

# INVESTOR UPDATE



# SAFE HARBOR

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DDR considers portions of the information in this presentation 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, 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; constructing properties or expansions that produce a desired yield 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; and the success of our capital recycling strategy. 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 Form 10-K for the year ended December 31, 2015. The Company undertakes no obligation to publicly revise these forward-looking statements to reflect events or circumstances that arise after the date hereof.

# NEED TO KNOW



# 2017 GUIDANCE

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## GUIDANCE

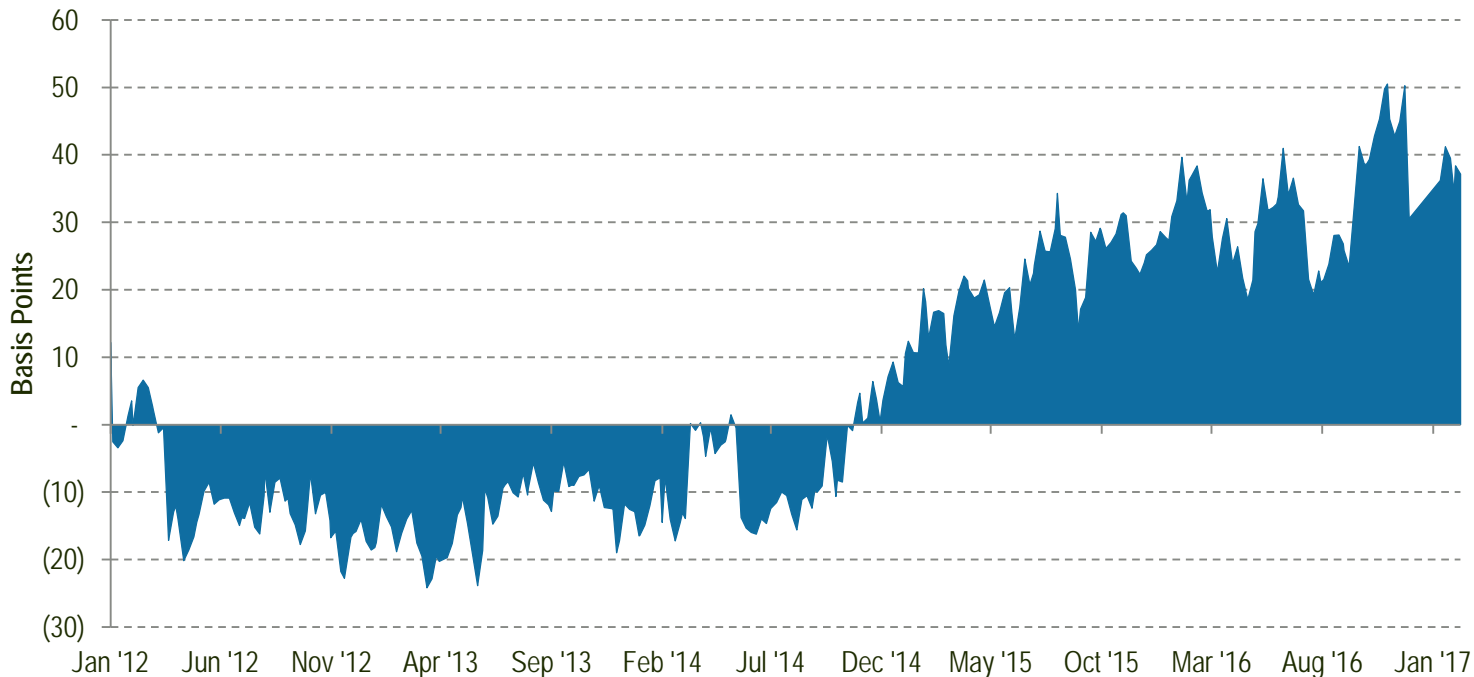
- Operating FFO guidance of **\$1.12 - 1.16** per share

## ASSUMPTIONS

- Sell \$800 million – \$1 billion of assets at DDR's share, executed ratably throughout 2017
  - Buy \$100 million of assets
  - Generate same store NOI growth of 1% to 2%, exclusive of major redevelopment activity
  - Leased rate approximately +25 to +50 basis points greater at year end 2017 compared to year end 2016
  - Place \$80 million of redevelopment in service at high single-digit yields, with approximately \$40 million incremental to same store NOI
  - Management fee income of approximately \$30 - 33 million
  - Interest income of approximately \$33 - 36 million
  - GAAP interest expense of approximately \$175 – 190 million
  - G&A expenses of approximately \$77 to \$80 million
  - Annual dividend of \$0.76 per common share
  - No major capital raises expected
  - Pro rata debt to EBITDA approximately 1.0x lower than the reported fourth quarter 2016 pro rata results
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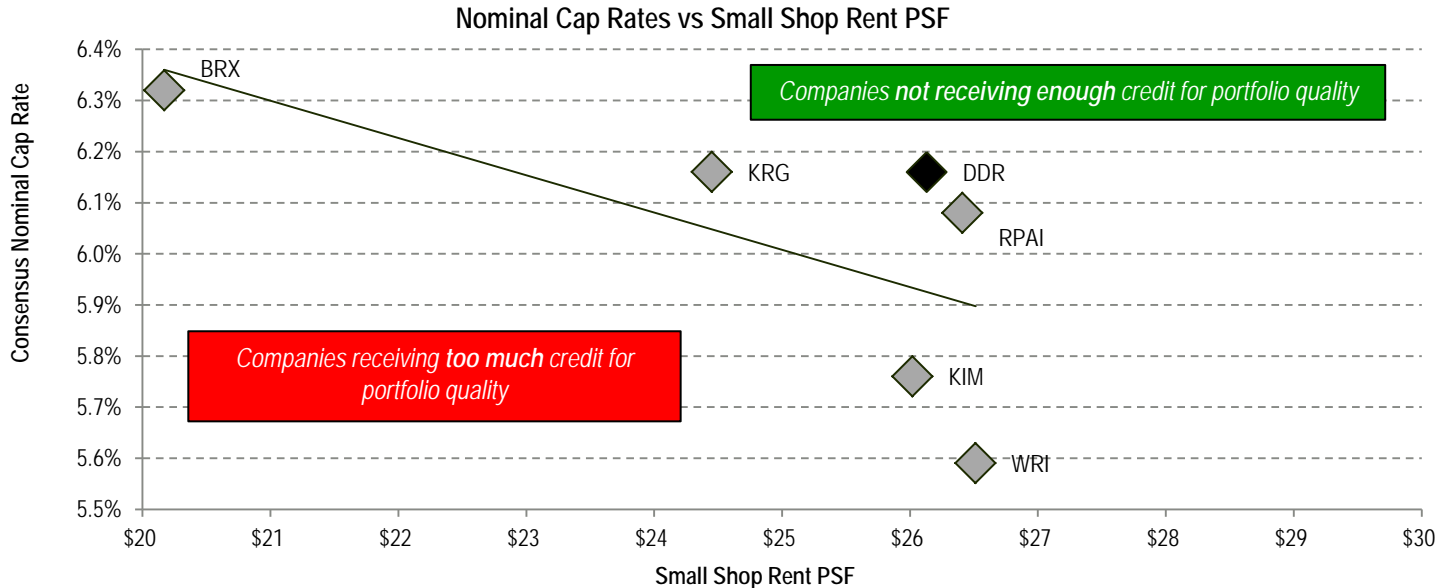
# THE GAP BETWEEN DDR AND PEERS IS WIDENING DESPITE THE SALE OF MORE THAN \$5 BILLION OF LOW QUALITY ASSETS SINCE 2011

DDR'S IMPLIED CAP RATE LESS NOMINAL CAP RATE VS. STRIP CENTER PEERS



# RE-THINKING PORTFOLIO QUALITY: APPLIED CAP RATES DO NOT REFLECT QUALITY

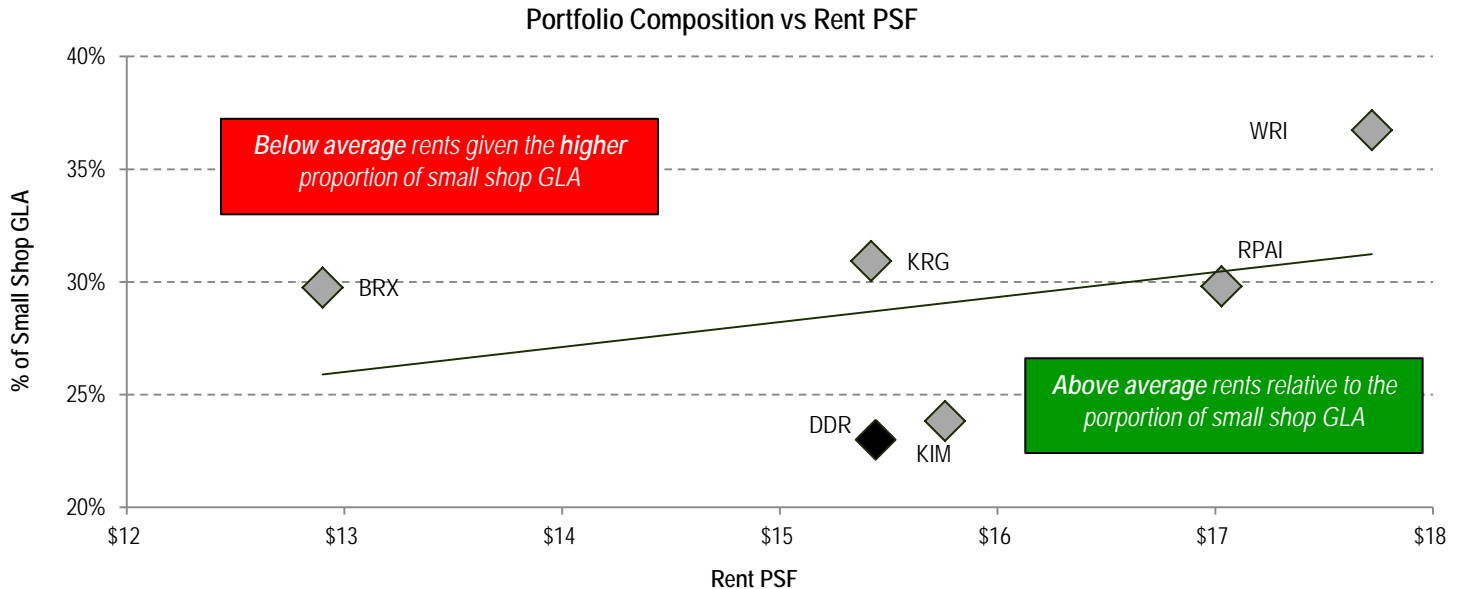
SMALL SHOP RENT PSF IS A BETTER PROXY FOR ASSET QUALITY THAN OVERALL RENT PSF GIVEN ANCHOR NUANCES. GIVEN DDR'S SMALL SHOP RENT PSF RELATIVE TO PEERS, SELLSIDE NAV CAP RATES ARE NOT ACCURATELY REFLECTING RELATIVE PORTFOLIO QUALITY.



DDR portfolio excludes joint ventures, which account for ~95% of ABR post Manatee and Blackstone III exits.

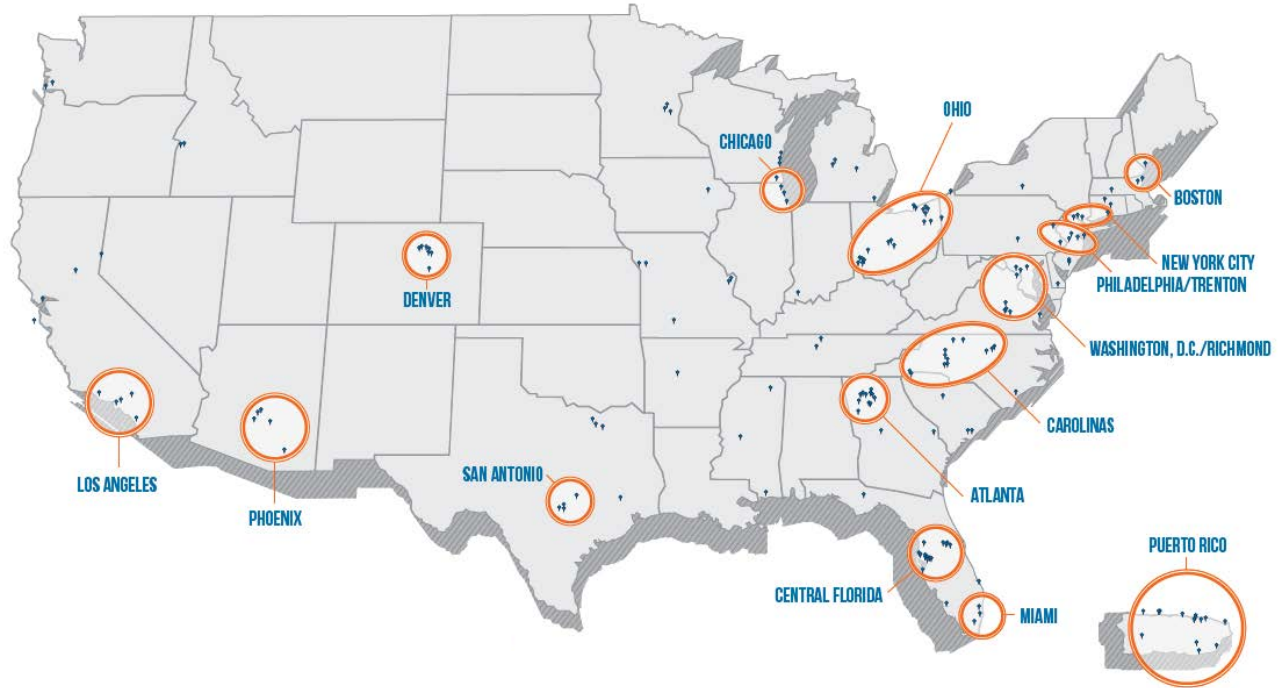
# RE-THINKING PORTFOLIO QUALITY: THE IMPORTANCE OF ASSET COMPOSITION

WHEN ADJUSTING FOR THE PROPORTION OF SMALL SHOP GLA AS A PERCENTAGE OF TOTAL GLA, DDR HAS ABOVE-AVERAGE RENT PSF AND SUPERIOR ASSET QUALITY RELATIVE TO PEERS.



# 70% OF OUR NOI COMES FROM OUR TOP 15 MARKETS

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Includes only consolidated assets, which account for 93% of total NOI.



# DEPARTMENT STORE SHADOW “SUPPLY” RISK IS NOT AS RISKY AS THE MARKET ASSUMES

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DDR has analyzed all of its 1,000+ anchor leases and determined that only 13 boxes pose a legitimate, albeit unlikely, risk of relocating into an existing, or potential, vacant box in a nearby mall. **This accounts for less than 1% of base rent.**

## ADDITIONALLY:

- ✓ As retail distribution and consumer preferences evolve, the power center format provides the **MOST APPEALING LAYOUT** for retailers and consumers given its design flexibility, simplicity, and convenience
- ✓ The **COMPLEXITY** involved with re-tenanting mall boxes is **PROHIBITIVE AND COSTLY** due to legal limitations in easement agreements and the cost associated with retenanting multi-level boxes
- ✓ Power centers offer tenants a **SUPERIOR OCCUPANCY COST** relative to malls
- ✓ **CO-TENANCY MATTERS**, and power centers offer a line-up of value-oriented tenants winning market share and with traffic trends superior to those in malls

# COMPANY OVERVIEW



# DDR OVERVIEW AND INVESTMENT THESIS

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**\$17B**

AUM

**319**

# PROPERTIES

**106MSF**

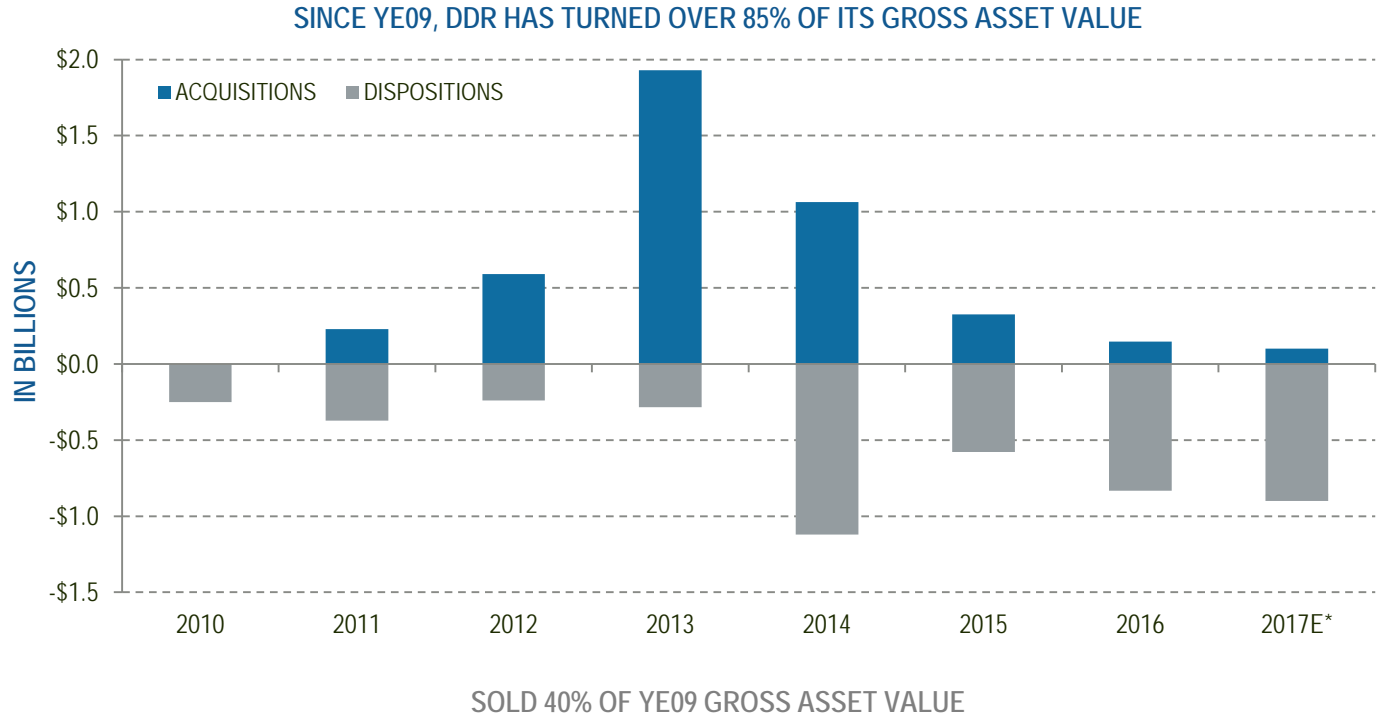
TOTAL GLA

**95.0%**

LEASED RATE

- Invest in market dominant prime **power centers** located in large and supply-constrained markets occupied by high credit quality retailers that cater to the consumer's desire for value and convenience
- Experienced **management team** with diverse retail and investment backgrounds, shareholder centric, and free from conflicts of interest
- Unique, scalable **operating platform that drives strong and consistent results** and creates incremental value
- Focused on **NAV growth** and **long-term value creation**
- **Prudent risk profile** with free cash flow to reinvest in the portfolio and room to further grow the dividend

# CAPITAL ALLOCATION IS DDR'S TOP PRIORITY



\* 2017E is the midpoint of guidance, and is not reflected in the turnover percentages referenced.

# THE FUTURE REDEVELOPMENT PIPELINE IS ROBUST

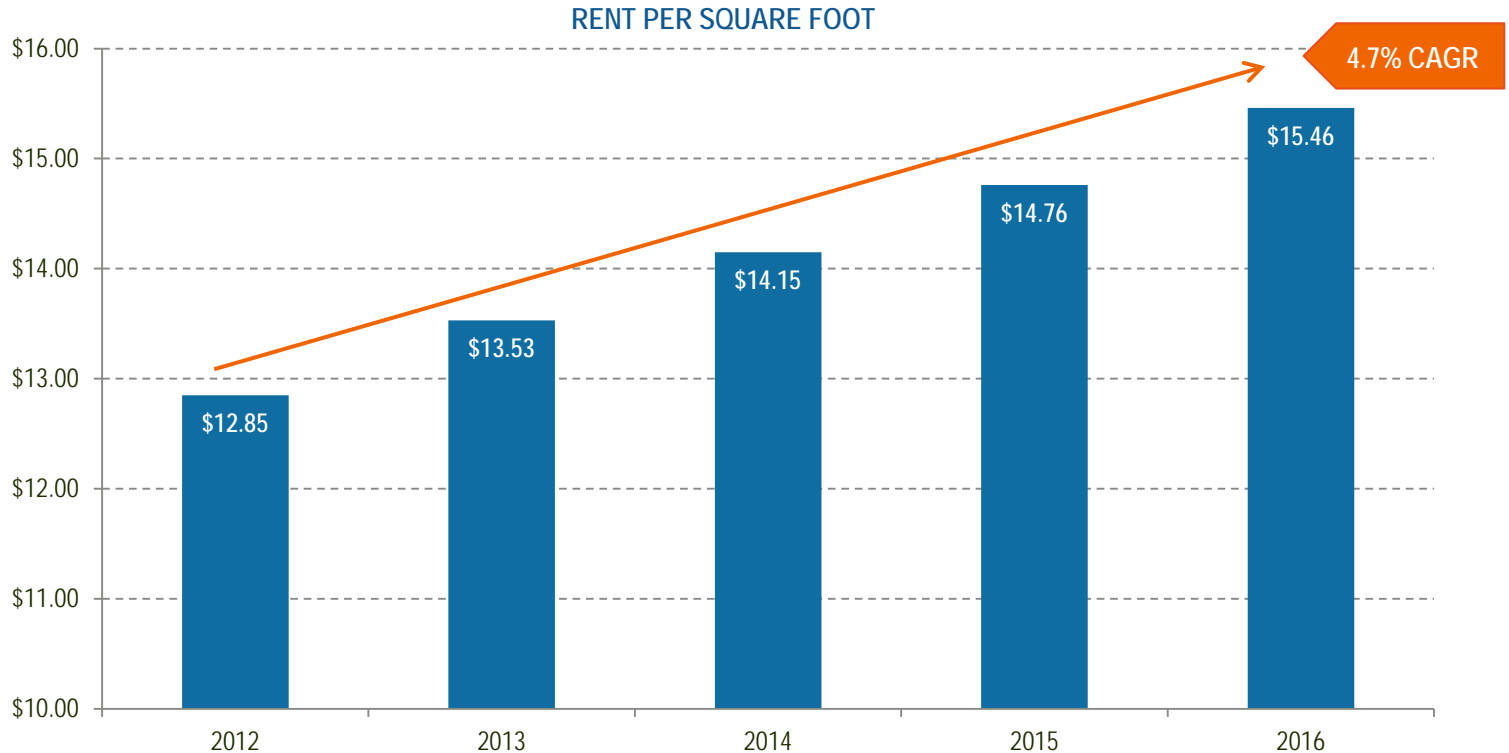
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- APPROXIMATELY \$250 MILLION OF ESTIMATED TOTAL SPEND FROM NINE REDEVELOPMENT/EXPANSION PROJECTS THAT ARE CURRENTLY BEING PRE-LEASED OR ENTITLED; ADDITIONAL MINOR REDEVELOPMENTS WILL ALSO ADD TO THE PIPELINE
- FUNDED LARGELY THROUGH FREE CASH FLOW, THE PIPELINE PROVIDES A SIGNIFICANT SOURCE OF NET ASSET VALUE CREATION IN 2017 - 2020

	TIER	MSA	SCOPE
Fairfax Towne Center	Prime +	Washington DC	Develop expansion land to add multifamily component with ground floor retail
Hamilton Marketplace	Prime +	Central NJ	Expansion on owned land to accommodate 160K SF of retail
Perimeter Pointe	Prime +	Atlanta	Major reconfiguration to accommodate higher quality tenancy, grocery, and multifamily
Tanasbourne Town Center	Prime +	Portland	Reconfigure vacant Haggen's to accommodate 2-3 junior box retailers
Lee Vista	Prime	Orlando	Expansion on owned land to accommodate 190K SF of additional retail
Kyle Crossing	Prime	Austin	Expansion on owned land to accommodate 200K SF of retail and multifamily
Kmart Shopping Center	Prime	Tampa	Recapture Kmart box for full scale redevelopment, including grocery component
West Bay Plaza	Prime	Cleveland	Reconfigure vacant Kmart to accommodate 2-3 junior box retailers

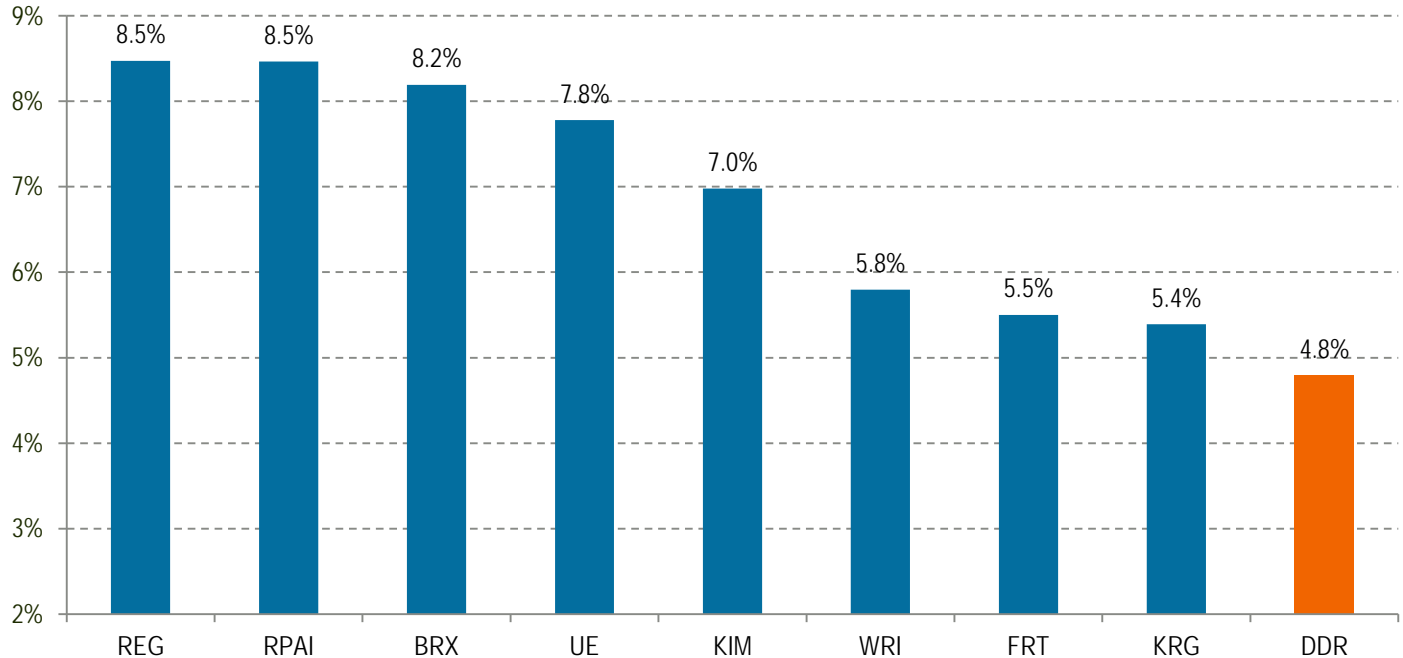
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# INTENSE FOCUS ON INCREASING RENT PSF HAS YIELDED ATTRACTIVE GROWTH

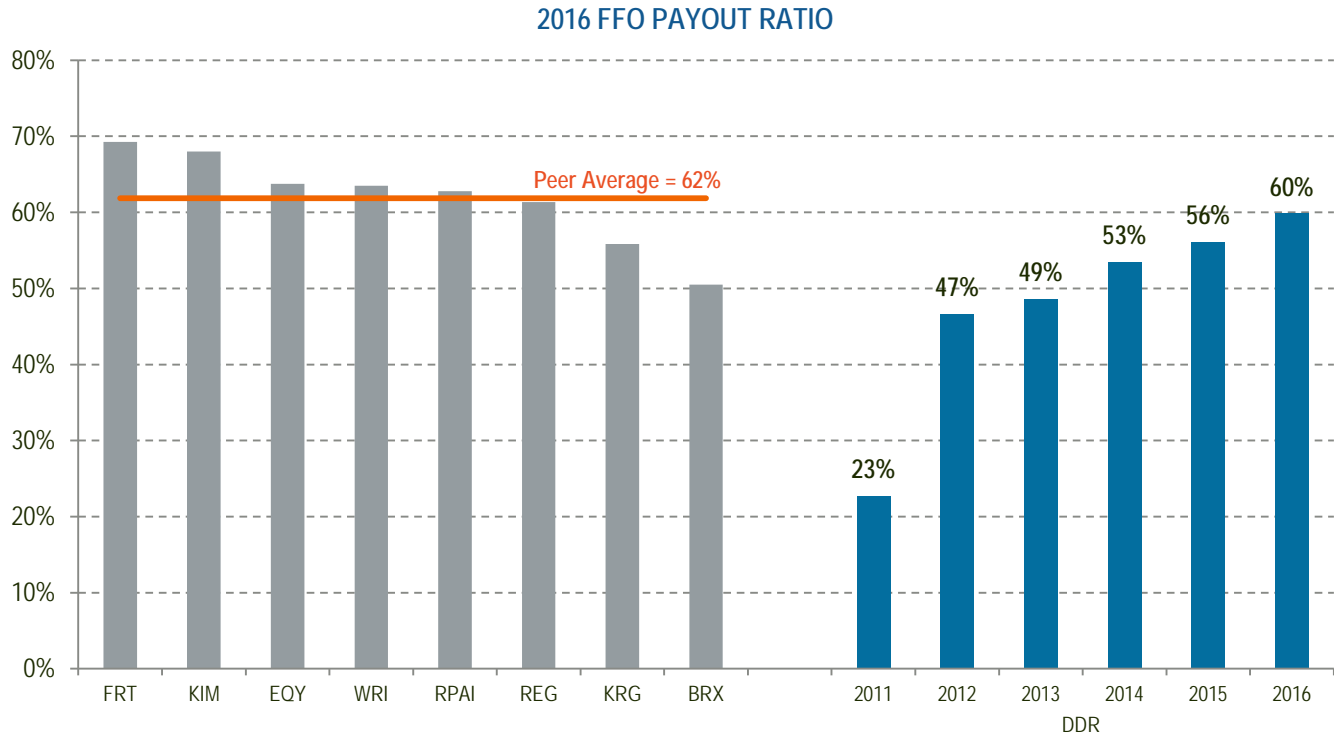


# DDR OPERATES WITH SECTOR-LEADING EFFICIENCY

ADJUSTED G&A / TOTAL REVENUES (FY2015)



# SIGNIFICANT DIVIDEND COVERAGE RELATIVE TO PEERS



Source: SNL, Company Reports. 2016 payout ratio calculated using the midpoint of FFO guidance range.



# SHAREHOLDER-FRIENDLY CORPORATE GOVERNANCE

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## BEST PRACTICES

- ✓ COMPENSATION DICTATED BY LONG TERM SHAREHOLDER VALUE CREATION – NOT FFO
- ✓ EQUITY COMPENSATION > CASH COMPENSATION
- ✓ NON-STAGGERED BOARD
- ✓ SEPARATE CHAIRMAN AND CEO
- ✓ NO POISON PILL
- ✓ NO SHAREHOLDER RIGHTS PLAN
- ✓ SIX OF THE EIGHT DIRECTORS ARE INDEPENDENT

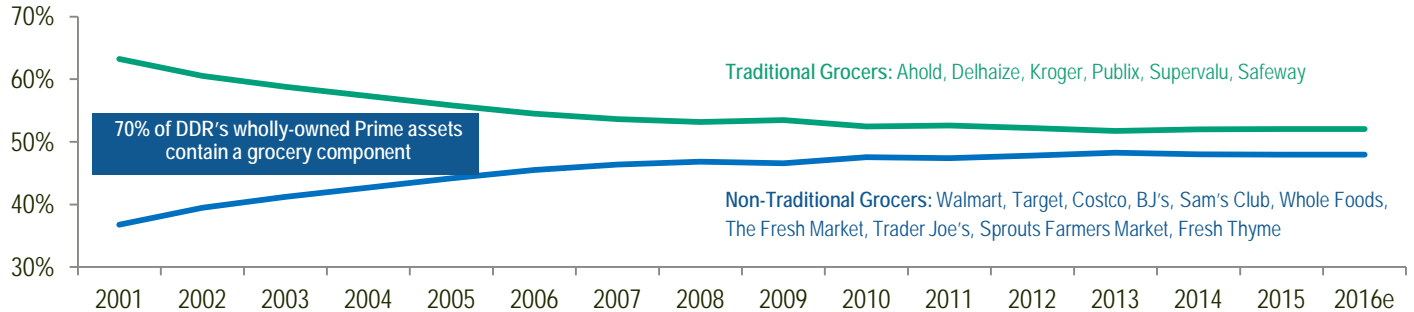
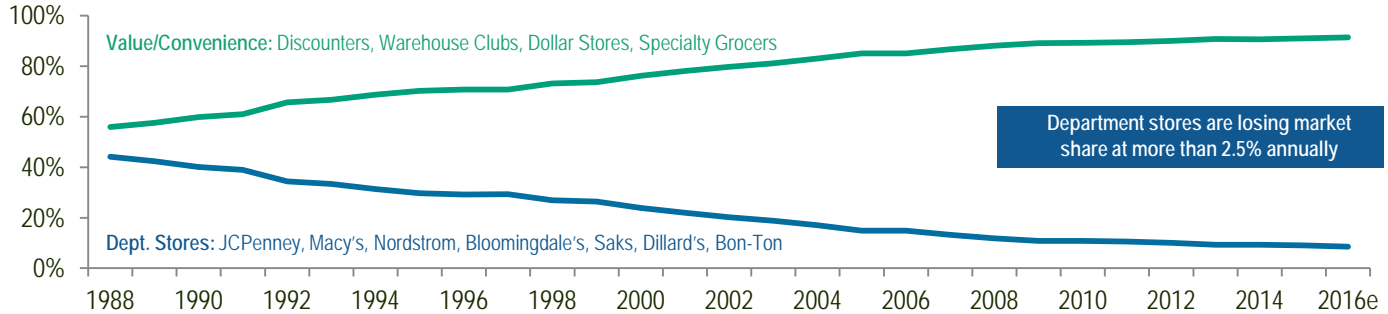
## NOTABLE UPDATES

- DDR's board is in the process of adding one new independent director
- **Jane DeFlorio**, a seasoned investment banker with extensive e-commerce and public market experience, joined DDR's board of directors in 2017
- **Alexander Otto**, whose family owns 17% of DDR's outstanding stock, joined DDR's board of directors in 2015
- DDR achieved **99% approval** in 2015's Say-On-Pay vote to approve the compensation of named executive officers
- ISS applied a corporate governance score of "1" to DDR's board in 2015, indicating **extremely low governance risk**

# THE POWER CENTER THESIS

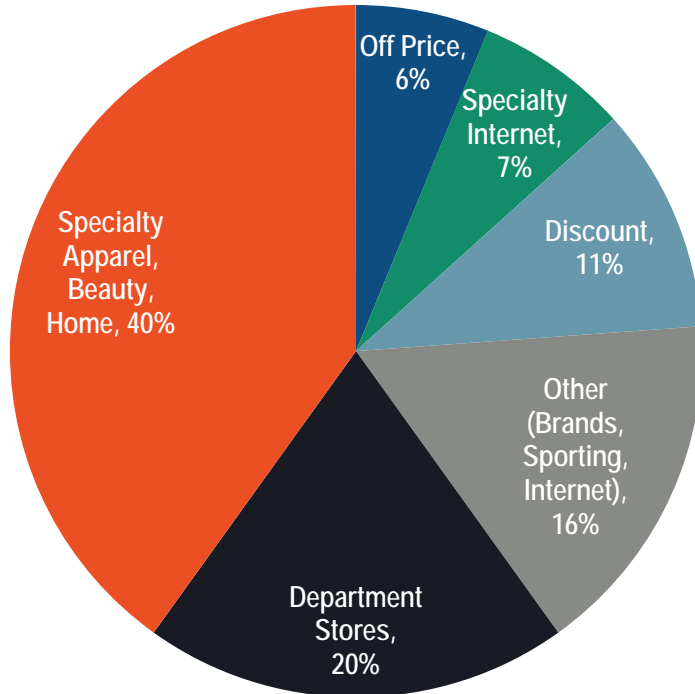


# OUR TOP TENANTS ARE WINNING THE MARKET SHARE BATTLE



# OFF-PRICE APPAREL HAS RUNWAY TO CONTINUE CAPTURING MARKET SHARE FROM DEPARTMENT STORES

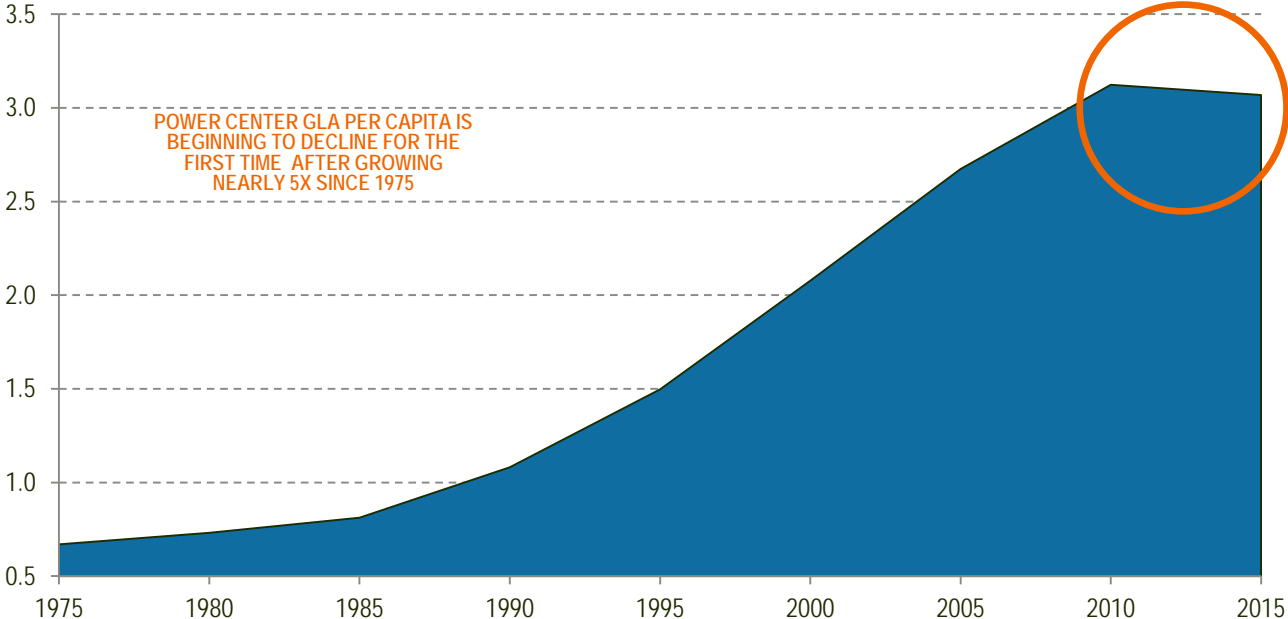
## PERCENT OF APPAREL, ACCESSORIES, AND HOME MARKET



- Traditional department stores have recognized off-price opportunities and opened new concepts such as Saks Off Fifth, Macy's Backstage, Kohl's Off-Aisle, and Find @ Lord & Taylor.
- The market share battle favors the current off-price giants which benefit from barriers to entry through scale, buying experience, optimized supply chains, and merchant relationships.
- DDR's top tenants include TJX, Ross Stores, and Burlington.

# WHILE DEMAND IS STRONG, SUPPLY OF POWER CENTERS PER CAPITA IS DECLINING

U.S. POWER CENTER GLA PER CAPITA



# WHY WE ARE INVESTING IN POWER CENTERS

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METRIC	POWER CENTERS	GROCERY ANCHORED NEIGHBORHOOD CENTERS
1. SCALE = FLEXIBILITY	>40 acres, >350ksf	10 - 20 acres, ~125ksf
2. CREDIT QUALITY	>75% ABR from Nationals	~25% ABR from Nationals
3. COLLECTION RISK	Low: National Tenants	High: Local Tenants
4. TRADE AREA POPULATION	350k+	200k-
5. ANCHOR LOSS IMPLICATIONS	Minimal/Opportunity	Disastrous
6. MARKET SHARE TREND	Gaining	Losing
7. SITE PLAN CONTROL	Flexible	Inflexible
8. ANNUAL ROLLOVER	~10%	~20%
9. ECONOMIES OF SCALE	Relationships/Co-Tenancy	Health of grocer is all that matters
10. MERCHANT TYPE	Food, Service, Hardlines, Softlines, Entertainment, Mass Merchants, Home	Food and Service

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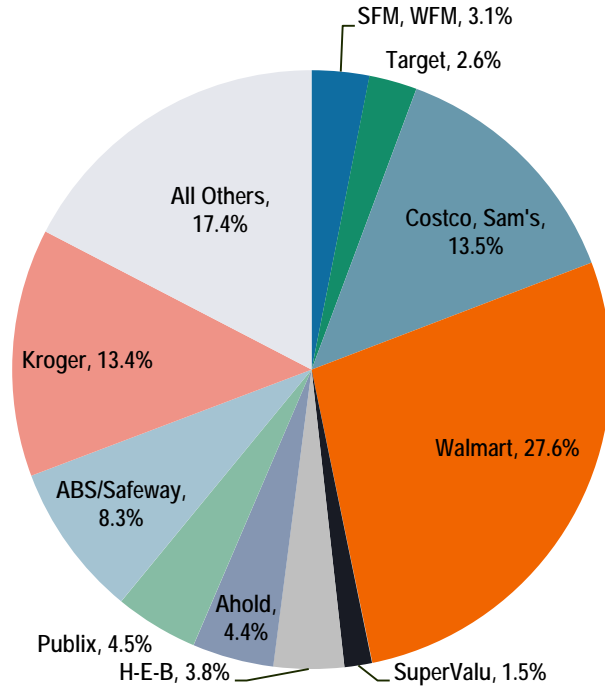
# POWER CENTER PRICE DISCOVERY

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RECENT TRADES IN ASSETS COMPARABLE TO DDR'S PORTFOLIO HIGHLIGHT THE STRENGTH OF THE PRIVATE MARKET AND DISCREPANCY BETWEEN PRIVATE AND PUBLIC PRICING

DATE	LOCATION	PRICE (MIL)	CAP RATE	ANCHORS
4Q15	Raleigh	131	5.5%	Best Buy, Nordstrom Rack, REI, Cost Plus, Ulta, Pier 1
4Q15	Atlanta	170	5.3%	Costco, Publix, LA Fitness, CineBistro, Marshalls
1Q16	Northern New Jersey	103	4.7%	Macy's Backstage, Shop Rite, AMC, Total Wine, Petco
1Q16	Denver	76	5.5%	Ross, Trader Joe's, Sports Authority, Burlington, AMC
2Q16	Fort Lauderdale	93	5.4%	Publix, T.J. Maxx, Marshalls, Cinépolis, Ulta
3Q16	Cincinnati	185	5.7%	Whole Foods, T.J. Maxx, Nordstrom Rack, Bed Bath

# TRADITIONAL POWER CENTER TENANTS CONTROL HALF OF THE GROCERY MARKET SHARE



## TRADITIONAL POWER CENTER ANCHORS WITH GROCERY:





# EXISTING RETAILERS CONTINUE TO EVOLVE THEIR FOOTPRINTS AND ROLL OUT NEW CONCEPTS

RETAILER	IDEAL FOOTPRINT (SF)	CHANGE FROM PREVIOUS OR ALTERNATIVE FOOTPRINT
Cinemark, Regal	50,000	Renovating theaters to include recliners.
Kohl's	35,000	Opening 8 small-format stores in 2016, as well as 12 Fila outlet concepts.
Target	32,000	Opening 6 new smaller-format Flex concepts annually.
Burlington	30,000	Downsizing remaining 70K SF boxes to right-sized 30K SF.
Sierra Trading Post	30,000	TJX will open 10 new Sierra Trading Posts annually in primarily northern markets.
Altitude Trampoline	30,000	Trampoline entertainment concept looking to triple their current 20 locations by year-end 2017.
F21Red	25,000	Opening 50 new stores annually and relocating out of B and C malls into market-dominant power centers.
Barnes & Noble	25,000	Upgrading cafés inside new and existing stores to carry extensive food offerings.
Live Nation	25,000	Expanding concert venue looking for locations in open air centers.
Top Golf	22,000	Driving range entertainment concept that brings in ~500K visitors annually.
Container Store	18,000	Opened first smaller-format store to penetrate dense markets that cannot accommodate typical 24K SF footprint.
Office Depot	15,000	Opening smaller-format "Stores of the Future".
Staples	15,000	Opening smaller-format stores and piloting coworking spaces.
Duluth Trading	15,000	Formerly online-only cold weather retailer opening brick and mortar stores, planning 12 in 2017.
Petco	12,000	New "Nexus" store design prototype provides a better shopping experience with the look and feel of Whole Foods.
Party City	9,000	Testing 8-10K SF smaller-format stores. Also willing to adjust 13K SF preferred footprint for 20K SF.
Carter's / OshKosh	5,000	Rolling out 5K SF combo stores for enhanced flexibility, downsizing from previous prototype of 7K SF.
Talbots	5,000	New power center concept will consist of 80% factory merchandise and 20% full-line merchandise.
Ulta	5,000	Testing out a smaller-format 5K SF concept in 2017, targeting dense urban locations.
Torrid	2,800	Opening new "Lovesick" concept for tweens; relocating namesake stores from malls to power centers.
Francesca's	2,000	Opening in power centers.
Genesco	1,500	New Journey's Kidz concept is the company's primary growth vehicle, opening 45 per year.

# NEW STORE OPENING PLANS CONTINUE TO BE ROBUST BASED ON RECENT MEETINGS

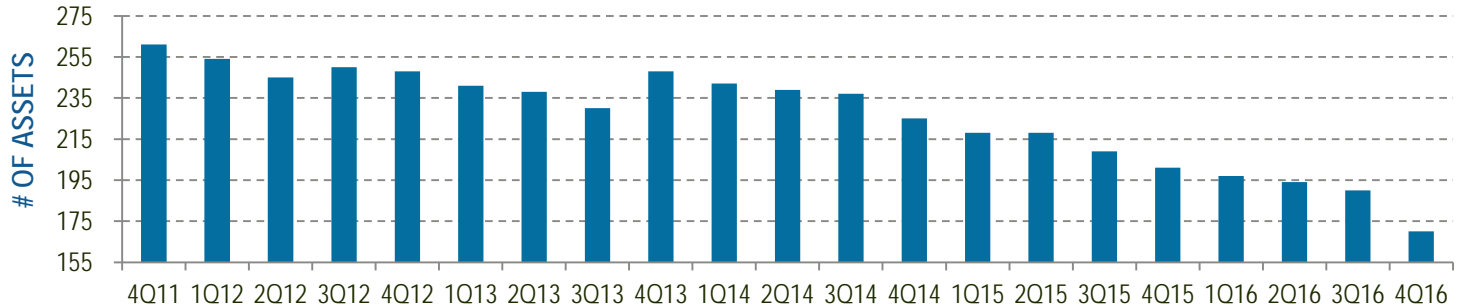
RETAILER	IDEAL FOOTPRINT (SF)	PLANNED OPENINGS	TIMELINE, AND OTHER NOTABLE ITEMS:
Planet Fitness	20,000	200	Opening 200 stores annually through 2018
Petsmart	18,000	125	Opening 125 new stores per year
Carter's / OshKosh	7,000	125	Opening 125 combo stores annually
TJX	28,000	125	Opening 125 annually between MarMaxx, HomeGoods, Sierra Trading Post
Ulta	8,000	100	Opening 100 stores per year
Ross	27,000	94	Opening 72 Ross and 22 DD's in 2016, and entering IA, OH in 2017, 2018
Petco	12,000	90	Opening 90 stores per year
Walmart Neighborhood Market	50,000	90	Opened 146 stores in 2015, looking to add 85-95 in 2016
Five Below	8,000	85	Opening 85 in 2016 and 100 in 2017 and entering California in 2017
Hobby Lobby	55,000	70	Opening 70 stores per year
Ascena	5,000	40	Opening 40 net Maurices stores in 2016
Dick's	50,000	40	10 of 40 annual openings will be 90K SF Dick's/Field and Stream combo stores
Sprouts	25,000	30	Opening 30 stores per year, and opening in FL and NC in 2017
Michael's	22,000	30	Opening 30 net new stores and 20 relocations
Kroger	100,000	30	Opening 30 stores and relocating or expanding 60 stores in 2016
Burlington	30,000	30	Opening 30 stores per year, and downsizing 70ksf boxes to 30ksf
Saks Off Fifth	25,000	25	Opening 23 stores in 2016 with similar annual growth going forward
Shoe Carnival	10,000	20	Opening 20 in 2016, including 6 small format stores
Charming Charlie	5,000	20	Opening 6 in 2016 and 20 in 2017

# PORTFOLIO MANAGEMENT

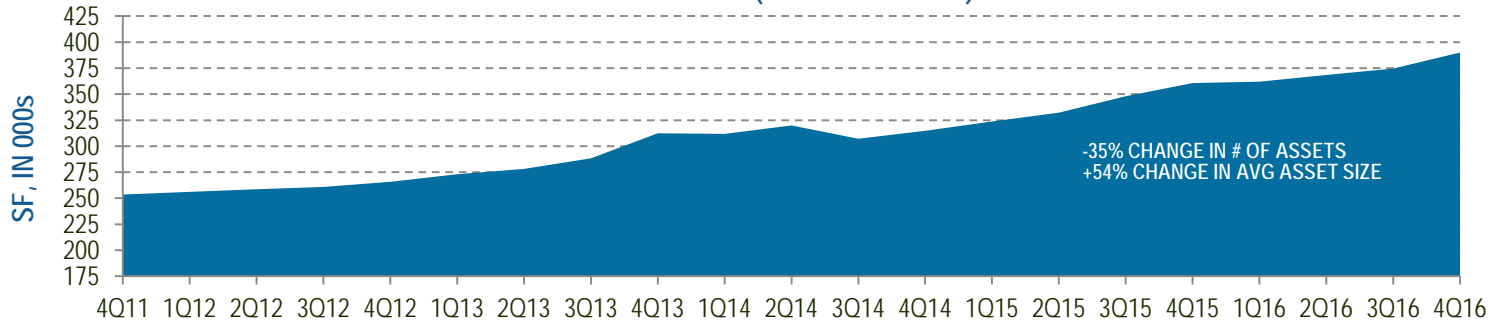


# THE EVOLUTION OF THE PORTFOLIO FROM SMALLER, LOWER QUALITY ASSETS INTO LARGE FORMAT PRIME POWER CENTERS CONTINUES

# OF ASSETS AND TOTAL GLA (WHOLLY-OWNED)



AVERAGE ASSET SIZE (WHOLLY-OWNED)



# RECENT DISPOSITIONS HIGHLIGHT DDR'S COMMITMENT TO REDUCING EXPOSURE TO WEAK CREDITS & MARKETS

ASSET LOCATION	YEAR	TENANT
North Charleston, SC	2015	A.C. Moore
Overland Park, KS	2015	Babies "R" Us
Lakeland, FL	2014	Bealls
Camden, SC	2015	Belk
Charlotte, NC	2015	Bi-Lo
Howell, MI	2014	Dunham's
Clearwater, FL	2015	Floor & Décor
New Hartford, NY	2015	Hannaford Brothers
Macon, GA; Apex, NC	2015	Hhgregg
Starkville, MI	2014	JCPenney
Bedford, IN	2015	JCPenney, Goody's
Upstate New York	2016	JCPenney, OfficeMax, Pier1, Chuck E Cheese's, Weight Watchers, Rainbow Apparel
Clarence, NY; Dothan, AL	2014	OfficeMax
Milwaukee, WI	2014	Pick 'N Save
Highland Ranch, CO	2014	Savers
Brunswick, ME	2016	Sears
Sterling, VA	2015	Sports Authority
Middletown, RI	2015	Sports Authority, Barnes & Noble
Riverdale, UT	2014	Sports Authority, OfficeMax
Greensboro, NC	2014	Staples
Chattanooga, TN; Columbus, GA	2015	The Fresh Market
Louisville, KY	2015	ValuMarket

# THE PORTFOLIO HAS MOVED UP THE QUALITY SPECTRUM

	2008 PORTFOLIO	(LESS) DISPOSITIONS	(ADD) ACQUISITIONS / DEVELOPMENT	(EQUALS) CURRENT PORTFOLIO
ASSET COUNT	621	477	175	327
TOTAL SQUARE FEET (MIL)	119	65	53	107
AVERAGE SIZE (KSF)	190	140	300	330
LEASED RATE	92.6%	86.1%	93.2%	95.0%
RENT PSF	\$12.34	\$11.02	\$13.89	\$15.46
7 MILE POPULATION (K)		220	474	432
7 MILE HH INCOME (K)		\$68	\$82	\$82

ORGANIC GROWTH OPPORTUNITY

# THE PORTFOLIO HAS EXPERIENCED A DRAMATIC QUALITY UPGRADE SINCE 2010

## CONSOLIDATED PORTFOLIO

	2010	2016
# OF ASSETS	348	170
AVG ASSET SIZE (KSF)	202	390
AVG ASSET VALUE (MIL)	\$23	\$58
CONSOLIDATED AS % TOTAL	81%	93%

## TOTAL PORTFOLIO

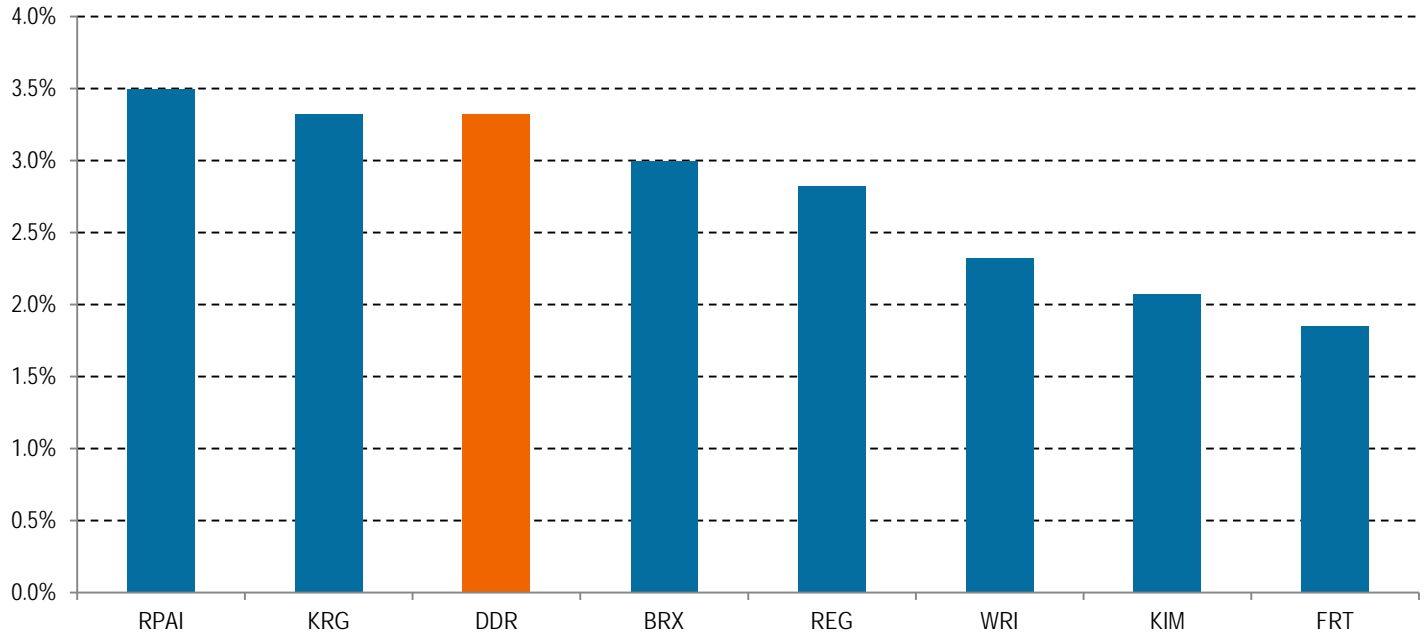
	2010	2016
LEASED RATE	91.2%	95.0%
RENT PSF	\$12.46	\$15.46
ABR FROM TOP 50 MSAs	57%	78%
TRADE AREA POPULATION	359K	482K

## RETAILERS THAT HAVE MOVED INTO DDR'S TOP 50



# SAME STORE NOI GROWTH IS TRENDING TOWARD THE HIGH END OF SHOPPING CENTER REITS

AVERAGE SAME STORE NOI, TRAILING 4 QUARTERS



\*All figures exclude development and redevelopment



# DDR HAS WOUND DOWN 15 JVS SINCE 2011 AND WILL CONTINUE TO FOCUS ON FEWER, HIGH QUALITY PARTNERS

## JOINT VENTURES

*All figures in millions, except asset counts and percentages*

	PARTNER	DDR OWN %	# OF ASSETS	# PRIME +, PRIME ASSETS	OWNED GLA	BOOK VALUE	DEBT
BRE DDR RETAIL HOLDINGS	Blackstone	5%	60	22	11.3	\$89	\$61
DDRTC CORE RETAIL FUND	TIAA-CREF	15%	25	16	8.2	229	119
DDR DOMESTIC RETAIL FUND I	Various	20%	55	13	7.6	261	180
DDR-SAU RETAIL FUND	State of Utah	20%	12	2	1.0	27	12
OTHER	Various	Various	3	3	1.0	63	49
<b>TOTAL</b>			<b>155</b>	<b>56</b>	<b>29.1</b>	<b>\$669</b>	<b>\$421</b>

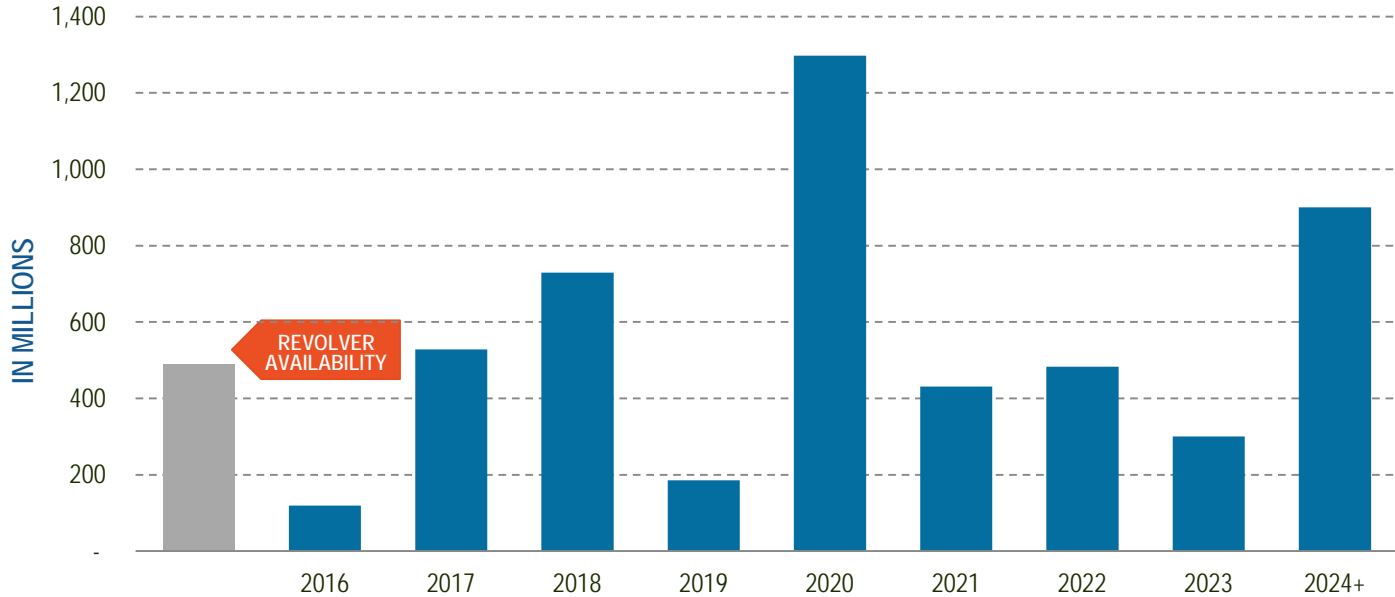
JVS MAKE UP APPROXIMATELY 7% OF DDR'S PRO RATA GROSS ASSET VALUE

# CAPITAL MARKETS



# BALANCED MATURITY PROFILE MITIGATES RISK

## CONSOLIDATED DEBT MATURITIES



GAAP INTEREST RATE	3.4%	5.9%	4.1%	5.2%	3.6%	3.8%	4.7%	3.4%	3.9%
CASH INTEREST RATE	4.2%	6.6%	4.2%	5.3%	3.7%	3.9%	4.7%	3.4%	3.9%

# RISK REDUCTION GOES BEYOND DEBT/EBITDA

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## EXITED ALL INTERNATIONAL MARKETS THROUGH DIVESTURE OF BRAZILIAN INVESTMENT

- ✓ Eliminated currency, sovereign, and partner risk, as well as development and reporting risks specific to Brazil
- ✓ Removed unnecessary complexity associated with reporting and modeling
- × Increased debt / EBITDA

## TRADED LOW QUALITY ASSETS FOR HIGH QUALITY ASSETS AT A 100 – 200BP SPREAD

- ✓ Developed a portfolio of fortress power centers that will outperform in both a bull and a bear market
- ✓ Enhanced the credit quality and lowered the beta of company cash flows
- × Increased debt / EBITDA

## WOUND DOWN 15 JOINT VENTURES OVER FOUR YEARS IN FAVOR OF LONGER-TERM PARTNERSHIPS

- ✓ Simplified company structure and enhanced quality of fee income streams
- ✓ Increased management focus on DDR's wholly-owned assets
- × Increased debt / EBITDA

## ISSUED LONG-TERM, UNSECURED DEBT AT HISTORICALLY LOW INTEREST RATES

- ✓ Extended the weighted average debt duration of the consolidated portfolio by ~1 year to 4.3 years since 2010

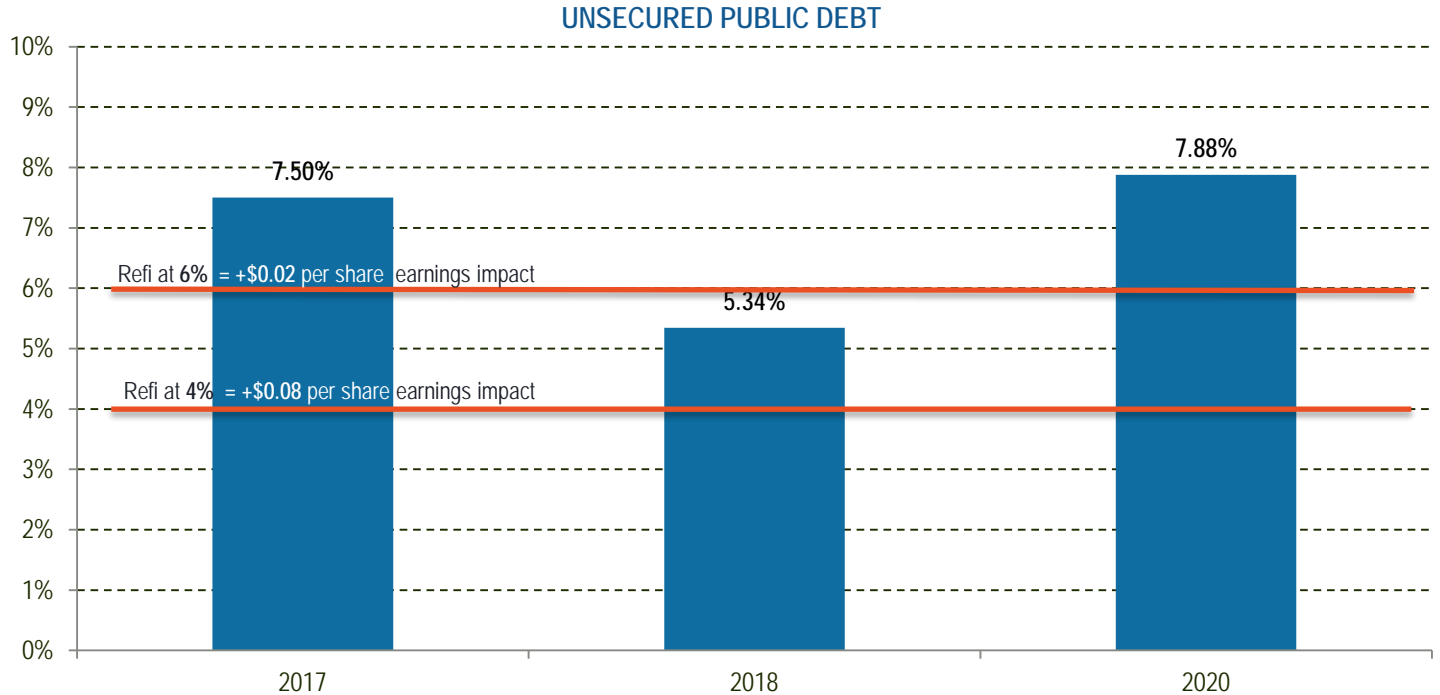
## REDUCED LAND AND CIP AS A PERCENT OF GROSS ASSET VALUE TO 1.2%

- ✓ Minimized development risk while simultaneously increasing focus on high-quality redevelopment projects (7 – 10% yields)
- ✓ Redirected capital allocation to the highest quality assets in the portfolio

## INCREASED THE UNENCUMBERED POOL TO \$7.2 BILLION

- ✓ Over the last five years, DDR has increased unencumbered NOI by 66% and increased the average asset size by 61%
- ✓ In 2015, DDR added 8 prime assets totaling \$1 billion of value to the unencumbered pool

# FFO TAILWINDS WITH HIGH COUPON REFINANCINGS



# GROWING THE UNENCUMBERED ASSET POOL

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- The \$7.2 billion unencumbered pool has improved materially in terms of size, quality and credit

	2009	CURRENT	CHANGE
NUMBER OF ASSETS	242	168	-31%
UNENCUMBERED NOI	\$252	\$487	+93%
% OF CONSOLIDATED NOI	49%	69%	+41%
UNENCUMBERED DEBT YIELD	10%	13%	+28%
AVERAGE ASSET SIZE	180ksf	334ksf	+86%
TOP CREDITS	Walmart, Rite Aid, Lowe's	PetSmart, Bed Bath & Beyond, TJX	