DDR Completes $92 Million of Strategic Transactions in First Quarter 2012

BEACHWOOD, Ohio, April 2, 2012 /PRNewswire/ -- DDR Corp. (NYSE: DDR) today announced that it acquired a prime shopping center in Chicago, Illinois, for $47 million and disposed of $45 million of non-prime assets in the first quarter. As a result, since 2010 DDR has completed $317 million of new investments in prime shopping centers which average 95% leased and are located in major markets with average household incomes and population within a seven-mile radius of approximately $86,000 and 319,000, respectively. In contrast, during that same period, DDR disposed of $1.3 billion of primarily non-prime assets in secondary and tertiary markets. These properties were 72% leased, and average household incomes and population within a seven-mile radius were approximately $69,000 and 239,000, respectively.

(Logo: http://photos.prnewswire.com/prnh/20110912/CL65938LOGO)

First quarter acquisition activity:

Brookside Marketplace in Chicago, Illinois is a large-format power center totaling 561,000 square feet and is currently 90% leased. It benefits from an outstanding credit tenant lineup, enjoys strong barriers to entry, has a population of 323,000 within a seven-mile radius and has household incomes which average over $90,000 within a seven-mile radius — 20% above DDR's prime portfolio average. In addition, by capitalizing on its corporate redevelopment and leasing platforms, DDR expects to add new junior anchor space and lease the adjacent vacancy to strong national retailers, resulting in a leased rate above 95% in the next several quarters. The asset is currently anchored by Super Target, Kohl's, Dick's Sporting Goods, Best Buy, HomeGoods, Michaels, PetSmart, Office Max, Old Navy and ULTA. Chicago is now DDR's fifth largest market, as ranked by total annual base rent.

As previously announced in January, DDR is also under contract to acquire the majority of the EDT Retail Portfolio in a transaction valued at $1.43 billion, through a joint venture with an affiliate of the Blackstone Group, LP. The 46 shopping centers expected to be acquired by the joint venture are open-air, value-oriented power centers located in 20 states, representing 10.6 million square feet and are currently 90% leased. The top ten tenants by base rent include the TJX companies, Kohl's, PetSmart, Dick's Sporting Goods, Best Buy, Bed Bath & Beyond, JoAnn's, Old Navy, Walmart and Home Depot. It is anticipated that this transaction will close in the second quarter of this year.

First quarter disposition activity:

During the quarter, the Company disposed of 11 assets for aggregate proceeds of $45 million, of which DDR's share was $34 million. Included in these figures are $27 million of proceeds ($21 million at DDR's share) from the sale of non- or negative-income producing assets, including one of two land sites in Russia. An additional $87 million of assets are currently under contract for sale, of which the Company's share is $82 million.

Other transactional activity:

During the quarter, the Company's one-third-owned joint venture Sonae Sierra Brasil completed a strategic asset swap which resulted in a majority ownership interest in Shopping Plaza Sul, a high-quality enclosed mall located in Sao Paulo. Sonae Sierra Brasil acquired an additional 30% ownership interest in Shopping Plaza Sul in exchange for a 22% stake in Shopping Penha and $29 million in cash. As a result of this transaction, Sonae Sierra Brasil will increase its ownership interest in Shopping Plaza Sul to 60% while decreasing its ownership interest in Shopping Penha to 51%. Shopping Plaza Sul consists of 248,000 square feet of gross leasable area and generated sales per square foot of $960 in 2011, while Shopping Penha is a 319,000 square feet shopping center also located in Sao Paulo which generated sales per square foot of $660 in 2011.

David J. Oakes, chief financial officer of DDR, commented, "The execution of our strategic capital recycling program continues to significantly strengthen the quality of the portfolio from a demographic, credit quality of cash flow, and long term NOI growth perspective. We expect to continue to creatively and opportunistically source acquisitions and diligently pursue non-prime and non-income producing asset sales in order to advance our goal of generating consistent net asset value growth."

About DDR

DDR is an owner and manager of 481 value-oriented shopping centers representing 123 million square feet in 39 states, Puerto Rico and Brazil. The company's assets are concentrated in high barrier-to-entry markets with stable populations and high growth potential and its portfolio is actively managed to create 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.

Safe Harbor

DDR 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 oversupply 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, including the properties in the EDT Retail Portfolio; 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, 2011. The Company undertakes no obligation to publicly revise these forward-looking statements to reflect events or circumstances that arise after the date hereof.

SOURCE DDR Corp.