



For immediate release:

DDR REPORTS FIRST QUARTER 2017 OPERATING RESULTS

BEACHWOOD, OHIO, April 25, 2017 – DDR Corp. (NYSE: DDR) today announced operating results for the first quarter ended March 31, 2017.

“DDR’s new management team is excited to continue positioning the Company for future success. We are pleased to report ongoing progress lowering leverage, as well as organizational streamlining to fit the Company’s current operating scale and to partially mitigate an expected modest decline in property profitability this year. Our best-in-class leasing team is making progress refilling vacancies from recent larger scale tenant bankruptcies, and I am confident DDR will emerge from a challenging 2017 well positioned to take advantage of an environment rich with opportunities arising from the current dynamic retail real estate markets,” commented David R. Lukes, president and chief executive officer.

Financial Highlights

- First quarter net loss attributable to common shareholders was \$59.8 million, or \$0.16 per diluted share as compared to net income of \$40.0 million, or \$0.11 per diluted share, in the year ago-period. The year-over-year decline in net income attributable to common shareholders is primarily attributable to a \$76 million valuation allowance recorded on the Company’s preferred investment in two joint ventures in addition to an aggregate charge of \$11.5 million associated primarily with executive management transition and a recent staff restructuring, partially offset by a \$38.1 million gain on the sale of real estate assets.
- First quarter operating funds from operations attributable to common shareholders (“Operating FFO”) was \$108.5 million or \$0.30 per diluted share, compared to \$114.2 million or \$0.31 per diluted share in the year ago-period. The year-over-year decrease in OFFO is primarily attributable to the dilutive impact of deleveraging through asset sales.

Significant Quarterly Activity

DDR’s key operating results in the first quarter include:

- Reported a decrease in same store net operating income, including Puerto Rico, of 0.1% on a pro rata basis; presentation has been adjusted to include bad debt expense on a comparable basis
- Executed 285 new leases and renewals for 1.8 million square feet
- Generated new leasing spreads of 2.8% and renewal leasing spreads of 6.3%, both on a pro rata basis and including Puerto Rico for the quarter and new leasing spreads of 14.0% and renewal leasing spreads of 6.9%, both on a pro rata basis and including Puerto Rico for the trailing twelve-month period
- Achieved a portfolio leased rate of 94.3% at March 31, 2017, compared to 95.0% at December 31, 2016, on a pro rata basis
- Increased the annualized base rent per occupied square foot by 5.5% on a pro rata basis to \$15.67 at March 31, 2017, from \$14.86 at March 31, 2016
- Sold 10 assets and two land parcels for \$123.7 million during the quarter, totaling \$118.5 million at DDR’s share
- Acquired 3030 North Broadway in Chicago, Illinois, a 131,748 square foot Company-owned gross leasable area (“GLA”) grocery-anchored shopping center for \$81 million pursuant to a contract executed in 2016

Significant Financial Activity

- Established \$76 million in valuation allowances associated with the Company’s preferred equity investment in its two joint ventures with Blackstone. The investments were impaired to reflect management’s expectation that the securities are likely to be only partially repaid in the event of a full redemption in advance of the Company’s redemption rights in 2020 and 2021. As a result, the Company will no longer recognize the non-cash portion of the interest income going forward. These charges are non-cash in nature and the Company’s cash distributions from the securities remain unchanged.

- Recorded a separation charge aggregating \$11.5 million which is comprised of \$9.4 million related to the March 2, 2017, management transition and \$2.1 million related to other staffing reductions announced on April 3, 2017. These charges are included in General and Administrative expenses for the quarter ended March 31, 2017. Management expects to record an additional \$5 million charge in the second quarter of 2017 reflecting the remaining separation costs associated with the restructuring announced on April 3, 2017.

Guidance

DDR is withdrawing its previous guidance for net income applicable to common shareholders, Funds From Operations (“FFO”) and Operating FFO given the unpredictable timing and magnitude of potential transactional activity in 2017. However, management has updated its 2017 operating assumptions as follows:

- Expected annual growth in same store net operating income has been reduced from a total portfolio range of 1%-2% previously expected to a range as follows:

	DDR Share
US Portfolio	(1.0%) – 0.5%
Total Portfolio	(1.5%) – 0.0%

The change in guidance reflects the impact of increased vacancies from recent tenant bankruptcies, which had not been anticipated in prior guidance as well as the inclusion of bad debt expense on a comparable basis.

- Expected leased rate at year end of 93.0% to 93.5%, reduced from a 25 to 50 basis point increase previously expected
- Expected General and Administrative expenses have been reduced to a range of \$72 million to \$75 million from \$77 million to \$80 million previously reported, reflecting staffing reductions announced on April 3, 2017
- Expected Fee income of \$30 million to \$33 million
- Expected Interest income has been reduced to a range of \$26 million to \$29 million from a range of \$33 million to \$36 million previously expected, as the Company does not currently expect to record any non-cash interest income for the remainder of 2017 as a result of the valuation allowance as discussed above
- Expected redevelopment activity placed in service of \$80 million (approximately \$40 million of incremental same store NOI) weighted towards the second half of the year at high single-digit yields

About DDR Corp.

DDR is an owner and manager of 309 value-oriented shopping centers representing 103 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.ldr.com.

Conference Call and Supplemental Information

The Company will hold its quarterly conference call today at 4:45 p.m. Eastern Time. To participate with access to the slide presentation, please visit the Investors portion of DDR's website, www.ldr.com/events or dial 877-249-1119 (domestic) or 412-542-4143 (international) at least ten minutes prior to the scheduled start of the call. A replay of the conference call will also be available at www.ldr.com/events for one year after the call. 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 and expense recovery adjustments. The Company presents SSNOI both with and without provisions for uncollectible amounts and/or recoveries thereof. SSNOI also excludes activity associated with development and major redevelopment and single tenant assets 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 ended March 31, 2017. 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, 2016. 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

	1Q17	1Q16
Revenues:		
Minimum rents (1)	\$167,229	\$177,367
Percentage rent	1,699	1,936
Recoveries	57,476	61,599
Other property revenues (2)	4,577	5,343
	<hr/> 230,981	<hr/> 246,245
Expenses (3):		
Operating and maintenance	32,991	37,258
Real estate taxes	34,329	35,784
	<hr/> 67,320	<hr/> 73,042
Net operating income	163,661	173,203
Other income (expense):		
Fee income	9,440	8,178
Interest income	8,392	9,050
Interest expense	(51,827)	(57,897)
Depreciation and amortization	(90,884)	(96,902)
General and administrative (4)	(31,072)	(17,876)
Other income (expense), net	(4)	1,773
Impairment charges	(21,973)	0
(Loss) income before earnings from JVs and other	<hr/> (14,267)	<hr/> 19,529
Equity in net (loss) income of JVs	(1,665)	14,421
Reserve of preferred equity interests	(76,000)	0
Tax expense	(223)	(458)
Gain on disposition of real estate, net	38,127	12,381
Net (loss) income	<hr/> (54,028)	<hr/> 45,873
Non-controlling interests	(213)	(300)
Net (loss) income DDR	(54,241)	45,573
Preferred dividends	(5,594)	(5,594)
Net (loss) income Common Shareholders	(\$59,835)	\$39,979
Weighted average shares – Basic – EPS	366,430	364,691
Assumed conversion of dilutive securities	0	351
Weighted average shares – Diluted – EPS	366,430	365,042
Earnings per common share – Basic & Diluted	(\$0.16)	\$0.11

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

\$ in thousands, except per share

	1Q17	1Q16
Net (loss) income attributable to Common Shareholders	(\$59,835)	\$39,979
Depreciation and amortization of real estate	88,649	94,854
Equity in net loss (income) of JVs	1,665	(14,421)
JVs' FFO	6,582	6,150
Non-controlling interests	76	76
Impairment of depreciable real estate	21,973	0
Gain on disposition of depreciable real estate, net	(36,898)	(12,096)
FFO attributable to Common Shareholders	\$22,212	\$114,542
Reserve of preferred equity interests	76,000	0
Separation charges	11,471	0
Transaction, debt extinguishment, litigation, other, net	(1)	(29)
Joint ventures - transaction, currency, other	80	0
Gain on disposition of non-depreciable real estate, net	(1,229)	(285)
Total non-operating items, net	86,321	(314)
Operating FFO attributable to Common Shareholders	\$108,533	\$114,228
Weighted average shares and units – Basic – FFO & OFFO	366,976	365,697
Assumed conversion of dilutive securities	89	351
Weighted average shares and units – Diluted – FFO & OFFO	367,065	366,048
FFO per share – Basic & Diluted	\$0.06	\$0.31
Operating FFO per share – Basic & Diluted	\$0.30	\$0.31
Common stock dividends declared, per share	\$0.19	\$0.19
Certain non-cash items (DDR share):		
Straight-line rent, net	\$433	\$1,355
Amortization of (above)/below-market rent, net	3,851	397
Straight-line ground rent income (expense)	230	(94)
Debt fair value and loan cost amortization	(990)	(757)
Capitalized interest expense	398	1,244
Stock compensation expense	(1,908)	(1,608)
Non-real estate depreciation expense	(2,135)	(2,001)
Non-cash interest income	1,283	1,944
Capital expenditures (DDR share):		
Development and redevelopment costs	15,924	24,472
Maintenance capital expenditures	824	1,017
Tenant allowances and landlord work	12,076	7,456
Leasing commissions	638	904

DDR Corp.
Balance Sheet: Consolidated Interests

\$ in thousands

	At Period End	
	1Q17	4Q16
Assets:		
Land	\$1,987,849	\$1,990,406
Buildings	6,338,139	6,412,532
Fixtures and tenant improvements	738,741	735,685
	<u>9,064,729</u>	<u>9,138,623</u>
Depreciation	(2,004,413)	(1,996,176)
	<u>7,060,316</u>	<u>7,142,447</u>
Construction in progress and land	120,808	105,435
Real estate, net	<u>7,181,124</u>	<u>7,247,882</u>
Investments in JVs	76,047	60,793
Receivable – preferred equity interests, net	319,315	393,338
Cash	19,715	30,430
Restricted cash	46,587	8,795
Notes receivable, net	49,895	49,503
Receivables, net (5)	117,559	121,367
Other assets, net (6)	282,724	285,410
Total Assets	<u>8,092,966</u>	<u>8,197,518</u>
Liabilities and Equity:		
Revolving credit facilities	90,000	0
Unsecured debt	2,914,186	2,913,217
Unsecured term loan	398,516	398,399
Secured debt	<u>1,118,224</u>	<u>1,182,352</u>
	4,520,926	4,493,968
Dividends payable	75,402	75,245
Other liabilities (7)	369,391	382,293
Total Liabilities	<u>4,965,719</u>	<u>4,951,506</u>
Preferred shares	350,000	350,000
Common shares	36,667	36,630
Paid-in capital	5,497,660	5,487,212
Distributions in excess of net income	(2,761,977)	(2,632,327)
Deferred compensation	10,083	15,149
Other comprehensive income	(3,432)	(4,192)
Common shares in treasury at cost	(10,300)	(14,957)
Non-controlling interests	8,546	8,497
Total Equity	<u>3,127,247</u>	<u>3,246,012</u>
Total Liabilities and Equity	<u>\$8,092,966</u>	<u>\$8,197,518</u>

DDR Corp.
Financial Statement: Footnotes

\$ in thousands

	1Q17	1Q16
Revenue items:		
(1) Ground lease revenue	\$ 10,892	\$ 10,100
(2) Lease termination fees	178	1,229
(3) Operating expenses:		
Recoverable expenses	(62,117)	(66,115)
Non-recoverable expenses	(4,280)	(5,900)
Bad debt expense	(923)	(1,027)
(4) General and administrative expenses:		
Separation charges	(11,471)	(0)
Internal leasing expenses	(1,592)	(2,082)
Construction administrative costs (capitalized)	2,388	1,952
(5) Straight-line rents receivable, net (at quarter and year end)	64,772	65,072
(6) Intangible assets, net (at quarter and year end)	236,372	241,598
(7) Below-market leases, net (at quarter and year end)	142,372	147,941
Additional financial information (DDR share):		
Est. value of land owned adjacent to existing centers	27,306	
Cost basis of headquarters (non-income producing)	40,917	

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

\$ in thousands

	<u>1Q17</u>	<u>1Q16</u>	<u>1Q17</u>	<u>1Q16</u>
			At DDR Share (Non-GAAP)	
GAAP Reconciliation:				
Net (loss) income attributable to DDR	(\$54,241)	\$45,573	(\$54,241)	\$45,573
Fee income	(9,440)	(8,178)	(9,440)	(8,178)
Interest income	(8,392)	(9,050)	(8,392)	(9,050)
Interest expense	51,827	57,897	51,827	57,897
Depreciation and amortization	90,884	96,902	90,884	96,902
General and administrative	31,072	17,876	31,072	17,876
Other expense	4	(1,773)	4	(1,773)
Impairment charges	21,973	0	21,973	0
Equity in net loss (income) of joint ventures	1,665	(14,421)	1,665	(14,421)
Reserve of preferred equity interests	76,000	0	76,000	0
Tax expense	223	458	223	458
Gain on disposition of real estate	(38,127)	(12,381)	(38,127)	(12,381)
Income from non-controlling interests	213	300	213	300
Consolidated NOI	163,661	173,203	163,661	173,203
DDR's consolidated JV	0	0	(410)	(426)
Consolidated NOI, net of non-controlling interests	163,661	173,203	163,251	172,777
Net (loss) income from unconsolidated joint ventures	(52,377)	47,305	(5,237)	11,192
Interest expense	30,130	33,322	4,883	5,298
Depreciation and amortization	45,096	49,035	5,548	5,549
Impairment charges	52,657	0	6,260	0
Preferred share expense	8,128	8,264	406	413
Other expense, net	6,573	5,811	1,073	983
Loss (gain) on disposition of real estate, net	173	(53,483)	8	(10,695)
Unconsolidated NOI	90,380	90,254	12,941	12,740
Total Consolidated + Unconsolidated NOI	254,041	263,457	176,192	185,517
Less: Non-Same Store NOI adjustments	(16,684)	(27,191)	(15,410)	(24,588)
Total SSNOI (including bad debt expense)	\$237,357	\$236,266	\$160,782	\$160,929
Less: Puerto Rico Same Store NOI	(23,077)	(23,853)	(23,077)	(23,853)
Total SSNOI excluding Puerto Rico (including bad debt expense)	\$214,280	\$212,413	\$137,705	\$137,076
Add: bad debt expense	1,245	1,515	1,008	1,112
Total SSNOI (excluding bad debt expense)	\$238,602	\$237,781	\$161,790	\$162,041
SSNOI % Change (including bad debt expense)	0.5%		(0.1%)	
SSNOI % Change excluding Puerto Rico	0.9%		0.5%	
SSNOI % Change (excluding bad debt expense)	0.3%		(0.2%)	

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