



For immediate release:

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DDR REPORTS FOURTH QUARTER AND YEAR END 2016 OPERATING RESULTS

BEACHWOOD, OHIO, February 13, 2017 – DDR Corp. (NYSE: DDR) today announced operating results for the fourth quarter and year ended December 31, 2016.

Financial Highlights

- Fourth quarter net income attributable to common shareholders was \$28.1 million, or \$0.08 per diluted share
- Fourth quarter operating funds from operations attributable to common shareholders ("Operating FFO") was \$111.1 million or \$0.30 per diluted share

Significant Quarterly Activity

- Named William T. Ross, a seasoned veteran of the retail real estate industry, as chief operating officer to oversee asset and property management
- Appointed Jane E. DeFlorio, an experienced investment banker with broad retail expertise, as a director
- Generated same store net operating income growth, excluding Puerto Rico, of 2.5% on a pro rata basis
- Executed 272 new leases and renewals for 1.9 million square feet
- Generated new leasing spreads of 21.3% and renewal leasing spreads of 8.3%, both on a pro rata basis and excluding Puerto Rico
- Achieved a portfolio leased rate of 95.0% at December 31, 2016, compared to 95.4% at September 30, 2016, on a pro rata basis
- Sold 24 assets and three land parcels for \$532 million during the quarter, totaling \$497 million at DDR's share

2016 Year-End Highlights

- Net income attributable to common shareholders for the year ended December 31, 2016, was \$37.6 million, or \$0.10 per diluted share, which compares to a net loss of \$94.5 million, or \$0.27 per diluted share for the prior year
- Generated Operating FFO of \$1.28 per diluted share for the full year 2016, an increase of 4.1% compared to 2015
- Acquired two shopping centers for \$148 million at DDR's share
- Sold 50 assets and nine land parcels for \$833 million at DDR's share
- Executed 1,221 new leases and renewals for 9.0 million square feet in 2016
- Generated new leasing spreads for the full year 2016 of 25.0% and renewal leasing spreads of 8.4%, both on a pro rata basis and excluding Puerto Rico
- Increased the annualized base rent per occupied square foot by 4.7% on a pro rata basis to \$15.46 at December 31, 2016, from \$14.76 at December 31, 2015

"I am pleased to report another strong quarter of executing on our stated near-term goals of asset sales, leverage reduction and organizational advancement. As we look forward, we are highly focused on completing the Company's transition and positioning the portfolio, balance sheet, and organization for years to come," commented Thomas F. August, president and chief executive officer.

About DDR Corp.

DDR is an owner and manager of 319 value-oriented shopping centers representing 106 million square feet in 35 states and Puerto Rico. The Company owns a high-quality portfolio of open-air shopping centers in major metropolitan areas that provide a highly compelling shopping experience and merchandise mix for retail partners and consumers. The Company actively manages its assets with a focus on creating long-term shareholder value. DDR 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.ddr.com.

Conference Call and Supplemental Information

The Company will hold its quarterly conference call tomorrow, February 14, 2017, at 11:00 a.m. Eastern Time. To participate, please dial 877-249-1119 (domestic) or 412-542-4143 (international) at least ten minutes prior to the scheduled start of the call. The conference call webcast will be recorded and available for replay through the Investors portion of DDR's website, www.ldr.com/events. A copy of the Company's Supplemental package is available on the Company's website at www.ldr.com.

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, expense recovery adjustments and provisions for uncollectible amounts and/or recoveries thereof. SSNOI also excludes activity associated with development and major redevelopment and includes assets owned in comparable periods (15 months for quarter comparisons). 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, 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 success of our deleveraging strategy; any impact or results from the Company's portfolio transition or any change in strategy; and the finalization of the financial statements for the three months and year ended December 31, 2016. 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.

DDR Corp.
Income Statement: Consolidated Interests

\$ in thousands, except per share

	4Q16	4Q15	12M16	12M15
Revenues:				
Minimum rents (1)	\$167,933	\$179,154	\$701,208	\$719,737
Percentage rent	2,827	2,675	7,610	6,267
Recoveries	55,701	58,703	238,419	246,719
Other property revenues (2)	5,707	5,998	22,270	22,377
	232,168	246,530	969,507	995,100
Expenses (3):				
Operating and maintenance	28,812	33,893	131,177	144,611
Real estate taxes	35,197	36,271	145,907	149,082
	64,009	70,164	277,084	293,693
Net operating income	168,159	176,366	692,423	701,407
Other income (expense):				
Fee income	8,093	8,258	36,298	32,971
Interest income	9,254	7,510	37,054	29,213
Interest expense (4)	(51,740)	(59,203)	(217,589)	(241,727)
Depreciation and amortization	(99,468)	(102,575)	(389,519)	(402,045)
General and administrative (5)	(20,941)	(17,920)	(76,101)	(73,382)
Other income (expense), net (6)	(148)	(439)	3,322	(1,739)
Impairment charges (7)	(6,029)	0	(110,906)	(279,021)
Income (loss) before earnings from JVs and other	7,180	11,997	(25,018)	(234,323)
Equity in net income (loss) of JVs	1,618	(5,486)	15,699	(3,135)
Impairment of joint venture investments	0	(1,909)	0	(1,909)
(Loss) gain on sale and change in control	0	0	(1,087)	7,772
Tax expense	(680)	(285)	(1,781)	(6,286)
Gain on disposition of real estate, net	25,916	89,417	73,386	167,571
Net income (loss)	34,034	93,734	61,199	(70,310)
Non-controlling interests	(293)	(268)	(1,187)	(1,858)
Net income (loss) DDR	33,741	93,466	60,012	(72,168)
Preferred dividends	(5,594)	(5,594)	(22,375)	(22,375)
Net income (loss) Common Shareholders	28,147	87,872	37,637	(94,543)
Depreciation and amortization of real estate	97,356	100,582	381,170	393,847
Equity in net (income) loss of JVs	(1,618)	5,486	(15,699)	3,135
Impairment of depreciable joint venture investments	0	1,909	0	1,909
JVs' FFO	6,868	6,465	26,025	27,579
Non-controlling interests	76	69	303	635
Impairment of depreciable real estate	6,029	0	110,906	179,748
Gain on disposition of depreciable real estate, net	(25,698)	(85,728)	(74,182)	(164,010)
FFO Common Shareholders	111,160	116,655	466,160	348,300
Non-operating items, net (8)	(74)	(2,533)	2,232	97,890
Operating FFO	\$111,086	\$114,122	\$468,392	\$446,190
FFO per share – Diluted (9)	\$0.30	\$0.32	\$1.27	\$0.96
Operating FFO per share – Diluted (9)	\$0.30	\$0.31	\$1.28	\$1.23

DDR Corp.
Balance Sheet: Consolidated Interests

\$ in thousands

	At Year End	
	4Q16	4Q15
Assets:		
Land	\$1,990,406	\$2,184,145
Buildings	6,412,532	6,965,632
Fixtures and tenant improvements	735,685	743,037
	<u>9,138,623</u>	<u>9,892,814</u>
Depreciation	(1,996,176)	(2,062,899)
	7,142,447	7,829,915
Construction in progress and land	105,435	235,385
Real estate, net	7,247,882	8,065,300
Investments in JVs	60,793	72,576
Receivable – preferred equity interest	393,338	395,156
Cash	30,430	22,416
Restricted cash	8,795	10,104
Notes receivable, net	49,503	42,534
Receivables, net	121,367	129,089
Other assets, net (10)	285,410	359,913
Total Assets	8,197,518	9,097,088
Liabilities and Equity:		
Revolving credit facilities	0	210,000
Unsecured debt	2,913,217	3,149,188
Unsecured term loan	398,399	397,934
Secured debt	1,182,352	1,382,415
	<u>4,493,968</u>	<u>5,139,537</u>
Dividends payable	75,245	68,604
Other liabilities (11)	382,293	425,478
Total Liabilities	4,951,506	5,633,619
Preferred shares	350,000	350,000
Common shares	36,630	36,529
Paid-in capital	5,487,212	5,466,511
Distributions in excess of net income	(2,632,327)	(2,391,793)
Deferred compensation	15,149	15,537
Other comprehensive income	(4,192)	(6,283)
Common shares in treasury at cost	(14,957)	(15,316)
Non-controlling interests	8,497	8,284
Total Equity	3,246,012	3,463,469
Total Liabilities and Equity	\$8,197,518	\$9,097,088

DDR Corp.
Income Statement: Unconsolidated Interests at 100%

\$ in thousands

	<u>4Q16</u>	<u>4Q15</u>	<u>12M16</u>	<u>12M15</u>
Revenues:				
Minimum rents	\$96,587	\$95,265	\$386,978	\$392,657
Percentage rent	1,435	1,106	2,842	2,431
Recoveries	29,323	29,087	118,479	119,321
Other property revenues	1,544	1,875	5,066	10,288
	<u>128,889</u>	<u>127,333</u>	<u>513,365</u>	<u>524,697</u>
Expenses:				
Operating and maintenance	16,819	18,921	71,799	76,556
Real estate taxes	17,989	17,509	73,185	70,368
	<u>34,808</u>	<u>36,430</u>	<u>144,984</u>	<u>146,924</u>
Net operating income	94,081	90,903	368,381	377,773
Other income (expense):				
Interest expense	(32,735)	(33,003)	(132,943)	(140,701)
Depreciation and amortization	(49,187)	(49,648)	(195,198)	(207,816)
Impairment charges	0	(52,252)	(13,598)	(52,700)
Preferred share expense	(8,411)	(6,743)	(33,418)	(25,991)
Other (expense) income, net	(5,554)	(11,732)	(23,513)	(30,235)
	<u>(1,806)</u>	<u>(62,475)</u>	<u>(30,289)</u>	<u>(79,670)</u>
Gain on disposition of real estate, net	3,006	21,385	57,261	17,188
Net income (loss) attributable to unconsolidated JVs	1,200	(41,090)	26,972	(62,482)
Depreciation and amortization	49,187	49,648	195,198	207,816
Impairment of depreciable real estate	0	52,252	13,598	52,700
Gain on disposition of depreciable real estate, net	(2,688)	(21,385)	(56,943)	(17,188)
FFO	47,699	39,425	178,825	180,846
FFO at DDR's ownership interests	6,868	6,465	26,025	27,579
Operating FFO at DDR's ownership interests (8)	\$6,866	\$6,667	\$26,049	\$27,829

DDR Corp.
Balance Sheet: Unconsolidated Interests at 100%

\$ in thousands

	At Year End	
	4Q16	4Q15
Assets:		
Land	\$1,287,675	\$1,343,889
Buildings	3,376,720	3,551,227
Improvements	203,824	191,581
	4,868,219	5,086,697
Depreciation	(884,356)	(817,235)
	3,983,863	4,269,462
Construction in progress and land	56,983	52,390
Real estate, net	4,040,846	4,321,852
Cash and restricted cash	50,378	58,916
Receivables, net	50,685	52,768
Other assets, net	248,664	318,546
Total Assets	4,390,573	4,752,082
Liabilities and Equity:		
Mortgage debt	3,034,399	3,177,603
Notes and accrued interest payable to DDR	1,584	1,556
Other liabilities	206,949	219,799
Total Liabilities	3,242,932	3,398,958
Redeemable preferred equity	393,338	395,156
Accumulated equity	754,303	957,968
Total Liabilities and Equity	\$4,390,573	\$4,752,082

DDR Corp.
Financial Statements: Footnotes

\$ in millions, except per share

	<u>4Q16</u>	<u>4Q15</u>	<u>12M16</u>	<u>12M15</u>
(1) Minimum rents:				
Straight-line rent, net	\$0.9	\$1.5	\$4.6	\$5.3
Below-market rent, net	2.0	0.7	5.7	2.9
Ground lease revenue	10.3	9.5	40.9	37.4
(2) Other property revenues:				
Lease termination fees	0.4	0.5	3.5	2.8
(3) Operating expenses:				
Recoverable expenses	(59.2)	(64.2)	(253.2)	(268.3)
Non-recoverable expenses	(4.8)	(6.0)	(23.9)	(25.4)
Straight-line ground rent income (expense)	0.6	(0.1)	0.3	(0.5)
Expensed costs of suspended developments	(0.1)	(0.1)	(0.4)	(0.5)
(4) Non-cash interest expense:				
Debt fair value amortization	1.5	1.6	6.3	14.4
Loan cost amortization	(2.0)	(2.3)	(8.4)	(9.6)
Interest expense (capitalized)	0.4	1.5	3.1	6.7
(5) General and administrative expenses:				
Executive separation charges	(0.0)	(0.3)	(0.0)	(2.6)
Stock compensation expenses	(2.3)	(1.4)	(7.0)	(6.6)
Internal leasing expenses	(1.6)	(2.0)	(7.7)	(7.5)
Construction administrative costs (capitalized)	2.4	2.1	8.1	9.1
(6) Other income (expense):				
Other income (primarily insurance recovery in 2016), net	(0.1)	(0.3)	3.8	(0.7)
Debt extinguishment, net	(0.0)	(0.1)	(0.5)	(1.0)
(7) Impairment charges:				
Assets marketed for sale	(6.0)	(0.0)	(110.9)	(179.7)
Land previously held for development	(0.0)	(0.0)	(0.0)	(99.3)
(8) Non-operating items excluded from Operating FFO:				
Impairment charges – non-depreciable assets	0.0	0.0	0.0	99.3
Executive separation charges	0.0	0.3	0.0	2.6
Transaction, debt extinguishment, litigation, other, net	0.1	0.7	0.6	2.3
Joint ventures – transaction, currency, other	0.0	0.2	0.0	0.2
Gain on sale and change in control of interests, net	0.0	0.0	0.0	(7.8)
Tax expense (primarily Puerto Rico restructuring), net	0.0	0.0	(0.3)	4.4
(Gain) loss on disposition of non-depreciable real estate, net	(0.2)	(3.7)	1.9	(3.1)
	<u>(0.1)</u>	<u>(2.5)</u>	<u>2.2</u>	<u>97.9</u>

DDR Corp.
Financial Statements: Footnotes

\$ in millions, except per share

	<u>4Q16</u>	<u>4Q15</u>	<u>12M16</u>	<u>12M15</u>
(9) Outstanding per share information:				
Common shares (at quarter end)	366.3	365.3	366.3	365.3
OP units (at quarter end)	0.4	0.4	0.4	0.4
Total shares and units (at quarter end)	366.7	365.7	366.7	365.7
Weighted average shares and units – Basic – EPS	366.0	362.7	365.3	360.9
Assumed conversion of dilutive securities	0.1	2.5	0.3	0.0
Weighted average shares and units – Diluted – EPS	366.1	365.2	365.6	360.9
Weighted average shares and units – Basic – FFO & OFFO	366.6	364.0	366.1	362.9
Assumed conversion of dilutive securities	0.1	0.4	0.3	0.4
Weighted average shares and units – Diluted – FFO & OFFO	366.7	364.4	366.4	363.3
Earnings per common share – Basic & Diluted	\$0.08	\$0.24	\$0.10	\$(0.27)
FFO per share – Basic & Diluted	\$0.30	\$0.32	\$1.27	\$0.96
Operating FFO per share – Diluted	\$0.30	\$0.31	\$1.28	\$1.23
Common stock dividends declared, per share	\$0.19	\$0.1725	\$0.76	\$0.69
(10) Intangible assets, net (at year end)			241.6	311.0
(11) Below-market leases, net (at year end)			147.9	155.3
Additional financial information:				
Capital expenditures (DDR share):				
Retenancing	\$7.3	\$12.9	\$32.3	\$49.0
Maintenance – reimbursable and non reimbursable	2.4	2.9	17.4	16.2
Maintenance PSF of owned GLA – non reimbursable			0.14	0.13
Miscellaneous (DDR share):				
Est. value of land owned adjacent to existing centers			\$28	
Cost basis of headquarters (non-income producing)			40	

DDR Corp.

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

\$ in millions

			At DDR Share (Non-GAAP)	
	4Q16	4Q15	4Q16	4Q15
GAAP Reconciliation:				
Net income attributable to DDR	\$33.7	\$93.5	\$33.7	\$93.5
Fee income	(8.1)	(8.3)	(8.1)	(8.3)
Interest income	(9.2)	(7.5)	(9.2)	(7.5)
Interest expense	51.7	59.2	51.7	59.2
Depreciation and amortization	99.5	102.6	99.5	102.6
General and administrative	20.9	17.9	20.9	17.9
Other expense	0.1	0.4	0.1	0.4
Impairment charges	6.0	0.0	6.0	0.0
Equity in net (income) loss of joint ventures	(1.6)	5.5	(1.6)	5.5
Impairment of joint venture investments	0.0	1.9	0.0	1.9
Tax expense	0.7	0.3	0.7	0.3
Gain on disposition of real estate	(25.9)	(89.4)	(25.9)	(89.4)
Income from non-controlling interests	0.3	0.3	0.3	0.3
Consolidated NOI	168.1	176.4	168.1	176.4
DDR's consolidated JV	0.0	0.0	(0.4)	(0.4)
Consolidated NOI, net of non-controlling interests	168.1	176.4	167.7	176.0
Net income (loss) from unconsolidated joint ventures	1.2	(41.1)	1.2	(6.7)
Interest expense	32.7	33.0	5.2	5.5
Depreciation and amortization	49.2	49.7	5.7	6.1
Impairment charges	0.0	52.3	0.0	10.5
Preferred share expense	8.4	6.7	0.4	0.3
Other expense, net	5.6	11.7	1.0	1.2
Gain on disposition of real estate, net	(3.0)	(21.4)	(0.1)	(3.4)
Unconsolidated NOI	94.1	90.9	13.4	13.5
Total Consolidated + Unconsolidated NOI	262.2	267.3	181.1	189.5
Less: Non-Same Store NOI adjustments	(21.6)	(33.3)	(15.6)	(27.2)
Total SSNOI	240.6	234.0	165.5	162.3
Less: Puerto Rico Same Store NOI	(22.9)	(23.2)	(22.9)	(23.2)
Total SSNOI excluding Puerto Rico	\$217.7	\$210.8	\$142.6	\$139.1
SSNOI % Increase	2.8%		2.0%	
SSNOI % Increase excluding Puerto Rico	3.3%		2.5%	

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