



**FOR IMMEDIATE RELEASE:**

**Retail Value Inc. Reports Third Quarter 2018 Operating Results**

BEACHWOOD, OHIO, November 5, 2018 – Retail Value Inc. (NYSE: RVI) today announced operating results for the quarter ended September 30, 2018.

“We made significant progress realizing equity value for shareholders in our first quarter as a public company, primarily through the sale of six continental U.S. properties for \$162 million. We also remain focused on our operations, especially in Puerto Rico, where we expect repair and restoration work to be completed in the second half of 2019,” commented David R. Lukes, president and chief executive officer.

**Results for the Quarter**

- Third quarter net income attributable to common shareholders was \$6.0 million, or \$0.32 per diluted share. Third quarter operating funds from operations attributable to common shareholders (“Operating FFO” or “OFFO”) was \$25.2 million, or \$1.37 per diluted share.
- Sold six shopping centers for an aggregate sales price of \$162.2 million.

**Key Quarterly Operating Results**

The following metrics are as of September 30, 2018:

	<u>Continental U.S.</u>	<u>Puerto Rico</u>
Shopping Center Count	30	12
Gross Leasable Area (thousands)	10,399	4,431
Base Rent PSF	\$13.50	\$20.65
Leased Rate	93.1%	87.0%
Commenced Rate	92.0%	84.4%
NOI (millions)	\$30.1	\$16.9

**About RVI**

RVI is an independent publicly traded company trading under the ticker symbol “RVI” on the New York Stock Exchange. RVI holds assets in the continental U.S. and Puerto Rico and is managed by one or more subsidiaries of SITE Centers Corp. (formerly known as DDR Corp.). RVI focuses on realizing value in its business through operations and sales of its assets. Additional information about RVI is available at [www.retailvalueinc.com](http://www.retailvalueinc.com).

**Non-GAAP Measures**

Funds from Operations (“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) (computed in accordance with GAAP) adjusted to exclude (i) gains and losses from disposition of depreciable real estate property, which are presented net of taxes, if any, (ii) impairment charges on depreciable real estate property and (iii) certain non-cash items. These non-cash items principally include real property depreciation and amortization of intangibles. The Company’s calculation of FFO is consistent with the definition of FFO provided by the National Association of Real Estate Investment Trusts (“NAREIT”). The Company calculates Operating FFO by excluding certain non-operating charges and income. Operating FFO is useful to investors as the Company

removes non-comparable charges and income 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.

FFO, Operating FFO and NOI 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**

RVI 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, the ability to execute our strategy as an independent, publicly traded company. Other risks and uncertainties that could cause our results to differ materially from those indicated by such forward-looking statements include our ability to sell assets on commercially reasonable terms; our ability to complete dispositions of assets under contract; the success of our asset sale strategy; 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 and the impact of any such event on rental income from other tenants at our properties; 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 arrangements or our failure to satisfy conditions to the completion of these arrangements; unforeseen changes to the Puerto Rican economy and government; the ability to secure and maintain management services provided to us, including pursuant to our external management agreement with one or more subsidiaries of SITE Centers; our ability to maintain our REIT status; and the finalization of the financial statements for the period ended September 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 “Risk Factors” included in Amendment No. 1 to the Company’s Form 10 filed on June 14, 2018 and to the Company’s reports on 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.

**Retail Value Inc.**  
**Income Statement**

\$ in thousands, except per share

	<b>3Q18</b>	<b>3Q18</b>	<b>Total</b>
	<b>Continental</b>	<b>Puerto Rico</b>	<b>3Q18</b>
	<b>U.S.</b>	<b></b>	<b></b>
<b>Revenues (1):</b>			
Minimum rents (2)	\$33,173	\$15,413	\$48,586
Percentage rent	119	239	358
Recoveries	11,019	5,038	16,057
Other property revenues (3)	381	1,869	2,250
Business interruption income	0	2,404	2,404
	<u>44,692</u>	<u>24,963</u>	<u>69,655</u>
<b>Expenses (4):</b>			
Operating and maintenance	6,687	6,972	13,659
Real estate taxes	7,944	1,118	9,062
	<u>14,631</u>	<u>8,090</u>	<u>22,721</u>
<b>Net operating income (5)</b>	<b>30,061</b>	<b>16,873</b>	<b>46,934</b>
<b>Other income (expense):</b>			
Asset management fees			(3,269)
Interest expense			(17,050)
Depreciation and amortization			(22,138)
General and administrative			(1,009)
Impairment charges			(4,420)
Hurricane property loss			(155)
Debt extinguishment costs, net			(2,713)
Transaction costs			(179)
Other income (expense), net			445
Loss before other items			<u>(3,554)</u>
Tax expense			(328)
Gain on disposition of real estate, net (6)			9,835
<b>Net income</b>			<b><u>\$5,953</u></b>
<b>Weighted average shares – Basic &amp; Diluted – EPS</b>			<b>18,464</b>
<b>Earnings per common share – Basic &amp; Diluted</b>			<b>\$0.32</b>
<b>Revenue items:</b>			
(1) Lost revenue related to hurricane			(\$2,401)
(2) Ground lease revenue			4,108
(3) Lease termination fees			11
<b>(4) Operating expenses:</b>			
Property management fees			(3,283)
Bad debt expense			(4)
(5) NOI from assets sold in 3Q18			1,540
(6) SITE disposition fees			(1,622)

**Retail Value Inc.**  
**Reconciliation: Net Income to FFO and Operating FFO**  
**and Other Financial Information**

\$ in thousands, except per share

**3Q18**

<b>Net income attributable to Common Shareholders</b>	<b>\$5,953</b>
Depreciation and amortization of real estate	22,100
Impairment of depreciable real estate	4,420
Gain on disposition of depreciable real estate, net	(9,835)
<b>FFO attributable to Common Shareholders</b>	<b>\$22,638</b>

Hurricane property loss, net (1)	152
Debt extinguishment, transaction, other, net	2,447
Total non-operating items, net	2,599
<b>Operating FFO attributable to Common Shareholders</b>	<b>\$25,237</b>

<b>Weighted average shares and units – Basic &amp; Diluted – FFO &amp; OFFO</b>	<b>18,465</b>
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FFO per share – Basic & Diluted	<b>\$1.23</b>
Operating FFO per share – Basic & Diluted	<b>\$1.37</b>
Common stock dividends declared, per share	<b>\$0.00</b>

**Certain non-cash items:**

Straight-line rent, net	\$101
Loan cost amortization	(1,498)
Non-real estate depreciation expense	(38)

**Capital expenditures:**

Maintenance capital expenditures	683
Tenant allowances and landlord work	1,626
Leasing commissions (2)	918

(1) **Hurricane property (income) loss:**

Lost tenant revenue	2,401
Business interruption income	(2,404)
Clean up costs and other expenses	155
	152

(2) **SITE lease commissions**

665

**Retail Value Inc.**  
**Balance Sheet**

\$ in thousands

**At Period End**  
**3Q18**

**Assets:**

Land	\$658,435
Buildings	1,695,770
Fixtures and tenant improvements	176,391
	2,530,596
Depreciation	(706,700)
	1,823,896
Construction in progress and land	44,021
Real estate, net	1,867,917

Cash	28,593
Restricted cash	103,559
Receivables, net (1)	31,479
Property insurance receivable	48,467
Intangible assets, net	40,810
Other assets, net	12,471
<b>Total Assets</b>	<b>2,133,296</b>

**Liabilities and Equity:**

Secured debt	1,128,780
	1,128,780
Payable to SITE	36,469
Other liabilities (2)	94,685
<b>Total Liabilities</b>	<b>1,259,934</b>

**Redeemable preferred equity** **190,000**

Common shares	1,846
Paid-in capital	675,566
Distributions in excess of net income	5,953
Common shares in treasury at cost	(3)
<b>Total Equity</b>	<b>683,362</b>

**Total Liabilities and Equity** **\$2,133,296**

(1) Straight-line rents receivable, net	19,594
(2) Below-market leases, net	42,812