



FOR IMMEDIATE RELEASE:

DDR Reports Second Quarter 2018 Operating Results

BEACHWOOD, OHIO, July 25, 2018 – DDR Corp. (NYSE: DDR) today announced operating results for the quarter ended June 30, 2018.

“I am pleased with our results, highlighted by the completion of the spin-off of Retail Value Inc., allowing DDR to retain a focused, high quality, and growth-oriented portfolio of 78 wholly-owned assets,” commented David R. Lukes, president and chief executive officer. “Our operating performance in the quarter was also excellent, with strong leasing volumes and spreads, including notable leases with new portfolio tenants, and better than expected same store net operating income.”

Results for the Quarter

- Second quarter net loss attributable to common shareholders was \$11.7 million, or \$0.07 per diluted share, as compared to net income of \$23.2 million, or \$0.13 per diluted share, in the year ago-period. The year-over-year increase in net loss is primarily attributable to spin-off transaction costs of \$31.4 million and lower gain on sale of assets partially offset by lower impairment charges.
- Second quarter operating funds from operations attributable to common shareholders (“Operating FFO” or “OFFO”) was \$90.5 million, or \$0.49 per diluted share, compared to \$108.8 million, or \$0.59 per diluted share, in the year ago-period. The year-over-year decrease in OFFO is primarily attributable to the dilutive impact of deleveraging asset sales.

Significant Second Quarter Activity

- On July 1, 2018, completed the previously announced spin-off of Retail Value Inc. (“RVI”), an independent company on the New York Stock Exchange under the ticker symbol RVI. RVI owned a portfolio of 48 assets that included 36 continental U.S. assets and all 12 of DDR’s previously owned Puerto Rico assets at the time of the spin-off. DDR has retained a preferred stock investment of \$190 million and will continue to manage the RVI assets.
- Sold 17 shopping centers and land parcels for an aggregate sales price of \$421.1 million, totaling \$202.7 million at DDR’s share, including \$10.3 million from the repayment of the Company’s preferred equity investment in its two joint ventures with Blackstone. Includes two RVI shopping centers sold prior to completion of the spin-off at an aggregate sales price of \$105.8 million.
- Executed a one-for-two reverse stock split of the Company’s common shares in May 2018. All prior period per share information has been restated to reflect the impact of the reverse stock split.

Key Quarterly Operating Results

- Reported 1.4% same store net operating income growth on a pro rata basis for New DDR. The results of “New DDR” represent the results of the assets as of July 1, 2018 that remain in DDR after the completion of the spin-off of RVI.
- Generated new leasing spreads of 24.7% and renewal leasing spreads of 5.7%, both on a pro rata basis for New DDR for the quarter, and new leasing spreads of 21.9% and renewal leasing spreads of 6.5%, both on a pro rata basis for New DDR for the trailing twelve-month period.
- Reported a leased rate of 93.1% at June 30, 2018 for New DDR on a pro rata basis, compared to 93.2% at June 30, 2017.
- Annualized base rent per occupied square foot on a pro rata basis was \$17.36 at June 30, 2018 for New DDR, compared to \$17.08 at June 30, 2017.

Guidance

There has been no change in the Company's Operating FFO per share guidance since the update provided on June 4, 2018, for the effect of the reverse stock split. The Company continues to estimate Operating FFO for the third quarter of 2018 to be at least \$0.30 per diluted share. Disposition fees from RVI are excluded from Operating FFO guidance.

Reconciliation of Net Income Attributable to DDR to FFO and Operating FFO Estimate:

	3Q2018E
	Per Share - Diluted
Net income attributable to Common Shareholders	\$0.04 - \$0.06
Depreciation and amortization of real estate	0.23 - 0.26
Equity in net income of JVs	(0.02)
JVs' FFO	0.04
FFO (NAREIT)	\$0.29
Transaction costs	0.01
Operating FFO	\$0.30

About DDR Corp.

DDR is an owner and manager of open-air shopping centers that provide a highly-compelling shopping experience and merchandise mix for retail partners and consumers. The Company is a self-administered and self-managed REIT operating as a fully integrated real estate company, and is publicly traded on the New York Stock Exchange under the ticker symbol DDR. Additional information about the Company is available at www.ldr.com.

Conference Call and Supplemental Information

The Company will hold its quarterly conference call today at 5:00 p.m. Eastern Time. To participate with access to the slide presentation, please visit the Investors portion of DDR's website, ir.ldr.com, or for audio only, dial 888-317-6003 (U.S.), 866-284-3684 (Canada) or 412-317-6061 (international) using pass code 1536254 at least ten minutes prior to the scheduled start of the call. A replay of the conference call will also be available at ir.ldr.com for one year after the call. A copy of the Company's Supplemental package is available on the Company's website.

Non-GAAP Measures

FFO is a supplemental non-GAAP financial measure used as a standard in the real estate industry and is a widely accepted measure of real estate investment trust ("REIT") performance. Management believes that both FFO and Operating FFO provide additional indicators of the financial performance of a REIT. The Company also believes that FFO and Operating FFO more appropriately measure the core operations of the Company and provide benchmarks to its peer group.

FFO is generally defined and calculated by the Company as net income (loss), adjusted to exclude: (i) preferred share dividends, (ii) gains and losses from disposition of depreciable real estate property and related investments, which are presented net of taxes, (iii) impairment charges on depreciable real estate property and related investments and (iv) certain non-cash items. These non-cash items principally include real property depreciation and amortization of intangibles, equity income (loss) from joint ventures and equity income (loss) from non-controlling interests and adding the Company's proportionate share of FFO from its unconsolidated joint ventures and non-controlling interests, determined on a consistent basis. The Company's calculation of FFO is consistent with the NAREIT definition. The Company calculates Operating FFO by excluding certain non-operating charges and gains. Operating FFO is useful to investors as the Company removes non-comparable charges and gains to analyze the results of its operations and assess performance of the core operating real estate portfolio. Other real estate companies may calculate FFO and Operating FFO in a different manner.

The Company also uses net operating income ("NOI"), a non-GAAP financial measure, as a supplemental performance measure. NOI is calculated as property revenues less property-related expenses. The Company believes NOI provides useful information to investors regarding the Company's financial condition and results of operations because it reflects only those income and expense items that are incurred at the property level and, when compared across periods, reflects the impact on operations from trends in occupancy rates, rental rates, operating costs and acquisition and disposition activity on an unleveraged basis.

The Company presents NOI information herein on a same store basis or “SSNOI.” The Company defines SSNOI as property revenues less property-related expenses, which exclude straight-line rental income and expenses, lease termination income, management fee expense, fair market value of leases and expense recovery adjustments. SSNOI also excludes activity associated with development and major redevelopment and includes assets owned in comparable periods (15 months for quarter comparisons). In addition, due to the impact of Hurricane Maria on its properties in Puerto Rico in 2017, the Company also excludes its Puerto Rico NOI from SSNOI. SSNOI excludes all non-property and corporate level revenue and expenses. Other real estate companies may calculate NOI and SSNOI in a different manner. The Company believes SSNOI provides investors with additional information regarding the operating performances of comparable assets because it excludes certain non-cash and non-comparable items as noted above.

FFO, Operating FFO, NOI and SSNOI do not represent cash generated from operating activities in accordance with GAAP, are not necessarily indicative of cash available to fund cash needs and should not be considered as alternatives to net income computed in accordance with GAAP as indicators of the Company’s operating performance or as alternatives to cash flow as a measure of liquidity. Reconciliations of these non-GAAP measures to their most directly comparable GAAP measures are included in this release and the accompanying financial supplement.

Safe Harbor

DDR Corp. considers portions of the information in this press release to be forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, both as amended, with respect to the Company's expectation for future periods. Although the Company believes that the expectations reflected in such forward-looking statements are based upon reasonable assumptions, it can give no assurance that its expectations will be achieved. For this purpose, any statements contained herein that are not historical fact may be deemed to be forward-looking statements. There are a number of important factors that could cause our results to differ materially from those indicated by such forward-looking statements, including, among other factors, property damage, expenses related thereto and other business and economic consequences (including the potential loss of rental revenues) resulting from extreme weather conditions in locations where we own properties, and the ability to estimate accurately the amounts thereof; sufficiency and timing of any insurance recovery payments related to damages from extreme weather conditions; local conditions such as supply of space or a reduction in demand for real estate in the area; competition from other available space; dependence on rental income from real property; the loss of, significant downsizing of or bankruptcy of a major tenant; redevelopment and construction activities may not achieve a desired return on investment; our ability to buy or sell assets on commercially reasonable terms; our ability to complete acquisitions or dispositions of assets under contract; our ability to secure equity or debt financing on commercially acceptable terms or at all; our ability to enter into definitive agreements with regard to our financing and joint venture arrangements or our failure to satisfy conditions to the completion of these arrangements; the termination of any joint venture arrangements or arrangements to manage real property; the impact of the recent spin-off of Retail Value Inc. or the portfolio transition or any change in strategy; the success of our deleveraging strategy; our ability to maintain REIT status; and the finalization of the financial statements for the period ended June 30, 2018. For additional factors that could cause the results of the Company to differ materially from those indicated in the forward-looking statements, please refer to the Company's most recent reports on Form 10-K and Form 10-Q. The Company undertakes no obligation to publicly revise these forward-looking statements to reflect events or circumstances that arise after the date hereof.

DDR Corp.
Income Statement: Consolidated Interests

\$ in thousands, except per share

	2Q18	2Q17	6M18	6M17
Revenues (1):				
Minimum rents (2)	\$141,678	\$164,623	\$288,565	\$331,852
Percentage rent	1,453	1,823	3,261	3,522
Recoveries	50,558	55,633	101,912	113,109
Other property revenues (3)	7,532	5,321	12,440	9,899
Business interruption income	3,100	0	5,100	0
	204,321	227,400	411,278	458,382
Expenses (4):				
Operating and maintenance	31,149	32,150	60,906	65,141
Real estate taxes	30,478	33,744	62,501	68,073
	61,627	65,894	123,407	133,214
Net operating income	142,694	161,506	287,871	325,168
Other income (expense):				
Fee income	7,195	8,787	15,306	18,226
Interest income	5,016	7,166	10,357	15,558
Interest expense	(44,913)	(48,908)	(88,953)	(100,735)
Depreciation and amortization	(72,462)	(90,276)	(146,886)	(181,160)
General and administrative (5)	(20,187)	(22,756)	(36,302)	(53,828)
Other income (expense), net (6)	(36,255)	(954)	(97,862)	(958)
Impairment charges	(18,060)	(28,096)	(48,504)	(50,069)
Hurricane property loss	(224)	0	(974)	0
Loss before earnings from JVs and other	(37,196)	(13,531)	(105,947)	(27,798)
Equity in net income (loss) of JVs	3,821	(717)	12,607	(2,382)
Adjustment (reserve) of preferred equity interests	1,625	0	(2,336)	(76,000)
Tax expense	(391)	(473)	(373)	(696)
Gain on disposition of real estate, net	29,508	44,599	39,519	82,726
Net (loss) income	(2,633)	29,878	(56,530)	(24,150)
Non-controlling interests	(696)	(267)	(952)	(480)
Net (loss) income DDR	(3,329)	29,611	(57,482)	(24,630)
Preferred dividends	(8,383)	(6,399)	(16,766)	(11,993)
Net (loss) income Common Shareholders	(\$11,712)	\$23,212	(\$74,248)	(\$36,623)
Weighted average shares – Basic – EPS (7)	184,634	183,493	184,595	183,355
Assumed conversion of diluted securities (7)	0	22	0	0
Weighted average shares – Diluted – EPS (7)	184,634	183,515	184,595	183,355
Earnings per common share – Basic & Diluted (7)	(\$0.07)	\$0.13	(\$0.41)	(\$0.20)
Revenue items:				
(1) Lost revenue related to hurricane	(\$2,787)	\$0	(\$6,570)	\$0
(2) Ground lease revenue	9,601	10,796	19,570	21,688
(3) Lease termination fees	2,695	630	3,216	808
(4) Operating expenses:				
Bad debt expense	198	(332)	101	(1,256)
(5) General and administrative expenses:				
Separation charges	(4,641)	(5,081)	(4,641)	(16,552)
Internal leasing expenses	(1,382)	(1,258)	(2,578)	(2,850)
Construction administrative costs (capitalized)	1,191	1,830	2,561	4,218
(6) Other income (expense), net				
Transaction costs - spin off	(31,431)	0	(36,516)	0
Debt extinguishment costs, net	(1,968)	(596)	(58,400)	(596)
Transaction and other (income) expense, net	(2,856)	(358)	(2,946)	(362)
	(36,255)	(954)	(97,862)	(958)

(7) Prior periods presented have been adjusted to reflect the Company's one-for-two reverse stock split.

DDR Corp.
Reconciliation: Net (Loss) Income to FFO and Operating FFO
and Other Financial Information

\$ in thousands, except per share

	2Q18	2Q17	6M18	6M17
Net (loss) income attributable to Common Shareholders	(\$11,712)	\$23,212	(\$74,248)	(\$36,623)
Depreciation and amortization of real estate	70,895	88,423	143,755	177,073
Equity in net (income) loss of JVs	(3,821)	717	(12,607)	2,382
JVs' FFO	6,641	6,212	13,811	12,794
Non-controlling interests	506	76	559	152
Impairment of depreciable real estate	18,060	19,010	48,504	40,982
Gain on disposition of depreciable real estate, net	(28,997)	(44,525)	(38,685)	(81,423)
FFO attributable to Common Shareholders	\$51,572	\$93,125	\$81,089	\$115,337
(Adjustment) reserve of preferred equity interests	(1,625)	0	2,336	76,000
Hurricane property loss (1)	(89)	0	2,445	0
Impairment charges – non-depreciable assets	0	9,086	0	9,086
Separation charges	4,641	5,081	4,641	16,552
Debt extinguishment, transaction, other, net	36,255	948	97,862	947
Joint ventures - debt extinguishment, transaction, other	249	604	703	684
Gain on disposition of non-depreciable real estate, net	(511)	(74)	(834)	(1,303)
Total non-operating items, net	38,920	15,645	107,153	101,966
Operating FFO attributable to Common Shareholders	\$90,492	\$108,770	\$188,242	\$217,303
Weighted average shares & units – Basic: FFO & OFFO (2)	184,786	183,741	184,760	183,615
Assumed conversion of dilutive securities (2)	6	22	7	33
Weighted average shares & units – Diluted: FFO & OFFO (2)	184,792	183,763	184,767	183,648
FFO per share – Basic & Diluted (2)	\$0.28	\$0.51	\$0.44	\$0.63
Operating FFO per share – Basic & Diluted (2)	\$0.49	\$0.59	\$1.02	\$1.18
Common stock dividends declared, per share (2)	\$0.38	\$0.38	\$0.76	\$0.76
Certain non-cash items (DDR share):				
Straight-line rent, net	\$277	\$223	(\$91)	\$657
Amortization of (above)/below-market rent, net	(1,317)	4,383	526	8,233
Straight-line ground rent (expense) income	(25)	(53)	(76)	216
Debt fair value and loan cost amortization	(2,575)	(1,131)	(5,274)	(2,118)
Capitalized interest expense	345	478	668	876
Stock compensation expense	(1,392)	(1,584)	(3,084)	(3,492)
Non-real estate depreciation expense	(1,525)	(1,807)	(3,048)	(3,942)
Non-cash interest income	0	0	0	1,283
Capital expenditures (DDR share):				
Development and redevelopment costs	13,043	9,865	33,517	19,520
Maintenance capital expenditures	3,049	3,200	3,570	4,024
Tenant allowances and landlord work	10,460	11,058	19,878	29,182
Leasing commissions	943	864	1,840	1,723
(1) Hurricane property loss (DDR Share):				
Lost tenant revenue	(2,787)	0	(6,570)	0
Business interruption income	3,100	0	5,100	0
Clean up costs and other expenses, net	(224)	0	(975)	0
	89	0	(2,445)	0

(2) Prior periods presented have been adjusted to reflect the Company's one-for-two reverse stock split.

DDR Corp.
Balance Sheet: Consolidated Interests

\$ in thousands

	At Period End	
	2Q18	4Q17
Assets:		
Land	\$1,667,258	\$1,738,792
Buildings	5,439,822	5,733,451
Fixtures and tenant improvements	701,439	693,280
	7,808,519	8,165,523
Depreciation	(1,970,100)	(1,953,479)
	5,838,419	6,212,044
Construction in progress and land	83,348	82,480
Real estate, net	5,921,767	6,294,524
Investments in JVs	93,027	106,037
Receivable – preferred equity interests, net	228,077	277,776
Cash	32,067	92,611
Restricted cash	74,730	2,113
Notes receivable, net	19,670	19,675
Receivables, net (1)	103,781	108,695
Property insurance receivable	49,202	58,583
Intangible assets, net	149,896	182,407
Other assets, net	32,172	27,652
Total Assets	6,704,389	7,170,073
Liabilities and Equity:		
Revolving credit facilities	45,000	0
Unsecured debt	1,918,263	2,810,100
Unsecured term loan	198,461	398,130
Secured debt	1,428,025	641,082
	3,589,749	3,849,312
Dividends payable	78,690	78,549
Other liabilities (2)	343,612	344,774
Total Liabilities	4,012,051	4,272,635
Preferred shares	525,000	525,000
Common shares	18,465	18,426
Paid-in capital	5,543,006	5,531,249
Distributions in excess of net income	(3,397,993)	(3,183,134)
Deferred compensation	7,718	8,777
Other comprehensive income	(1,457)	(1,106)
Common shares in treasury at cost	(7,304)	(8,280)
Non-controlling interests	4,903	6,506
Total Equity	2,692,338	2,897,438
Total Liabilities and Equity	\$6,704,389	\$7,170,073
(1) Straight-line rents receivable, net	\$56,354	\$59,439
(2) Below-market leases, net	110,268	127,513

DDR Corp.
Reconciliation of Net Income Attributable to DDR to Same Store NOI (1)

\$ in thousands

	2Q18	2Q17	At DDR Share (Non-GAAP) 2Q18	2Q17
<u>GAAP Reconciliation:</u>				
Net (loss) income attributable to DDR	(\$3,329)	\$29,611	(\$3,329)	\$29,611
Fee income	(7,195)	(8,787)	(7,195)	(8,787)
Interest income	(5,016)	(7,166)	(5,016)	(7,166)
Interest expense	44,913	48,908	44,913	48,908
Depreciation and amortization	72,462	90,276	72,462	90,276
General and administrative	20,187	22,756	20,187	22,756
Other expense, net	36,255	954	36,255	954
Impairment charges	18,060	28,096	18,060	28,096
Hurricane property loss	224	0	224	0
Equity in net (income) loss of joint ventures	(3,821)	717	(3,821)	717
(Adjustment) reserve of preferred equity interests	(1,625)	0	(1,625)	0
Tax expense	391	473	391	473
Gain on disposition of real estate	(29,508)	(44,599)	(29,508)	(44,599)
Income from non-controlling interests	696	267	696	267
Consolidated NOI	142,694	161,506	142,694	161,506
DDR's consolidated JV	0	0	(383)	(396)
Consolidated NOI, net of non-controlling interests	142,694	161,506	142,311	161,110
Net income (loss) from unconsolidated joint ventures	12,623	(33,702)	3,529	(1,163)
Interest expense	24,946	29,004	3,806	4,606
Depreciation and amortization	37,299	47,589	4,957	5,747
Impairment charges	0	27,850	0	1,392
Preferred share expense	6,317	8,239	316	412
Other expense, net	6,616	9,054	1,044	1,611
(Gain) loss on disposition of real estate, net	(12,356)	803	(1,877)	40
Unconsolidated NOI	75,445	88,837	11,775	12,645
Total Consolidated + Unconsolidated NOI	218,139	250,343	154,086	173,755
Less: Non-Same Store NOI adjustments including Puerto Rico NOI	(34,276)	(68,246)	(31,429)	(52,363)
Total SSNOI	\$183,863	\$182,097	\$122,657	\$121,392
Less: RVI – continental U.S. and disposition assets	(33,664)	(33,664)	(33,664)	(33,664)
Total New DDR SSNOI	\$150,199	\$148,433	\$88,993	\$87,728
SSNOI % Change – DDR at share (excluding Puerto Rico)	1.0%		1.0%	
SSNOI % Change – New DDR at share	1.2%		1.4%	

(1) Excludes major redevelopment activity; see Investments section for additional detail. See calculation definition in the Non-GAAP Measures section.