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GETTY REALTY CORP /MD/
Form 11-K
June 22, 2005

SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 11-K

ANNUAL REPORT

Pursuant to Section 15(d) of the
Securities Exchange Act of 1934

(Mark One) :

X ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES
----- EXCHANGE ACT OF 1934

For the plan year ended December 31, 2004

OR

----- TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 001-13777

A. Full title of the plan and the address of the plan, if different
from that of the issuer named below:

GETTY REALTY CORP.
RETIREMENT AND PROFIT SHARING PLAN

B. Name of issuer of the securities held pursuant to the plan and
the address of its principal executive office:

GETTY REALTY CORP.
125 Jericho Turnpike, Suite 103
Jericho, New York 11753

REQUIRED INFORMATION

Financial Statements, Supplemental Schedules and Exhibits as follows:

1. Financial Statements:

Consolidated Statements of Net Assets Available for Plan
Benefits as of December 31, 2004 and 2003

Consolidated Statement of Changes in Net Assets
Available for Plan Benefits for the year ended

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December 31, 2004

Notes to Financial Statements

2. Exhibits: None

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SIGNATURES

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

GETTY REALTY CORP.
RETIREMENT AND
PROFIT SHARING PLAN

Dated: June 22, 2005

by: /s/ Thomas J. Stirnweis

Thomas J. Stirnweis
Chairman of the Getty Realty
Corp. Retirement and Profit
Sharing Plan Committee and
Plan Administrator

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GETTY REALTY CORP.
RETIREMENT AND PROFIT SHARING PLAN

Financial Statements
as of December 31, 2004 and 2003
and for the year ended December 31, 2004

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GETTY REALTY CORP.
RETIREMENT AND PROFIT SHARING PLAN
Consolidated Statements of Net Assets Available for Plan Benefits
as of December 31, 2004 and 2003
(in thousands)

	2004	2003
	-----	-----
Assets:		
Investments, at fair value (Note 6)	\$6,555	\$5,786
Cash	15	12
Employer contributions receivable	22	16
Employee loans	11	12
	-----	-----
Net assets available for plan benefits	\$6,603	\$5,826
	=====	=====

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The accompanying notes are an integral part of these financial statements.

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GETTY REALTY CORP.
RETIREMENT AND PROFIT SHARING PLAN
Consolidated Statement of Changes in Net Assets Available for Plan Benefits
for the Year ended December 31, 2004
(in thousands)

Contributions:	
Employer	\$ 60
Employee	157

	217

Investment income:	
Interest and dividend income	283
Net investment gain from pooled separate accounts	159
Net appreciation of investments	230

	672

Withdrawals	(112)

Net additions	777
Net assets available for plan benefits as of January 1, 2004	5,826

Net assets available for plan benefits as of December 31, 2004	\$ 6,603
	=====

The accompanying notes are an integral part of these financial statements.

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GETTY REALTY CORP.
RETIREMENT AND PROFIT SHARING PLAN
Notes to Financial Statements

1. Description of Plan

The following brief description of the Getty Realty Corp. Retirement and Profit Sharing Plan (the "Plan") is provided for general information purposes only. Participants should refer to the Plan Document for more complete information.

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The Plan, established February 1, 1978, is a defined contribution plan covering all employees of Getty Realty Corp. and its wholly-owned subsidiaries (the "Company"), who have attained age twenty-one and completed 1/2 year of service, except those covered by a collective bargaining agreement. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), other than Title IV, and provides for the benefits available under Section 401(k) of the Internal Revenue Code.

Employees may contribute up to 50% of their compensation to the Plan (for 2004, limited to a maximum contribution of \$13,000 for employees who are under the age of 50 and \$16,000 for those over) and the Company matches an amount equal to the lesser of 50% of such employee contributions or 3% of compensation (for 2004, limited to a maximum compensation of \$205,000). The Company may also make a profit sharing contribution to the Plan at the discretion of the Company's Board of Directors. Employees must complete one year of service and must complete at least 1,000 hours of service during the plan year for which such contributions are made to be eligible to participate in profit sharing contributions.

The Plan provides for a participant directed investment program. Contributions to the Plan, including the employer contributions, may be invested in twelve available investment funds allocated in multiples of 5% at the election of the employee as follows:

The Guaranteed Interest Fund consists primarily of high-quality, fixed-income investments including public bonds, private placements, commercial mortgage loans and short-term investments. MassMutual maintains the contributions and related accumulated investment earnings in the MassMutual Guaranteed Interest Account ("GIA") which earns interest at a minimum guaranteed rate of return which is revised semi-annually. The GIA is backed by the general assets of Massachusetts Mutual Insurance Company ("MassMutual") and, accordingly, is subject to its credit worthiness (MassMutual has been rated A++ by A.M. Best Company, AAA by both Fitch Ratings and Standard & Poor's Corp., and Aa1 by Moody's Investors Service).

The Core Value Equity Fund invests in the MassMutual Premier Core Value Equity Fund SIA-A pooled separate investment account which holds Class S shares of three MassMutual Institutional funds; the MassMutual Premier Value Fund (ticker symbol: MVEDX), the MassMutual Select Diversified Value Fund (ticker symbol: MDV SX) and the MassMutual Premier Enhanced Index Value Fund (ticker symbol: MEPSX). The Core Value Equity Fund invests in stocks of larger, well-established companies selling at discounted valuation levels. The Core Value Equity Fund is not guaranteed as to either principal or a stated rate of investment return.

The Getty Common Stock Fund invests in common stock of the Company (ticker symbol: GTY). The Fund is administered by the Company and is not guaranteed as to either principal or a stated rate of investment return.

The four Destination Retirement Funds hold Class S shares of MassMutual Select Destination Retirement Fund pooled separate investment accounts which are managed by Massachusetts Mutual and invest in a combination of MassMutual equity, fixed income and money market funds using an asset allocation strategy based on the approximate retirement year of the investors for whom the fund's asset allocation strategy is designed. Assets in each fund are allocated among MassMutual Institutional funds according to an asset allocation strategy that offers an automatic roll-down process that seamlessly invests more conservatively until it reaches 25% in equity funds and 75% in fixed-income funds, including money market funds (approximately five to ten years after the fund's target retirement year).

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These investment options are designed for investors who are investing with a specific target retirement date in mind seeking a single solution to diversification without the task of having to adjust their portfolio as they approach retirement. The Destination Retirement Funds are not guaranteed as to either principal or a stated rate of investment return.

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The Destination Retirement Income Fund invests in the MassMutual Select Destination Retirement Income Fund SIA-BC pooled separate investment account (ticker symbol: MDRSX) using an asset allocation strategy designed for investors already in retirement. Assets are allocated according to a stable target asset allocation strategy of 30% stocks and 70% bonds and cash that emphasizes fixed income and money market funds but also include a smaller allocation to equity funds.

The Destination Retirement 2020 Fund invests in the MassMutual Select Destination Retirement 2020 Fund SIA-BP pooled separate investment account (ticker symbol: MRTSX) using an asset allocation strategy for investors expecting to retire around the year 2020 and is designed for a person who will retire between the years 2016-2025. Assets are allocated according to a target asset allocation strategy of 60% stocks and 40% bonds and cash.

The Destination Retirement 2030 Fund invests in the MassMutual Select Destination Retirement 2030 Fund SIA-BA pooled separate investment account (ticker symbol: MRYSX) using an asset allocation strategy for investors expecting to retire around the year 2030 and is designed for a person who will retire between the years 2026-2035. Assets are allocated according to a target asset allocation strategy of 85% stocks and 15% bonds and cash.

The Destination Retirement 2040 Fund invests in the MassMutual Select Destination Retirement 2040 Fund SIA-BE pooled separate investment account (ticker symbol: MFRSX) using an asset allocation strategy for investors expecting to retire around the year 2040 and is designed for a person who will retire between the years 2036-2045. A significant percentage of the underlying investments in this strategy have a higher than average risk exposure. Assets are allocated according to a target asset allocation strategy of 100% stocks.

The following funds hold units in independently managed mutual funds. The contributions and related accumulated investment earnings are not guaranteed as to either principal or a stated rate of investment return.

The Contrafund Fund invests in the MassMutual SIA-W2 pooled separate investment account which holds shares of Fidelity's Contrafund (ticker symbol: FCNTX), a mutual fund that invests mainly in undervalued common stocks of companies experiencing improved fundamentals. The portfolio emphasizes both well-known and lesser-known companies that are not currently favored by the public, but which show potential for capital appreciation due to positive changes or turnarounds that are underway. The portfolio for the underlying fund is managed by Fidelity Management and Research Company.

The New Horizons Fund invests in the MassMutual SIA-W4 pooled separate investment account which holds shares of T. Rowe Price's New Horizons Fund (ticker symbol: PRNHX), a mutual fund which invests mainly in common stocks of small, rapidly growing companies. The fund will invest primarily in a diversified group of small, emerging growth companies, preferably early in the corporate life cycle before a company becomes widely recognized by the investment community. The portfolio may also invest in companies that offer the possibility of accelerated earnings growth due to rejuvenated management, new

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products, or structural changes in the economy. The portfolio for the underlying fund is managed by T. Rowe Price Associates, Inc.

The Ultra Fund invests in the MassMutual SIA-W7 pooled separate investment account which holds shares of American Century's Ultra Fund (ticker symbol: TWCUX), a mutual fund which seeks to invest mainly in common stocks of companies that will increase in value over time. Management of the funds is based on the belief that, over the long term, stock price movements follow growth in earnings, revenues and /or cash flows. The portfolio emphasizes large-sized companies that are growing at an accelerating pace. The portfolio for the underlying fund is managed by American Century Investment Management, Inc.

The S&P 500 Index Fund holds shares of the Schwab S&P Index 500 E-Shares Fund (ticker symbol: SWPEX), a mutual fund that invests in the same stocks that make up the S&P 500 index and in the same relative weightings that each stock is in the index. The portfolio for the underlying fund is managed by Charles Schwab Investment Management with a focus on achieving a total rate of return comparable to the S&P 500 Index.

The International Growth Fund holds shares of American Century International Growth Fund (ticker symbol: TWIEX) a mutual fund which invests in the stocks of developed foreign companies outside the United States and domestic stocks. The portfolio for the underlying fund is managed by American Century Investment Management, Inc.

Under the loan provision, employees are permitted to borrow between \$500 and the lesser of \$50,000 or 50% of the participant's vested account balance for personal reasons reflecting important financial needs. The interest rate

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charged is fixed at the prime rate in effect at the beginning of the month the loan is requested plus 1%. Loan repayments are made by bi-weekly payroll deductions. The employee is charged a \$75 loan initiation fee for each loan from the plan. Loans are required to be repaid over a maximum period of five years, unless the loan is used to purchase a principal residence, in which case the maximum period is fifteen years. Loans may be repaid in full before their maturity date. However, all loans must be repaid upon cessation of employment and, if not repaid within 90 days, the unpaid balance of principal and interest is charged against the participant's vested account balance.

On termination of employment, if the employee's vested account balance is greater than \$5,000, the employee's vested account balance may be distributed to the employee in the form of a single lump sum payment or in substantially equal installments, after the Plan administrator receives consent for the distribution from the employee. If the employee's vested account balances is not greater than \$5,000 at the time of termination, the employee's account is automatically distributed to the employee in the form of a single lump sum payment. While employed, employees generally may not receive a distribution from their accounts unless they have attained age 65. However, an employee may withdraw all or a portion of their rollover contributions without penalty at any time. Additionally, an employee may request a distribution of all or a portion of their voluntary contributions if they can demonstrate "financial hardship." If the Plan administrator approves the request the employee shall be suspended from making voluntary contributions to the Plan for a certain period after receiving the hardship distribution.

Employee contributions (including related accumulated investment

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earnings) are 100% vested. Employer contributions (including related accumulated investment earnings) vest in accordance with the following schedule:

Years of Service -----	Percent Vested -----
2 years	20%
3 years	40
4 years	60
5 years	80
6 or more years	100

Upon termination of employment, the non-vested portion of employer contributions, if any, will be forfeited by the employee and applied to reduce the Company's future contributions.

2. Summary of significant accounting policies

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). GAAP requires management to make its best estimates, judgments and assumptions that affect the amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and changes in net assets available for plan benefits during the period reported. While all available information has been considered, actual results could differ from those estimates, judgments and assumptions.

The investments in the Guaranteed Interest Fund, the Core Value Equity Fund, the Destination Retirement Funds, the Contrafund, the New Horizons Fund and the Ultra Fund are stated at current fair value as reported by MassMutual using quoted market prices or good faith estimates if quoted market prices are not available. The Getty Common Stock Fund, The S&P 500 Index Fund and The International Growth Fund are valued at published market prices.

The Plan presents in the Statement of Changes in Net Assets Available for Plan Benefits the net investment gain or loss from pooled separate accounts, and the net appreciation or depreciation in the fair value of investments, which consists of the realized gains and losses and the unrealized appreciation and depreciation on those investments held by the Getty Common Stock Fund, the S&P 500 Index Fund and the International Growth Fund.

Under the terms of the Plan, the Company has elected to pay the administrative expenses of the Plan.

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3. Termination Priorities

While the Company has not expressed any intent to discontinue its contributions, the Board of Directors of the Company is free to do so at any time, subject to the requirements of the Internal Revenue Code and ERISA. In the event such discontinuance results in the termination of the Plan, the net assets of the Plan will be distributed to the participants and beneficiaries of the Plan under the terms of the Plan.

4. Income Tax Status

On December 19, 2002, the Internal Revenue Service informed the

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Company that the Plan was a qualified plan under Section 401(a) of the Internal Revenue Code.

5. Reconciliation to Form 5500

In accordance with GAAP, the Plan does not record a liability for amounts allocated to participants who have withdrawn from the Plan and for which disbursement of those funds has not been made by year end. The Department of Labor requires the recording of a liability for benefit claims payable in Form 5500. As of December 31, 2004 and 2003, there were no benefits claim payable recorded on the Form 5500 for employees who have elected to withdraw from the Plan.

6. Investments

The following summarizes the fair value of the Plan's investments as of December 31, 2004 and 2003 (in thousands):

	2004	2003
	----	----
Guaranteed Interest Fund (a) (b)	\$2,782	\$2,712
Core Value Equity Fund (a)	218	239
Getty Common Stock \$.01 par value (b) (c)	2,393	2,031
Destination Retirement Income Fund (a)	28	30
Destination Retirement 2020 Fund (a)	188	70
Destination Retirement 2030 Fund (a)	113	53
Destination Retirement 2040 Fund (a)	48	73
Contrafund (a)	206	123
New Horizons Fund (a) (b)	390	349
Ultra Fund (a)	112	93
S&P 500 Index Fund (d)	54	13
International Growth Fund (e)	23	0
	-----	-----
	\$6,555	\$5,786
	=====	=====

- (a) Fair value determined by MassMutual.
- (b) Fund balance represents more than 5% of the Plan's net assets available for plan benefits as of the beginning of the year.
- (c) The market value of the Company's common stock was \$28.73 per share and \$26.15 per share as of December 31, 2004 and 2003, respectively.
- (d) Fair value determined by Charles Schwab.
- (e) Fair value determined by American Century Investment Management, Inc.

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GETTY REALTY CORP.
RETIREMENT AND PROFIT SHARING PLAN
2004 FORM 5500

SCHEDULE H - PART IV - 4i - SCHEDULE OF ASSETS HELD FOR

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INVESTMENT PURPOSES AS OF DECEMBER 31, 2004
(in thousands)

(a) ---	(b) ---	(c) ---	(d) ---
---	IDENTITY OF ISSUE, BORROWER, LESSOR, OR SIMILAR PARTY	DESCRIPTION OF INVESTMENT INCLUDING MATURITY DATE, RATE OF INTEREST, COLLATERAL, PAR, OR MATURITY VALUE	COST (*)
1	(*) MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY	GUARANTEED INTEREST ACCOUNT	-
2	(*) MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY	PREMIER CORE VALUE EQUITY FUND	-
3	(*) GETTY REALTY CORP.	COMMON STOCK, \$.01 PAR VALUE	-
4	(*) MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY	DESTINATION SELECT RETIREMENT INCOME FUND	-
5	(*) MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY	DESTINATION SELECT RETIREMENT 2020 FUND	-
6	(*) MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY	DESTINATION SELECT RETIREMENT 2030 FUND	-
7	(*) MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY	DESTINATION SELECT RETIREMENT 2040 FUND	-
8	(*) MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY	FIDELITY CONTRAFUND	-
9	(*) MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY	T. ROWE PRICE NEW HORIZONS FUND	-
10	(*) MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY	AMERICAN CENTURY ULTRA FUND	-
11	CHARLES SCHWAB	SCHWAB S&P INDEX 500 E-SHARES FUND	-
12	AMERICAN CENTURY INVESTMENTS	AMERICAN CENTURY INTERNATIONAL GROWTH FUND	-
13	(*) PARTICIPANT LOANS	LOAN TO PLAN PARTICIPANT WITH MATURITY DATE OF JULY 1, 2013, BEARING INTEREST AT 9.5% AND SECURED BY THE PARTICIPANT'S VESTED ACCOUNT BALANCE	-
	(*) DENOTES PARTY IN INTEREST.		
	(**) COST INFORMATION OMITTED SINCE PLAN INVESTMENTS ARE PARTICIPANT DIRECTED.		

