portion of the proceeds of the Offering was used to repay this loan.

In connection with the acquisition of the Red Lion partnership interest from an affiliate of CBC, the Company agreed to pay $888,000 in three equal annual installments of $296,000 plus interest at 7.5%. The owner of the affiliate agreed to extend the payment of the installment of $296,000 due in May 2003 until October 30, 2003. This loan was paid in full with the proceeds from the Offering.

Note 2. Offering, New York Stock Exchange listing, and related transactions (continued)

Transactions with Homburg Invest

On December 18, 2002, the Company entered into a subscription agreement with Homburg Invest (USA) Inc. ("Homburg Invest") pursuant to which the Company issued in a private placement to Homburg Invest, 3,300 preferred units at a purchase price of $909.09 per preferred unit, for an aggregate purchase price of $3.0 million. The Company had a redemption option for these preferred units at $1,200 per unit. The Company used $3.96 million of the proceeds from the Offering to redeem the preferred units owned by Homburg Invest in accordance with the terms relating to such units.

Homburg Invest supplied substantially all the equity (through the purchase of joint venture interests) in connection with the Company's acquisition of Pine Grove Shopping Center, Swede Square Shopping Center and Wal-Mart Shopping Center. Homburg Invest received a 10% origination fee for providing the equity in each acquisition. Under the partnership agreement for each property, Homburg Invest was to receive a 12% preferential return on its investment. The Company had the option to buy the Homburg Invest limited partnership interest in the Wal-Mart Shopping Center for 120% of Homburg Invest's original investment plus the 12% preferential return. In the case of Pine Grove and Swede Square, the Company had the option to purchase the Homburg Invest limited partnership interests provided that Homburg Invest received a 15% annualized rate of return from the date each center was acquired. The Company exercised these options and used the proceeds from the Offering to purchase the Homburg Invest limited partnership interests.

In connection with the Company's lease agreement to obtain operating control of South Philadelphia Shopping Plaza, in August 2003, Homburg Invest loaned the Company $1.1 million to make a portion of the deposit in connection with the proposed transaction. Proceeds from the Offering were used to repay this loan.

Line of Credit

The Company obtained a commitment for a three-year $75 million secured revolving credit facility from Fleet Bank. Under the terms of this commitment, the Company expects to have available a $40 million bridge loan, with the remaining $35 million to be available upon syndication of the facility prior to December 31, 2003 subject to the satisfaction of certain covenants. Borrowings under the facility will incur interest at a rate of LIBOR plus 2.25% - 2.75% depending upon the Company's leverage (loan to value). The facility will be subject to customary financial covenants and limits on leverage. The Company will have the ability to extend the payments of amounts drawn under the facility for an additional one year period. Security for such facility is expected to be first mortgages on properties which will be otherwise unencumbered after the Offering. There can be no assurances that the lenders will determine that the proffered collateral will be sufficient to support the entire facility, that the syndication will be completed, or that the Company will be able to comply with all of the loan covenants. To the extent available, the Company expects to use the facility to, among other things, finance

Note 2. Offering, New York Stock Exchange listing, and related transactions (continued)

Line of Credit (continued)

(a) certain expected acquisitions of shopping centers or interim purchase

deposits with respect to new acquisitions, (b) certain expected acquisitions of optioned properties, (c) capital improvements, (d) costs of redevelopment and new development projects and properties, and (e) working capital and other corporate purposes.

Note 3. Basis of Presentation

The Operating Partnership is the entity through which the Company conducts substantially all of its business and owns (either directly or through subsidiaries) substantially all of its assets. At September 30, 2003 the Company owned an approximate 30% economic interest in, and is the sole general partner of, the Operating Partnership. As of September 30, 2003, the consolidated financial statements of the Company include the accounts and operations of the Company and the Operating Partnership. The Operating Partnership has a 50% general partnership interest in The Point Shopping Center ("The Point"); a 20% general partnership interest in the Red Lion Shopping Center ("Red Lion"); a 25% general partnership interest in the Loyal Plaza Shopping Center ("Loyal Plaza"); 30% general partnership interests in Fairview Plaza ("Fairview"), Halifax Plaza ("Halifax"), and Newport Plaza ("Newport"); and 15% general partnership interests in Pine Grove Plaza Shopping Center ("Pine Grove"); Swede Square Shopping Center ("Swede Square") and the Wal-Mart Shopping Center ("Wal-Mart"). As discussed in Note 2, the Company has purchased, or will purchase, the following interests held by Homburg Invest and CBC and related entities with Offering proceeds:

70% limited partnership interest in The Operating Partnership
50% limited partnership interest in The Point Shopping Center
85% limited partnership interest in Pine Grove Plaza Shopping Center
85% limited partnership interest in Swede Square Shopping Center
85% limited partnership interest in Wal-Mart Shopping Center

The Company owned 97% of the Operating Partnership after (i) the Offering, (ii) the conversion of the Realty Enterprise loan into Operating Partnership units, and (iii) the merger of the Advisors.

The accompanying interim unaudited financial statements have been prepared by the Company's management pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosure normally included in the financial statements prepared in accordance with accounting principles generally accepted in the United States ("GAAP") may have been condensed or omitted pursuant to such rules and regulations, although management believes that the disclosures are adequate to make the information

Note 3. Basis of Presentation (continued)

presented not misleading. The unaudited financial statements as of September 30, 2003, and for the three and nine month periods ended September 30, 2003 and 2002, include, in the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary to present fairly the financial information set forth herein. The results of operations for the interim periods are not necessarily indicative of the results that may be expected for the year ending December 31, 2003. These financial statements should be read in conjunction with the Company's audited financial statements and the notes thereto included in the Company's Form 10-K for the year ended December 31, 2002 and the prospectus filed with the Securities and Exchange Commission on October 23, 2003.

SFAS 123, as amended by SFAS 148, establishes financial accounting and reporting standards for stock-based employee compensation plans, including all arrangements by which employees receive shares of stock or other equity instruments of the employer or the employer incurs liabilities to employees in amounts based on the price of the employer's stock. SFAS 123 defines a fair value based method of accounting for an employee stock option or similar equity instrument and encourages all entities to adopt that method of accounting for all of their employee stock compensation plans. However, it also allows an entity to continue to measure compensation cost using the intrinsic value based method of accounting prescribed by APB Opinion No. 25 ("Opinion No. 25"), "Accounting for Stock Issued to Employees". The Company has elected to continue using Opinion No. 25 and to make pro forma disclosures of net income and earnings per share as if the fair value method of accounting defined in SFAS 123 had been applied.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the disclosure of contingent assets and liabilities and the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

Recent Accounting Developments

In May 2002, the FASB issued SFAS No. 145, "Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections" ("SFAS 145"). SFAS 145 generally provided for various technical corrections to previously issued accounting pronouncements. The only impact to the Company related to SFAS 145 provided that early extinguishment of debt, including the write-off of unamortized deferred loan costs, are generally no longer considered extraordinary items. The Company has adopted the provisions of SFAS 145 and has presented all previous early write-offs of unamortized loan costs as a component of interest expense.

Note 3. Basis of Presentation (continued)

Recent Accounting Developments (continued)

In January 2003, the FASB issued Interpretation No. 46, "Consolidation of Variable Interest Entities". The Interpretation clarifies the application of existing accounting pronouncements to certain entities in which the equity investors do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. The provisions of the Interpretation are immediately effective for all variable interest entities created after January 31, 2003. The Company has evaluated the effects of the issuance of the Interpretation on the accounting for its ownership interest in its joint venture partnerships created after January 31, 2003, and has concluded that all such joint ventures should be included in the consolidated financial statements. The Company is currently in the process of evaluating the impact that this Interpretation will have on its financial statements for all joint ventures created before January 31, 2003 and final implementation will be completed during the fourth quarter of 2003.

On April 30, 2003, the FASB issued SFAS No. 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities" ("SFAS 149"). SFAS 149 amends and clarifies the accounting guidance on (1) derivative instruments (including certain derivative instruments embedded in other contracts) and (2) hedging activities that fall within the scope of SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS 133"). SFAS 149 also amends certain other existing pronouncements, which will result in more consistent reporting of contracts that are derivatives in their entirety, or that contain embedded derivatives that warrant separate accounting. SFAS 149 is effective (1) for contracts entered into or modified after June 30, 2003, with certain exceptions, and (2) for hedging relationships designated after June 30, 2003. The guidance is to be applied prospectively. Management does not expect the adoption of SFAS 149 to have a material impact on the Company's financial condition, results of operations or cash flows.

In May 2003, the FASB issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity" ("SFAS 150"). This Statement, which establishes standards for the classification and measurement of certain financial instruments with characteristics of both liabilities and equity, was originally effective for financial instruments entered into or modified after May 31, 2003 and otherwise was effective at the beginning of the first interim period starting after June 15, 2003. It was to be implemented by reporting the cumulative effect of a change in an accounting principle for financial instruments created before the issuance date of the Statement and still existing at the beginning of the interim period of adoption. On October 29, 2003 the FASB indefinitely deferred the implementation of SFAS 150 to non-controlling interests in limited-life consolidated entities.

Note 4. Supplemental Cash Flow Disclosures

During the first quarter of 2003, 46,000 shares of common stock were issued in exchange for 552 Series A cumulative redeemable preferred Operating Partnership units, and 6,333 shares of common stock were issued at $15.00 per share to vendors for services rendered. During the second quarter of 2003, the 46,000 shares issued in the first quarter were converted back to 552 Series A cumulative redeemable preferred Operating Partnership units.

Note 5. Cash in Joint Ventures and Restricted Cash

Joint venture partnership agreements require, among other things, that the Company maintain separate cash accounts for the operation of each joint venture and that distributions to the general and limited partners be strictly controlled. To date, these arrangements have not resulted in any significant liquidity shortfalls at the Company or the partnership level; however, the Company or any combination of the joint venture partnerships could experience a liquidity shortage while other members of the group have sufficient liquidity. Cash in joint ventures and restricted cash amounted to approximately $2,784,000 at September 30, 2003.

Note 6. Acquisition Activity

During August 2003, the Company acquired, subject to a ground lease that expires in 2072, a 15% general partnership interest in the Wal-Mart Shopping Center a 154,700 square foot community shopping center in Southington CT, of which Wal-Mart represents approximately 94,400 square feet with a lease extending through 2018. The purchase price for the property was approximately $8.35 million, plus closing costs. The Company obtained a junior loan of $2.9 million and a senior loan of $5.4 million for the purchase of this property. Both loans were scheduled to mature in two years. The junior loan bore interest at a rate of 12%, while the senior loan bears interest at a spread of 250 basis points over 30-day LIBOR. Substantially all of the net cash flow from the property was required to be applied to the outstanding principal balance of the junior loan until it is paid in full. Additionally, the Company is required to pay an exit fee of $88,000 upon repayment. The junior loan was repaid in full from the proceeds of the Offering completed during October 2003 (See Note 2).

During June 2003, the Company acquired Valley Plaza Shopping Center ("Valley Plaza") in Hagerstown, MD, a 191,000 square foot shopping center, for approximately $9.5 million. The purchase price plus certain lender fees were financed by a $6.4 million two-year interest-only senior bank loan with interest at LIBOR plus 250 basis points, and a two-year $3.4 million junior bank loan with interest at 12.5% annually. Commitment fees of $65,000 for the senior bank loan and $346,000 for the junior bank loan were included in the loan amounts. Substantially all of the net cash flow from the property was required to be applied to the outstanding principal balance of the junior loan until it was paid in full. Additionally, the Company was required to pay an exit fee of $103,000 upon repayment. The junior loan was repaid in full from the proceeds of the Offering completed during October 2003 (See Note 2).

Note 6. Acquisition Activity (continued)

During April and May 2003, the Company acquired a 15% general partnership interest in both Pine Grove, a 79,000 square foot shopping center in Pemberton Township, NJ, and Swede Square, a 95,000 square foot shopping center in East Norriton, PA. The purchase prices for these properties, including closing costs, were approximately $8.0 million and $8.6 million, respectively. Pine Grove was financed by a seven-year LIBOR-based first mortgage loan for $6.0 million, with level principal payments of $12,500 per month. The Company entered into an interest rate swap with the lender fixing the interest rate at 6.24% annually for the term of the loan.

Swede Square was purchased subject to a two-year, first mortgage construction/acquisition loan with a balance of $5.6 million and fixed interest-only payments at 7.25% annually. The loan provides for additional borrowings up to a total loan amount of $7.5 million to provide for tenant improvements and leasing commissions as vacant space is occupied.

In January and February 2003, the Company completed the acquisition of a 30% general partnership interest in Fairview, Newport and Halifax, with an aggregate gross leaseable area of approximately 190,000 square feet, the properties are all anchored by Giant supermarkets and are all located in the Harrisburg, Pennsylvania area. The centers cost approximately $20.8 million. The Company's general partnership interest cost $1.16 million and the limited partner, who is affiliated with the limited partner in the Loyal Plaza partnership, invested $3.74 million. The terms of the partnership agreement provide that the limited partner will receive a preferential return of 12.5% on its investment before the Company is entitled to receive any distributions. The balance of the purchase price was financed by three separate mortgage loans aggregating approximately $15.9 million. The loan on Fairview was in the amount of $6.1 million with a term of ten years, and has a fixed annual rate of 5.64%. The Company entered into interest rate swaps for the entire amount of the first loan, and for the seven-year terms of the other two loans (approximately $ 4.3 million and $5.5 million for the Newport and Halifax properties, respectively), resulting in a fixed annual rate of 6.43%. The blended annual interest rate for the three loans is 6.09%.

Cedar Shopping Centers, Inc.
Notes to Consolidated Financial Statements
September 30, 2003
(unaudited)

Note 7. Mortgage Loans, Other Loans Payable, and Line of Credit

Mortgage loans outstanding consist of the following:
<TABLE>
<CAPTION>

Property	Original Amount	Interest Rate	Maturity	Balance outstanding at September 30 2003	Balance outstanding at December 31, 2002
<S>	<C>	<C>	<C>	<C>	<C>
The Point Shopping Center Harrisburg, PA	$ 20,000,000	7.63%	Jun 2027	$ 19,650,000	$ 19,864,000
Red Lion Shopping Center Philadelphia, PA	16,800,000	8.86%	Feb 2010	16,624,000	16,715,000
Camp Hill Mall Camp Hill, PA	14,000,000	4.74%(1)	Nov 2004	14,000,000	14,000,000
Loyal Plaza Williamsport, PA	13,877,000	7.18%	Jun 2011	13,712,000	13,814,000
Port Richmond Village Philadelphia, PA	11,610,000	7.17%	Mar 2008	11,330,000	11,439,000
Academy Plaza Philadelphia, PA	10,715,000	7.28%	Mar 2013	10,458,000	10,558,000
Washington Center Shoppes Washington Township, NJ	6,236,000	7.53%	Nov 2027	5,845,000	5,900,000
LA Fitness Center (2) Fort Washington, PA	5,000,000	LIBOR+2.75%	Dec 2007	2,427,000	1,247,000
Fairview Plaza New Cumberland, PA	6,080,000	5.64%	Feb 2013	6,036,000	N/A
Halifax Plaza Halifax, PA	4,265,000	6.43%	Jan 2010	4,213,000	N/A
Newport Plaza Newport, PA	5,424,000	6.43%	Feb 2010	5,373,000	N/A
Pine Grove Shopping Center Pemberton Township, NJ	6,000,000	6.24%	Apr 2010	5,938,000	N/A
Swede Square Shopping Center East Norriton, PA	5,560,000	7.25%	May 2005	5,560,000	N/A
Valley Plaza Shopping Center	6,430,000	LIBOR+2.50%	Jun 2005	6,408,000	N/A
Hagerstown, MD	3,462,000	12.00%	Jun 2005	3,462,000	
Wal-Mart Shopping Center	5,444,000	LIBOR+2.50%	Aug 2005	5,444,000	N/A
Southington, CT	2,931,000	12.00%	Aug 2005	2,931,000	
Totals	$ 143,834,000			$ 139,411,000	$ 93,537,000

</TABLE>

Cedar Shopping Centers, Inc.
Notes to Consolidated Financial Statements
September 30, 2003
(unaudited)

Note 7. Mortgage Loans, Other Loans Payable, and Line of Credit (continued)

(1) The interest rate on the entire loan amount is fixed via an interest rate swap at 4.74% through November 2003 and $7.0 million of the loan is fixed at that same rate through maturity. The remaining $7.0 million portion of the loan will float at the 30-day LIBOR rate plus 195 basis points from November 2003 through maturity. The Company has agreed in connection with this loan to maintain a minimum net worth of $13.0 million (including minority and limited partner interests) and consolidated liquid assets of at least $1.0 million.

(2) The Company obtained a $5.0 million LIBOR-based construction loan in connection with the LA Fitness development project. The loan is due on December 31, 2007, has a two-year extension option, and carries interest at LIBOR plus 275 basis points. Construction is scheduled to be completed during 2003.

During November 2002, the Company entered into a financing agreement with SWH for a $6.0 million loan. The SWH loan was scheduled to mature on November 30, 2005 and carried an annual interest rate of 12.5% through November 30, 2003. During August 2003, the Company refinanced the SWH loan and such refinancing provided the Company with approximately $2.0 million in cash after payment of certain fees. The refinancing also carried interest at the annual rate of 12.5%. This loan together with certain exit fees was paid with the proceeds from the Offering completed in October 2003 (See Note 2).

In connection with the acquisition of the Red Lion partnership interest from a related party, the Company agreed to pay $888,000 in three equal annual installments of $296,000 plus interest at 7.5%. The related party agreed to extend the payment of the current installment of $296,000 through October 30, 2003. This loan was repaid with the proceeds from the Offering completed in October 2003 (See Note 2).

During March 2003, the Company entered into a new credit facility with North Fork Bank for a one-year period. The line of credit bore interest at the greater of 6% or the bank's prime rate plus 1%. The credit facility has a $2.0 million limit. The outstanding balance of the borrowings under this line was repaid with the proceeds from the Offering completed in October 2003 (See Note 2).

Homburg Invest provided to the Company a one-year, $1.1 million 9% interest-only loan. The loan included a $100,000 entrance fee and required payment of a $220,000 exit fee. The loan was used to partially fund the deposit requirements for the South Philadelphia Shopping Plaza. This loan was repaid with the proceeds from the Offering completed in October 2003 (See Note 2).

Note 7. Mortgage Loans, Other Loans Payable, and Line of Credit (continued)

During the second quarter of 2003, Selbridge Corporation, an affiliate of CBC, a related party, provided the Company with a $750,000 loan. The principal plus interest, calculated at an annual rate of 15%, was payable on or before October 31, 2003. The loan was used to partially fund the deposit requirements for the South Philadelphia Shopping Plaza. This loan was paid in full with the proceeds from the Offering completed in October 2003 (See Note 2).

During August 2003, The Company obtained a $1.0 million loan from Realty Enterprise Fund, LLC, which was used to fund the deposit for the acquisition of Columbus Crossing Shopping Center and River View Plaza I, II and III. The loan bore interest at the rate of 9% annually and was due on the earlier to occur of one year from the date of the advance or five days after completion of any public Offering. The Company agreed to pay an exit fee of 20% of the principal advanced. The lender had the right to convert the loan to units in the Operating Partnership valued at the public Offering price, less the underwriting commission. During October 2003 the lender exercised its right to convert the principal of the loan to Operating Partnership units and the Company paid the exit fee and accrued interest from the proceeds of the Offering (See Note 2).

Note 8. Intangible Lease Asset/Liability

On July 1, 2001 and January 1, 2002, the Company adopted SFAS No. 141 "Business Combinations" and SFAS No. 142, "Goodwill and Other Intangibles", respectively. As part of the acquisition of real estate assets subsequent to January 1, 2002, the fair value of the real estate acquired is allocated to the acquired tangible assets, consisting of land, building and building improvements, and identified intangible assets and liabilities, consisting of the value of above-market and below-market leases, other value of in-place leases, and value of tenant relationships, based in each case on their fair values.

The fair value of the tangible assets of an acquired property is determined by valuing the property as if it were vacant, and the "as-if-vacant" value is then allocated to land, building and building improvements based on management's determination of the relative fair values of these assets. Management determines the as-if-vacant fair value of a property using methods similar to those used by independent appraisers. Factors considered by management in performing these analyses include an estimate of carrying costs during the expected lease-up periods considering current market conditions and costs to execute similar leases. In estimating carrying costs, management

includes real estate taxes, insurance and other operating expenses and estimates of lost rental revenue during the expected lease-up periods based on current market demand. Management also estimates costs to execute similar leases, including leasing commissions, legal and other related costs.

Note 8. Intangible Lease Asset/Liability (continued)

In allocating the fair value of the identified intangible assets and liabilities of an acquired property, above-market and below-market in-place lease values are recorded based on the present value (using an interest rate which reflects the risks associated with the leases acquired) of the difference between (i) the contractual amounts to be paid pursuant to the in-place leases and (ii) management's estimate of fair market lease rates for the corresponding in-place leases, measured over a period equal to the remaining non-cancelable term of the lease. The capitalized above-market lease values are amortized as a reduction of rental income over the remaining non-cancelable terms of the respective leases. The capitalized below-market lease values are amortized as an increase to rental income over the remaining initial terms in the respective leases.

The aggregate value of other acquired intangible assets, consisting of in-place leases and tenant relationships, is measured by the excess of (i) the purchase price paid for a property after adjusting existing in-place leases to market rental rates over (ii) the estimated fair value of the property as if vacant, determined as set forth above. This aggregate value is allocated between in-place lease values and tenant relationships based on management's evaluation of the specific characteristics of each tenant's lease; however, the value of tenant relationships has not been separated from in-place lease value because such value and its consequence to amortization expense is immaterial for these particular acquisitions. Should future acquisitions of properties result in allocating material amounts to the value of tenant relationships, an amount would be separately allocated and amortized over the estimated life of the relationship. The value of in-place leases exclusive of the value of above-market and below-market in-place leases is amortized to expense over the remaining non-cancelable periods of the respective leases. If a lease were to be terminated prior to its stated expiration, all unamortized amounts relating to that lease would be written off.

As a result of adopting the standards, amounts totaling $5,117,000 and $4,321,000 have been recorded as intangible lease liabilities for properties acquired in 2002 and 2003, respectively, and are included in deferred liabilities in the accompanying consolidated balance sheet. The intangible assets and liabilities are amortized over the remaining terms of the respective leases to rental income. Such amortization amounted to $169,000, $143,000 and $278,000 during the first three quarters of 2003, respectively, $0 during each of the first three quarters of 2002, and $146,000 of amortization in the fourth quarter of 2002. The weighted average amortization period for the intangible lease liabilities is approximately eleven years.

Note 8. Intangible Lease Asset/Liability (continued)

These intangibles will be amortized as follows:

For the year ending December 31:	
2003	$ 253,000
2004	994,000
2005	822,000
2006	669,000
2007	763,000
Thereafter	5,201,000
	$8,702,000

Note 9. Related Party Transactions

Prior to the Offering described in Note 2, the Company had no administrative or executive employees and accordingly relied on CBRA and its affiliates to manage the affairs of the Company. The Company was referred to as an "advised" REIT.

The following is a schedule of acquisition and disposition fees paid,

accrued, or deferred by the Company to CBRA for the nine-month period ended September 30, 2003 and for the year ended December 31, 2002:

Property	Paid	Accrued	Total
2003 Transactions			
Fairview Plaza, Halifax Plaza and Newport Plaza	$ -	$ 180,000	$ 180,000
Pine Grove	74,000	-	74,000
Swede Square	79,000	-	79,000
Valley Plaza	92,000	-	92,000
Wal-Mart Shopping Center	83,500	-	83,500
Totals	$ 328,500	$ 180,000	$ 508,500
2002 Transactions			
Southpoint	$ 47,000	$ -	$ 47,000
Red Lion	44,000	-	44,000
Loyal Plaza	-	183,000	183,000
Camp Hill	-	172,000	172,000
LA Fitness	60,000	-	60,000
Totals	$ 151,000	$ 355,000	$ 506,000

Note 9. Related Party Transactions (continued)

The following is a schedule of management, administrative, advisory, legal, leasing, and loan placement fees paid or accrued to CBRA or its affiliates:
<TABLE>
<CAPTION>

<S>	Three Months Ended Sept. 30, 2003 <C>	2002 <C>	Nine Months Ended Sept. 30, 2003 <C>	2002 <C>
Management Fees	$ 237,633	$ 202,000	$ 630,633	$ 421,000
Construction Management	$ -	$ 20,000	$ 2,000	$ 20,000
Leasing Fees	$ -	$ 260,000	$ 17,000	$ 276,000
Administrative and Advisory	$ 159,000	$ 90,000	$ 543,000	$ 270,000
Legal	$ 85,735	$ 87,000	$ 167,735	$ 128,000
Loan Placement Fees	$ -	$ 100,000	$ -	$ 100,000

</TABLE>

In connection with the Offering completed during October 2003, CBRA was merged into the Company and the Company has become a self-administered REIT (See Note 2).

Homburg Invest purchased, on December 24, 2002, for $3.0 million, 3,300 convertible Series A preferred Operating Partnership units at $909.09 with a liquidation value of $1,000 each and a preferred distribution rate of 9%. In connection with such acquisition of securities by Homburg Invest, the Company's Board of Directors elected Richard Homburg a director.

During the second and third quarters of 2003, Homburg Invest provided the equity financing in the form of an 85% limited partnership interest with respect to the acquisitions of the Pine Grove ($2.1 million), Swede Square ($3.0 million) and Wal-Mart Shopping Center ($825,000) properties and jointly and severally with the Company guaranteed the junior debt financing for Valley Plaza ($3.4 million) and the Wal-Mart Shopping Center ($2.9 million). Homburg Invest received from the third party lender a $320,000 placement fee for the loans and is entitled to receive from the lender 40% of the interest accrued on the junior loans and an exit fee of $96,000. Homburg invest also received a 10% placement fee on the equity financings and a 12% preferential return on its limited partnership interests. During October 2003, the Company exercised its option to buy the Homburg Invest limited partnership interest in the Wal-Mart Shopping Center for $990,000 and exercised its option to buy the Homburg Invest limited partnership interests in Pine Grove and Swede Square pursuant to a 15% look-back IRR provision in the partnership agreements.

During June 2003, Homburg provided to the Company a one-year $1.1 million, 9% interest-only loan that was used to partially fund the deposit requirements for the South Philadelphia Shopping Plaza transaction. The loan included a 10% placement fee and provided for a 20% exit fee.

Note 9. Related Party Transactions

In connection with the acquisition of the Red Lion partnership interest from Silver Circle Management Corp, a party related to CBC, the limited partner of the Operating Partnership, the Company agreed to pay $888,000 in three equal annual installments of $296,000 plus interest at 7.5%.

During the second quarter of 2003, Selbridge Corporation, a party related to CBC, provided the Company with a $750,000 loan. The principal, plus interest calculated at an annual rate of 15%, was payable on or before October 31, 2003.

All of the related party junior loans and certain third party indebtedness were repaid together with the agreed-upon exit fees and accrued interest from the proceeds of the public Offering.

Note 10. Interest Rate Hedges

During 2002, the Company completed one interest rate swap transaction to hedge the Company's exposure to changes in interest rates with respect to $14.0 million of LIBOR-based variable rate debt. The swap agreement provides for a fixed all-in rate of 4.74% (including a credit spread of 1.95%). The swap agreement extends through November 19, 2003 on $7.0 million of principal and through November 19, 2004 on the remaining $7.0 million of principal.

During the first quarter of 2003, the Company entered into two interest rate swaps to hedge the Company's exposure to changes in interest rates with respect to $9.8 million of LIBOR-based variable rate debt. The swap agreements provide for a fixed all-in rate of 6.43% for the seven-year term of the Halifax and Newport loans. During the second quarter of 2003, the Company entered into one swap agreement to hedge a $6.0 million LIBOR-based variable rate loan for Pine Grove. The agreement fixes the rate at 6.24% for the seven-year term of the loan.

As of September 30, 2003, the Company has interest rate swaps on four of its mortgage loans. These derivatives had a fair value of approximately $697,000 of which $227,000 has been recognized in accumulated other comprehensive loss and the remaining $470,000 has been recorded in the limited partner's interest in consolidated Operating Partnership.

The Company's interest rate hedges are designated as cash flow hedges and hedge the future cash outflows on debt. Interest rate swaps that convert variable payments to fixed payments, such as those held by the Company, as well as interest rate caps, floors, collars, and forwards are cash flow hedges. The unrealized gains/losses in the fair value of these hedges are reported on the balance sheet with a corresponding adjustment to either accumulated other comprehensive loss or results of operations. For cash flow hedges, the ineffective portion of a derivative's change in fair value is immediately recognized in results of operations.

Note 11. Earnings Per Share

In accordance with SFAS No. 128, "Earnings Per Share" ("SFAS 128"), basic earnings per share ("EPS") are computed by dividing income available to common shareholders by the weighted average number of shares of common stock outstanding for the period. Diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock that then shared in the earnings of the entity. As the Company reported a net loss during the first three quarters of 2003 and 2002, diluted EPS are not presented.

Note 12. Commitments, Contingencies and Subsequent Events

South Philadelphia Shopping Plaza

During October 2003, the Company entered into a net lease with regard to the South Philadelphia Shopping Plaza, located in Philadelphia, PA. Simultaneously with the execution of the net lease, the Operating Partnership made a loan to the existing owner in the amount of $39.0 million, secured by a first mortgage on the owner's fee interest in the property. The Company has the right to exercise an option to purchase the property at fair market value at any time after ten years, subject to acceleration of its right to exercise the purchase option in certain instances. In connection with this transaction, the current owner of this center has agreed that the Company may offset rent due under the net lease in the event a certain 7,600 square foot space is vacant at the property during the three years subsequent to the transaction.

South Philadelphia Shopping Plaza is a 283,000 square foot shopping center built in 1950 with a 54,000 square foot Shop Rite as the anchor tenant. Additional tenants include Bally's Total Fitness, Ross Dress For Less and Strauss Auto Zone.

Proceeds from the Offering were used to fund this transaction (See Note 2).

Golden Triangle Shopping Center

In September 2003, the Company entered into an agreement to acquire from affiliates of CBC, the Golden Triangle Shopping Center in Lancaster, PA. This is an approximately 229,000 square foot shopping center built in 1960 with a 30,000 square foot Marshalls and a 24,000 square foot Staples. The shopping center has entered into a lease for a 46,000 square foot L.A. Fitness Center and is negotiating leases for a 30,000 square foot in line vacancy. The Company also expects to redesign the parking lot and install new facades and signage. Construction of the L.A. Fitness facility requires consent of one or more existing tenants at the center, which consent has not yet been obtained. Management believes such consents will be forthcoming; however, there can be no assurances that such consents will ultimately be received.

Note 12. Commitments, Contingencies and Subsequent Events (continued)

Golden Triangle Shopping Center (continued)

The purchase price for the property will be approximately $11.4 million, plus defeasance costs with respect to existing financing of approximately $1.9 million, and closing costs. Defeasance will require a 90-day prior notice to the existing lender, which the Company intends to give upon closing its line of credit facility. Proceeds from the Offering and/or the Company's line of credit will be used to fund this acquisition which is expected to close during the first quarter of 2004 (see Note 2).

Columbus Crossing Center

On or about November 21, 2003, the Company will acquire operating control of Columbus Crossing Shopping Center in Philadelphia, PA. This is a new, fully leased approximately 142,000 square foot shopping center completed in 2001 with a 62,000 square foot Super Fresh Supermarket as the principal anchor tenant. Additional tenants include a 25,000 square foot Old Navy, a 22,000 square foot A.C. Moore and a 10,000 square foot Famous Footwear. The property abuts adjacent free-standing Wal-Mart and Home Depot stores, which the Company is not acquiring.

In connection with the transaction, the Operating Partnership will make a $6.4 million loan to the owners, which must be repaid at the time their interests in the partnership are redeemed. The Company has the option to redeem those interests in ten years. The transaction will be entered into subject to a $17.5 million first mortgage loan. Proceeds from the Offering will be used to fund this transaction (See Note 2), which is expected to close during November 2003.

River View Plaza I, II, and III

In November 2003, the Company acquired operating control of River View Plaza I, River View Plaza II and River View Plaza III shopping centers in Philadelphia, PA. These shopping centers consist of three separate properties with an aggregate of approximately 246,600 square feet of GLA. River View I is anchored by a 77,000 square foot United Artists Theatre, River View II is anchored by Staples and West Marine and River View III is anchored by Pep Boys and Athlete's Foot.

All three properties are also located on the opposite side of the boulevard from the Columbus Crossing property. There is a northbound exit from Route I-95 adjacent to the properties.

Cedar Shopping Centers, Inc.
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Note 12. Commitments, Contingencies and Subsequent Events (continued)

River View Plaza I, II, and III (continued)

In connection with the transaction, the Operating Partnership made a $26.7 million loan to the former owners, which must be repaid at the time their interests in the partnership are redeemed. The Company has the option to redeem those interests in ten years. The transaction was entered into subject to a $22.5 million first mortgage loan, which the Company repaid at the closing. Proceeds from the Offering were used to fund this transaction (See Note 2).

The Point Shopping Center

The Company has entered into an agreement to acquire from affiliates of CBC, the 50% interest in The Point Shopping Center in Harrisburg, PA not previously owned by us for a purchase price of approximately $2.4 million, subject to a $19.7 million first mortgage. This property contains approximately 255,000 square feet of GLA. This acquisition will be financed from the proceeds of the Offering, and is expected to close in November 2003.

Lake Raystown Plaza and Huntingdon Plaza

In August 2003, the Company entered into agreements to purchase, from the same owner, Lake Raystown Plaza for approximately $7.0 million and Huntingdon Plaza for approximately $4.0 million. During November 2003, the agreements to purchase these properties were terminated. The Company expects that the earnest money deposits made with respect to these properties, aggregating $100,000, will be refunded with the exception of $50,000, used to extend the due diligence period, which has been forfeited.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

Statements made or incorporated in this Form 10-Q include certain forward-looking statements. Forward-looking statements include, without limitation, statements containing the words "anticipates," "believes," "expects," "intends," "future," and words of similar import which express the Company's belief, expectations or intentions regarding future performance or future events or trends. You should be cautioned that, while forward-looking statements reflect good faith beliefs, they are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements to differ materially from anticipated future results, performance or achievements expressed or implied by such forward-looking statements as a result of factors outside of the Company's control. Certain factors that might cause such a difference include, but are not limited to, the following: real estate investment considerations, such as the effect of economic and other conditions in general and in the eastern United States in particular; the financial viability of the tenants; the continuing availability of retail center acquisitions, development and redevelopment opportunities on favorable terms; the availability of equity and debt capital in the public markets; the fact that returns from development, redevelopment and acquisition activity may not be at expected levels; the Company's potential inability to realize the level of proceeds from property sales as initially expected; inherent risks in ongoing redevelopment and development projects including, but not limited to, cost overruns resulting from weather delays, changes in the nature and scope of redevelopment and development efforts, and market factors involved in the pricing of material and labor; the need to renew leases or relet space upon the expiration of current leases; and the financial flexibility to refinance debt obligations when due.

Summary of Critical Accounting Policies

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States ("GAAP") requires the Company to make estimates and judgments that affect the reported amounts of assets and liabilities, revenues and expenses, and related disclosures of contingent assets and liabilities. In response to recent guidance from the Securities and Exchange Commission, the Company has identified the following critical accounting policies, the application of which requires significant judgments and estimates.

In January 2003, the FASB issued Interpretation No. 46, "Consolidation of Variable Interest Entities". The Interpretation clarifies the application of existing accounting pronouncements to certain entities in which the equity investors do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. The provisions of the Interpretation are immediately effective for all variable interest entities created after January 31, 2003. The Company has evaluated the effects of the issuance of the Interpretation on the accounting for its ownership interest in its joint venture partnerships created after January 31, 2003, and has concluded that all of the Company's joint ventures should be included in the consolidated financial statements. The Company is currently in the process of evaluating the impact that this Interpretation will have on its financial statements for all joint ventures created

before January 31, 2003 and final implementation will be completed during the fourth quarter of 2003.

On an ongoing basis, management evaluates its estimates, including those related to revenue recognition and the allowance for doubtful accounts receivable, real estate investments and asset impairment, and derivatives used to hedge interest-rate risks. These accounting policies are further described in the notes to the consolidated financial statements. Management's estimates are based on information that is currently available and on various other assumptions that the Company believes to be reasonable under the circumstances. Actual results could differ from those estimates and those estimates could be different under varying assumptions or conditions.

Revenue Recognition

Rental income with scheduled rent increases is recognized using the straight-line method over the term of the leases. The aggregate excess of rental revenue recognized on a straight-line basis over cash received under applicable lease provisions is included in straight line rent receivable. Leases generally contain provisions under which the tenants reimburse the Company for a portion of property operating expenses and real estate taxes incurred. In addition, certain operating leases contain contingent rent provisions under which tenants are required to pay a percentage of their sales in excess of a specified amount as additional rent. The Company defers recognition of contingent rental income until those specified targets are met.

The Company must make estimates as to the collectibility of its accounts receivable related to minimum rent, deferred rent, expense reimbursements and other revenue. Management analyzes accounts receivable and historical bad debts, tenant creditworthiness, current economic trends and changes in the tenant's payment patterns when evaluating the adequacy of the allowance for doubtful accounts receivable. These estimates have a direct impact on net income, because a higher bad debt allowance would result in lower net income.

Real Estate Investments

Real estate investments are carried at cost less accumulated depreciation. The provision for depreciation and amortization is calculated using the straight-line method based upon the estimated useful lives of assets. Expenditures for maintenance, repairs and betterments that do not materially prolong the normal useful life of an asset are charged to operations as incurred. Additions and betterments that substantially extend the useful lives of the properties are capitalized.

The Company is required to make subjective estimates as to the useful lives of its properties for purposes of determining the amount of depreciation to reflect on an annual basis. These assessments have a direct impact on net income. A shorter estimate of the useful life of an investment would have the effect of increasing depreciation expense and lowering net income, whereas a longer estimate of the useful life of the investment would have the effect of reducing depreciation expense and increasing net income.

On July 1, 2001 and January 1, 2002, the Company adopted SFAS No. 141 "Business Combinations" and SFAS No. 142, "Goodwill and Other Intangibles", respectively. As part of the acquisition of real estate assets subsequent to January 1, 2002, the fair value of the real estate acquired is allocated to the acquired tangible assets, consisting of land, building and building improvements, and identified intangible assets and liabilities, consisting of the value of above-market and below-market leases, other value of in-place leases, and value of tenant relationships, based in each case on their fair values.

The fair value of the tangible assets of an acquired property is determined by valuing the property as if it were vacant, and the "as-if-vacant" value is then allocated to land, building and building improvements based on management's determination of the relative fair values of these assets. Management determines the as-if-vacant fair value of a property using methods similar to those used by independent appraisers. Factors considered by management in performing these analyses include an estimate of carrying costs during the expected lease-up periods considering current market conditions and costs to execute similar leases. In estimating carrying costs, management includes real estate taxes, insurance and other operating expenses and estimates of lost rental revenue during the expected lease-up periods based on current market demand. Management also estimates costs to execute similar leases, including leasing commissions, legal and other related costs.

In allocating the fair value of the identified intangible assets and liabilities of an acquired property, above-market and below-market in-place lease values are recorded based on the present value (using an interest rate which reflects the risks associated with the leases acquired) of the difference between (i) the contractual amounts to be paid pursuant to the in-place leases and (ii) management's estimate of fair market lease rates for the corresponding in-place leases, measured over a period equal to the remaining non-cancelable term of the lease. The capitalized above-market lease values are amortized as a reduction of rental income over the remaining non-cancelable terms of the respective leases. The capitalized below-market lease values are amortized as an increase to rental income over the remaining initial terms in the respective leases.

The aggregate value of other acquired intangible assets, consisting of in-place leases and tenant relationships, is measured by the excess of (i) the purchase price paid for a property after adjusting existing in-place leases to market rental rates over (ii) the estimated fair value of the property as if vacant, determined as set forth above. This aggregate value is allocated between in-place lease values and tenant relationships based on management's evaluation of the specific characteristics of each tenant's lease; however, the value of tenant relationships has not been separated from in-place lease value because such value and its consequence to amortization expense is immaterial. Should future acquisitions of properties result in allocating material amounts to the value of tenant relationships, an amount would be separately allocated and amortized over the estimated life of the relationship. The value of in-place leases exclusive of the

value of above-market and below-market in-place leases is amortized to expense over the remaining non-cancelable periods of the respective leases. If a lease were to be terminated prior to its stated expiration, all un-amortized amounts relating to that lease would be written off.

The Company applies SFAS No. 144 to recognize and measure impairment of long-lived assets. Management reviews each real estate investment for impairment whenever events or circumstances indicate that the carrying value of a real estate investment may not be recoverable. The review of recoverability is based on an estimate of the future cash flows that are expected to result from the real estate investment's use and eventual disposition. These cash flows consider factors such as expected future operating income, trends and prospects, as well as the effects of leasing demand, competition and other factors. If impairment exists due to the inability to recover the carrying value of a real estate investment, an impairment loss is recorded to the extent that the carrying value exceeds estimated fair market value. Real estate investments held for sale are carried at the lower of carrying amount or fair value, less cost to sell. Depreciation and amortization are suspended during the period held for sale. Management is required to make subjective assessments as to whether there are impairments in the value of its real estate properties. These assessments have a direct impact on net income, because an impairment loss is recognized in the period that the assessment is made.

Hedging Activities

From time to time, the Company uses derivative financial instruments to limit its exposure to changes in interest rates related to variable rate borrowings. Derivative instruments are carried on the consolidated financial statements at their estimated fair value and a change in the value of a derivative is reported as accumulated other comprehensive income or loss. If interest rate assumptions and other factors used to estimate a derivative's fair value or methodologies used to determine a derivative's effectiveness were different, amounts included in the determination of net income or accumulated other comprehensive income or loss could be affected.

Results of Operations

During the third quarter of 2003, the Company acquired a 15% general partnership interest in one shopping center with an aggregate cost of approximately $9.1 million. During the second quarter of 2003, the Company acquired a 100% interest in one shopping center with an aggregate cost of $9.5 million, and 15% general partnership interests in two shopping centers with an aggregate cost of approximately $16 million. During the first quarter of 2003, the Company acquired a 30% general partnership interest in three shopping centers with an aggregate cost of $20.8 million. During the fourth quarter of 2002, the Company acquired a 100% interest in one shopping center with an aggregate cost of approximately $17.2 million. During the third quarter of 2002, the Company acquired a 25% general partnership interest in one shopping center with an aggregate cost of $19.3 million. During the second quarter of 2002, the Company acquired a 20% general partnership interest in one shopping center from a related

Results of Operations (continued)

party, based on a property value of $23 million. The Company also sold one office property during the second quarter of 2002 for a gross sales price of approximately $4.4 million, which resulted in a loss of $49,000 during that quarter.

Results of operations for the nine month period ended September 30, 2003 compared to September 30, 2002

Differences in results of operations between the first nine months of 2003 and the first nine months of 2002 were attributable primarily to the Company's acquisition and disposition activities. Net loss before the loss on sale of properties, distributions to preferred shareholders, and income allocated to minority interest and limited partner, decreased approximately $460,000 from a net loss of $1,037,000 in the first nine months of 2002 to a net loss of $577,000 in the first nine months of 2003. Net loss attributable to common shareholders increased approximately $147,000, from a net loss of $320,000 in the first nine months of 2002 to a net loss of $467,000 in the first nine months of 2003. Net loss per share increased $0.39, from a net loss per share of $1.39 in the first nine months of 2002 to a net loss per share of $1.78 in the first nine months of 2003.

Results of operations for properties consolidated for financial reporting purposes and held throughout both the first nine months of 2002 and the first nine months of 2003 included four properties. As of September 30, 2002 and 2003, the Company owned 6 properties and 15 properties, respectively.

Results of operations for the nine month period ended September 30, 2003 compared to September 30, 2002 (continued)

Revenue and Expenses

<TABLE>
<CAPTION>

	Nine Months Ended September 30, 2003	September 30, 2002	Difference	Acquisitions/ Dispositions	Held in both years
<S>	<C>	<C>	<C>	<C>	<C>
Rents and expense recoveries	$ 18,034,000	$ 8,762,000	$ 9,272,000	$ 8,877,000	$ 395,000
Property expenses	6,679,000	3,060,000	3,619,000	3,257,000	362,000
Depreciation and amortization	2,917,000	1,720,000	1,197,000	1,475,000	(278,000)
Interest expense	7,533,000	4,049,000	3,484,000	2,774,000	710,000

General and administrative expense	1,542,000	720,000	822,000	-	-

</TABLE>

Results attributable to acquisition activities

Rents and expense recoveries increased from approximately $8,762,000 in the first nine months of 2002 to approximately $18,034,000 in the first nine months of 2003, a net increase of approximately $9,272,000 or 106%. Such net increase is attributable primarily to the Company's acquisition and disposition activities.

Property expenses, excluding depreciation, amortization and interest expense, increased from approximately $3,060,000 in the first nine months of 2002 to approximately $6,679,000 in the first nine months of 2003, a net increase of approximately $3,619,000, or 118%. Such increase reflects approximately $3,257,000 attributable to the Company's acquisition activities, and approximately $362,000 attributable to properties held in both years.

Depreciation and amortization increased from approximately $1,720,000 in the first nine months of 2002 to approximately $2,917,000 in the first nine months of 2003, a net increase of approximately $1,197,000, or 70%. Such increase is attributable to the Company's acquisition activities and is offset, in part, by the reduction in amortization expense at The Point.

Interest expense increased from approximately $4,049,000 in the first nine months of 2002 to approximately $7,533,000 in the first nine months of 2003, a net increase of approximately $3,484,000, or 86%. Such increase reflects approximately $2,774,000 attributable to the Company's acquisition activities, and approximately $710,000 attributable primarily to the interest on the Company's short-term borrowings and the related write off of deferred financing charges, as well as the refinancing of The Point loan.

General and administrative expense increased approximately $822,000 to $1,542,000 in the first nine months of 2003 from approximately $720,000 in the first nine months of 2002, a change of 114%. This is attributable to overall growth of the Company resulting in an increase in advisory fees of $273,000, an increase in legal and accounting fees of approximately $409,000, an increase in directors' fees of approximately $14,000, and an increase in other administrative costs of $126,000.

Results for properties fully operating throughout the first nine months of both years

Rental income for Port Richmond L.L.C. 1 ("Port Richmond"), Academy Plaza L.L.C. 1 ("Academy Plaza"), Washington Center L.L.C. 1 ("Washington Center"), and The Point Associates, L.P. ("The Point"), the only properties fully operating throughout the first nine months of both years, increased by approximately $395,000 from $6,624,000 in the first nine months of 2002 to $7,019,000 in the first nine months of 2003. Property expenses increased $362,000, from approximately $2,319,000 during the first nine months of 2002 to $2,681,000 during the first nine months of 2003. The increase in property expenses for the nine-month period ended September 30, 2003 is primarily attributable to (1) an increase in snow removal costs of approximately $94,000, (2) an increase in real estate taxes of $88,000 resulting from a second quarter 2002 reassessment following the completion of The Point redevelopment project and a $30,000 increase in real estate taxes at Port Richmond, (3) an increase in insurance expense of $49,000, and (4) the write off of $94,000 of accounts receivable principally attributable to common area maintenance charges disputed with a major tenant. These increases will, in part, be recovered through future tenant escalations.

Results of operations for the three months ended September 30, 2003 compared to September 30, 2002

Differences in results of operations between the third quarter of 2003 and the third quarter of 2002 were driven largely by the Company's acquisition and disposition activities. Net loss before income allocated to minority interest and limited partner, increased approximately $319,000, from a net loss of $14,000 in the third quarter of 2002 to a net loss of $333,000 in the third quarter of 2003. Net loss attributable to common shareholders increased approximately $168,000 from a net loss of $60,000 in the third quarter of 2002 to a net loss of $228,000 in the third quarter of 2003. Net loss per share increased $0.70, from a net loss per share of $0.26 in the third quarter of 2002 to a net loss per share of $0.96 in the third quarter of 2003.

Results of operations for properties consolidated for financial reporting purposes and held throughout both the third quarter of 2002 and the third quarter of 2003 included six properties. As of September 30, 2002 and 2003, the Company owned 6 properties and 15 properties, respectively.

Revenue and Expenses

	Quarter Ended September 30, 2003	September 30, 2002	Difference	Acquisitions/ Dispositions	Held in both years
Rents and expense recoveries	$ 6,651,000	$ 3,606,000	$ 3,045,000	$ 2,879,000	$ 166,000
Property expenses	2,256,000	1,236,000	1,020,000	996,000	24,000
Depreciation and amortization	1,150,000	607,000	543,000	507,000	36,000
Interest expense	3,243,000	1,593,000	1,650,000	786,000	864,000
General and administrative expense	355,000	192,000	163,000	-	-

Results attributable to acquisition and disposition activities

Rents and expense recoveries increased from approximately $3,606,000 in the third quarter of 2002 to approximately $6,651,000 in the third quarter of 2003, a net increase of approximately $3,045,000 or 84%. Such net increase is attributable primarily to the Company's acquisition and disposition activities.

Property expenses, excluding depreciation, amortization and interest expense, increased from approximately $1,236,000 in the third quarter of 2002 to approximately $2,256,000 in the third quarter of 2003, a net increase of approximately $1,020,000 or 83%. Such increase is attributable to the Company's acquisition and disposition activities.

Depreciation and amortization increased from approximately $607,000 in the third quarter of 2002 to approximately $1,150,000 in the third quarter of 2003, a net increase of approximately $543,000 or 89%. Such increase is attributable primarily to the Company's acquisition activities.

Interest expense increased from approximately $1,593,000 during the third quarter of 2002 to approximately $3,243,000 in the third quarter of 2003, a net increase of approximately $1,650,000 or 104%. Such increase reflects approximately $786,000 attributable to the Company's acquisition activities, and approximately $864,000 is principally attributable to the interest on the Company's short-term borrowings and the related write off of deferred financing charges.

General and administrative expense increased approximately $163,000 to $355,000 in the third quarter of 2003 from approximately $192,000 in the third quarter of 2002, a change of 85%. The increase is primarily attributable to the Company's growth resulting in increases in advisory fees of $69,000 and an increase in legal and accounting fees of $94,000.

Results for properties fully operating throughout the third quarter of both years

Rental income for Port Richmond, Academy Plaza, Washington Center, The Point, Red Lion and Loyal Plaza, the only properties fully operating throughout the third quarter of both years, increased by approximately $166,000, from $3,606,000 in the third quarter of 2002 to $3,772,000 in the third quarter of 2003. Property expenses for those properties increased $24,000 from approximately $1,236,000 during the third quarter of 2002 to $1,260,000 during the third quarter of 2003.

Net Cash Flows

Operating Activities

Net cash flow (used in) provided by operating activities increased from $(405,000) during the first nine months of 2002 to $616,000 during the first nine months of 2003. The increase of $1,021,000 is attributable to the decrease in net loss before minority interests, limited partner's interest, distributions, and loss on sale for the period, as well as the increases /decreases in rent and other receivables, prepaid expenses, taxes held in escrow, accounts payable and accrued expenses, security deposits, and advanced tenant payments, all principally associated with the properties acquired since September 2002.

Investing Activities

Net cash flow used in investing activities was $(60,618,000) during the first nine months of 2003, compared to approximately $(5,896,000) during the first nine months of 2002. During the first nine months of 2003, the Company completed the purchase of seven shopping center properties aggregating approximately 718,000 square feet at a cost of approximately $57,000,000, while the Company purchased two properties during the first nine months of 2002 with an aggregate purchase price of approximately $8,583,000 and sold one property for approximately $4,350,000 in May 2002.

Financing Activities

Cash flow provided by financing activities increased to approximately $58,915,000 in the first nine months of 2003 from approximately $5,063,000 of cash provided during the first nine months of 2002. The change of approximately $54,000,000 was primarily the result of the Company obtaining mortgage financing of approximately $47,000,000, proceeds from a line of credit and other short term borrowings of approximately $11,000,000, and the receipt of $10,000,000 in equity contributions from limited partners to fund the acquisitions of six shopping centers, including the capital expenditures necessary to improve and lease the Company's properties. This increase is offset, in part, by payments of scheduled mortgage amortization and the repayment of a line of credit.

Liquidity and Capital Resources

The Company funds its operating expenses primarily from operating cash flows, although, if needed, the Company may also use its bank line of credit for this purpose. The Company funds acquisitions, developments, and other capital expenditures primarily from available cash, property-specific mortgage indebtedness, joint venture partner equity contributions, its line of credit and, to a lesser extent, operating cash flows. The Company may also acquire properties through the issuance of limited partnership units of the Operating

Partnership. Additionally, the Company may dispose of certain properties, reinvesting the proceeds from such dispositions into properties with better growth potential or that are more consistent with its strategic focus.

During October 2003, the Company completed an Offering, the net proceeds of which amounted to approximately $145,000,000, and in November 2003, the underwriter exercised its over-allotment option to purchase an additional 2,025,000 shares at $11.50 per share less the underwriters' discount. In connection with the Offering, the Company obtained a commitment for a three-year $75 million secured revolving credit facility from Fleet Bank. Under the terms of this commitment the Company expects to have available a $40 million bridge loan, with the remaining $35 million to be available upon syndication of the facility prior to December 31, 2003 subject to the satisfaction of certain covenants. Borrowings under the facility will incur interest at a rate of LIBOR plus 2.25% - 2.75% depending upon the Company's leverage (loan to value). The facility will be subject to customary financial covenants and limits on leverage. The Company will have the ability to extend the payments of amounts drawn under the facility for an additional one year period. Security for such facility is expected to be first mortgages on properties which will be otherwise unencumbered after the Offering. There can be no assurances that the lenders will determine that the proffered collateral will be sufficient to support the entire facility, that the syndication will be completed, or that the Company will be able to comply with all of the loan covenants. To the extent available, the Company expects to use the facility to, among other things, finance (a) certain expected acquisitions of shopping centers or interim purchase deposits with respect to new acquisitions, (b) certain expected acquisitions of optioned properties, (c) capital improvements, (d) costs of redevelopment and new development projects and properties, and (e) working capital and other corporate purposes.

The Company believes that it has the ability to fund its operations for at least the next twelve months, including required property-level capital expenditures, tenant improvements, leasing costs, and mortgage and other scheduled principal payments.

Capital Strategy

The Company focuses its investment activities on community and neighborhood shopping centers, primarily located in Pennsylvania, anchored principally by regional and national grocery store chains. The Company continues to seek acquisition opportunities in which it can utilize its experience in shopping center renovation, expansion, re-leasing and re-merchandising to

achieve long-term cash flow growth and favorable investment returns. The Company also would consider investment opportunities in markets beyond the Pennsylvania area, provided such opportunities were consistent with its focus, had the potential to create favorable investment returns and increased value to its shareholders, and could be effectively controlled and managed.

Funds from Operations

Management believes that funds from operations ("FFO") is a widely recognized and appropriate measure of performance of an equity REIT. Although FFO is a non-GAAP financial measure, Management believes it provides useful information to shareholders, potential investors, and management. Management computes FFO in accordance with the standards established by the National Association of Real Estate Investment Trusts ("NAREIT"). FFO is defined by NAREIT as net income or loss excluding gains or losses from debt restructuring and sales of properties plus real estate depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. FFO does not represent cash generated from operating activities in accordance with accounting principles generally accepted in the United States and is not indicative of cash available to fund cash needs. FFO should not be considered as an alternative to net income as an indicator of the Company's operating performance or as an alternative to cash flow as a measure of liquidity.

As not all companies and analysts calculate FFO in a similar fashion, the Company's calculation of FFO presented herein may not be comparable to similarly titled measures as reported by other companies.

Cedar Shopping Centers, Inc.

The following table represents the Company's FFO calculation for the following periods:

<TABLE>
<CAPTION>

	Three Months Ended September 30, 2003	2002	Nine Months Ended September 30, 2003	2002
<S>	<C>	<C>	<C>	<C>
Net loss before limited partner's interest in Operating Partnership	$ (718,000)	$ (156,000)	$ (1,406,000)	$ (1,107,000)
Add (less):				
Limited partner's interest in the Operating Partnership	490,000	96,000	939,000	787,000
Net loss available to common shareholders	(228,000)	(60,000)	(467,000)	(320,000)
Add (less) Company's share of the following items:				
Depreciation	274,000	147,000	730,000	333,000
Loss on sale	-	-	-	14,000
Minority interest	110,000	41,000	237,000	6,000
Amount distributable to minority partners	(214,000)	(100,000)	(521,000)	(109,000)
Basic and diluted funds from operations	$ (58,000)	$ 28,000	$ (21,000)	$ (76,000)
Weighted average shares outstanding	238,000	231,000	263,000	231,000

</TABLE>

The following table represents the Operating Partnership's FFO calculation for the following periods:

<TABLE>

<CAPTION>

<S>	Three Months Ended September30, 2003 <C>	2002 <C>	Nine Months Ended September 30, 2003 <C>	2002 <C>
Net loss before limited partner's interest in Operating Partnership	$ (718,000)	$ (156,000)	$ (1,406,000)	$ (1,107,000)
Add (less):				
Limited partner's interest in the Operating Partnership	490,000	96,000	939,000	787,000
Net loss available to common shareholders	(228,000)	(60,000)	(467,000)	(320,000)
Add (less) Company's share of the following items:				
Limited partner's interest	(490,000)	(96,000)	(939,000)	(787,000)
Limited Partners share of Series A preferred distribution	(43,000)	-	(91,000)	-
Depreciation	914,000	506,000	2,434,000	1,148,000
Loss on sale				49,000
Minority interest	367,000	142,000	790,000	21,000
Amount distributable to minority partners	(714,000)	(345,000)	(1,738,000)	(376,000)
Basic and diluted funds from operations	$ (194,000)	$ 147,000	$ (11,000)	$ (265,000)
Weighted average shares/units outstanding	806,000	799,000	831,000	799,000

</TABLE>

Item 3. Quantitative and Qualitative Disclosures about Market Risk

The primary market risk facing the Company is variable interest rate risk on its loans payable and mortgage notes payable. The Company will, when advantageous, hedge its interest rate risk using financial instruments. The Company is not subject to foreign currency risk.

The Company is exposed to interest rate changes primarily as a result of (1) the line of credit used to maintain liquidity, fund capital expenditures and expand its real estate investment portfolio and (2) the Camp Hill, L.A. Fitness Center, Valley Plaza and Wal-Mart acquisition financing. The Company's interest rate risk management objectives are to limit the impact of interest rate changes on earnings and cash flows and to lower its overall borrowing costs. To achieve these objectives, the Company borrows primarily at fixed rates and may enter into derivative financial instruments such as interest rate swaps, caps and treasury locks in order to mitigate its interest rate risk on a related financial instrument. The Company does not enter into derivative or interest rate transactions for speculative purposes.

The Company will recognize all derivatives on the balance sheet at fair value. Derivatives that are not hedges will be adjusted to fair value through income. If a derivative is a hedge, depending on the nature of the hedge, changes in the fair value of the derivative will either be offset against the change in fair value of the hedged assets, liability or firm commitment through earnings, or recognized in other comprehensive income until the hedged item is recognized in earnings. The ineffective portion of a derivative's change in fair value will be immediately recognized in earnings. As of September 30, 2003, the Company has interest rate swaps on four of its mortgage loans. These derivatives had a fair value of approximately $697,000 of which $227,000 was recognized in other comprehensive income and the remaining $470,000 was recognized as the limited partner's interest in the consolidated Operating Partnership.

The Company's interest rate risk is monitored using a variety of techniques. As of September 30, 2003, long-term debt consisted of fixed-rate secured mortgage indebtedness, fixed-rate unsecured notes, variable rate secured mortgage notes, and a variable rate line of credit facility. The average interest rate on the $125,000,000 of fixed rate secured mortgage indebtedness outstanding at September 30, 2003 was 7.3%, with maturities at various dates

through 2013. The average interest rate on the Company's line of credit at September 30, 2003 was 6%. There was $1,000,000 outstanding balance on the line of credit at September 30, 2003.

Item 4. Controls and Procedures

The Company maintains disclosure controls and procedures and internal controls designed to ensure that information required to be disclosed in its filings under the Securities Exchange Act of 1934 is reported within the time periods specified in the Securities and Exchange Commission's ("SEC") rules and forms. In this regard, the Company has formed a Disclosure Committee currently comprised of all of the Company's executive officers as well as certain other employees with knowledge of information that may be considered in the SEC reporting process. The Committee has responsibility for the development and assessment of the financial and non-financial information to be included in the reports filed by the Company with the SEC and assists the Company's Chief Executive Officer and Chief Financial Officer in connection with their certifications contained in the Company's SEC reports.

Item 4. Controls and Procedures (continued)

The Committee meets regularly and reports to the Audit Committee on at least a quarterly basis. The Company's Chief Executive and Chief Financial Officers have evaluated the effectiveness of the Company's disclosure controls and procedures as of September 30, 2003 and have determined that such disclosure controls and procedures are effective as of the end of the period covered by this report.

During the quarter ended September 30, 2003, there have been no significant changes in the internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Cedar Shopping Centers, Inc.

Part II Other Information

Item 6. Exhibits and Reports on Form 8-K

None

Exhibit 31.1 Section 302 Certifications

Exhibit 32.1 Section 906 Certifications

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CEDAR SHOPPING CENTERS, INC.

/s/ Leo S. Ullman	/s/ Thomas J O'Keeffe
Leo S. Ullman Chairman of the Board and President (Principal executive officer)	Thomas J O'Keeffe Chief Financial Officer (Principal financial officer)

/s/ Ann Maneri

Ann Maneri
Controller
(Principal accounting officer)

CERTIFICATION

I, Leo S. Ullman, Chief Executive Officer of Cedar Shopping Centers, Inc. (the "Registrant"), certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of the Registrant;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Registrant and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Intentionally omitted;

(c) evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) disclosed in this report any change in the Registrant's internal controls over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal controls over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the Audit Committee of the Registrant's Board of Directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: November 13, 2003

/s/ Leo S. Ullman

Leo S. Ullman
Chief Executive Officer

CERTIFICATION

I, Thomas J. O'Keefe, Chief Financial Officer of Cedar Shopping Centers, Inc. (the "Registrant"), certifies that:

1. I have reviewed this Quarterly Report on Form 10-Q of the Registrant;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Registrant and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Intentionally omitted;

(c) evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the

effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) disclosed in this report any change in the Registrant's internal controls over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal controls over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the Audit Committee of the Registrant's Board of Directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date November 13, 2003

/s/ Thomas J. O'Keeffe

Thomas J. O'Keeffe
Chief Financial Officer

CERTIFICATION

I, Leo S. Ullman, Chief Executive Officer of the Cedar Shopping Centers, Inc. (the "Company"), pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, do hereby certify as follows:

1. The quarterly report on Form 10-Q of the Company for the period ended September 30, 2003, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in such Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

IN WITNESS WHEREOF, I have executed this Certification this 13th day of November 2003.

/s/ Leo S. Ullman

Leo S. Ullman, Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to Cedar Shopping Centers, Inc. and will be retained by Cedar Shopping Centers, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

I, Thomas J. O'Keeffe, Chief Financial Officer of the Cedar Shopping Centers, Inc. (the "Company"), pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, do hereby certify as follows:

1. The quarterly report on Form 10-Q of the Company for the period ended September 30, 2003, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in such Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

IN WITNESS WHEREOF, I have executed this Certification this 13th day of November 2003.

/s/ Thomas J. O'Keeffe

Thomas J. O'Keeffe, Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to Cedar Shopping Centers, Inc. and will be retained by Cedar Shopping Centers, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.