Retail Value Inc.
3300 Enterprise Parkway
Beachwood, OH 44122
216-755-5500

For additional information:
Matthew Ostrower, EVP and
Chief Financial Officer

Retail Value Inc. Reports First Quarter 2019 Operating Results

BEACHWOOD, OHIO, May 7, 2019 – Retail Value Inc. (NYSE: RVI) today announced operating results for the quarter ended March 31, 2019.

Results for the Quarter

- First quarter net loss attributable to common shareholders was $10 thousand, or $0.00 per diluted share. First quarter operating funds from operations attributable to common shareholders ("Operating FFO" or "OFFO") was $24.3 million, or $1.29 per diluted share.
- Sold three shopping centers and two outparcels for an aggregate sales price of $110.0 million.
- Refinanced previous $1.35 billion mortgage loan with a new $900 million mortgage loan. The new loan facility provides a lower interest rate, an extended maturity date, a lower allocation of loan principal to the Company's continental U.S. assets as a result of the mortgage on one Puerto Rico property and a lower debt yield requirement with respect to the Company's ability to maintain control of excess cash flow from its properties. RVI paid $1.8 million refinancing fee to SITE Centers in connection with new loan.
- The Continental U.S. leased rate was 92.2% as compared to 92.9% at December 31, 2018 with the decline driven by the impact of asset sales.
- The Puerto Rico leased rate was 85.3% as compared to 87.0% at December 31, 2018, the decline primarily was due to the expiration of a JC Penney lease at Plaza Palma Real.

Key Quarterly Operating Results

The following metrics are as of March 31, 2019:

	Continental U.S.	Puerto Rico
Shopping Center Count	23	12
Gross Leasable Area (thousands)	8,717	4,428
Base Rent PSF	$13.55	$20.59
Leased Rate	92.2%	85.3%
Commenced Rate	91.1%	83.1%
NOI (millions)	$24.7	$15.9

Financial Statement Presentation Change

On January 1, 2019, the Company adopted the accounting framework for leases, ASU No. 2016-02, Leases ("Topic 842"). The following is a summary of the presentation changes within the 2019 Consolidated Statement of Operations required by the adoption of the new standard:

- All income related to tenant leases is reflected in a single "Rental income" line item.
- The impact of bad debt is now a component of the single Rental income line item and is no longer a component of Operating and Maintenance expenses. This change is reflected in 2019 reporting periods but was not made to 2018 historical results.
- Real estate taxes paid by certain major tenants directly to the taxing authority are no longer reflected in Rental Income and Real estate tax expense. This change is reflected in 2019 reporting periods but was not made to 2018 historical results.

The Company's Net income, Net operating income and Operating FFO were not impacted by these presentation changes.

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. 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.

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.

In December 2018, the National Association of Real Estate Investment Trusts (“NAREIT”) issued *NAREIT Funds From Operations White Paper - 2018 Restatement* (“the 2018 FFO White Paper”). The purpose of the 2018 FFO White Paper was not to change the fundamental definition of FFO but to clarify existing guidance and to consolidate into a single document, alerts and policy bulletins issued by NAREIT since the last FFO white paper was issued in 2002. The 2018 FFO White Paper was effective starting with first quarter 2019 reporting. The Company did not report any changes in the calculation of FFO in 2019 related to the clarification in the 2018 FFO White Paper.

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 real estate property and related investments, which are presented net of taxes, if any, (ii) impairment charges on real estate property and related investments 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 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 and our ability 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; and our ability to maintain our REIT status. 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 the Company’s report on Form 10-K for the year ended December 31, 2018. 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

		1Q19 Continental U.S.	1Q19 Puerto Rico	Total 1Q19
	Revenues (1):			
	Rental income (2)	$36,970	$24,600	$61,570
	Other property revenues	22	19	41
	Business interruption income	0	0	0
		36,992	24,619	61,611
	Expenses:			
	Operating and maintenance (3)	5,950	7,548	13,498
	Real estate taxes	6,312	1,198	7,510
		12,262	8,746	21,008
	Net operating income (4)	**24,730**	**15,873**	**40,603**
	Other income (expense):			
	Asset management fees			(2,820)
	Interest expense			(13,974)
	Depreciation and amortization			(19,355)
	General and administrative			(885)
	Impairment charges			(6,090)
	Hurricane property loss			(183)
	Debt extinguishment costs, net			(14,482)
	Transaction costs			(18)
	Other expense, net			(850)
	Gain on disposition of real estate, net (5)			18,219
	Income before other items			165
	Tax expense			(175)
	Net loss			**($10)**
	Weighted average shares – Basic & Diluted – EPS			**18,882**
	Earnings per common share – Basic & Diluted			**$0.00**
	Revenue items:			
(1)	Lost revenue related to hurricane			($1,625)
(2)	Minimum rents	25,301	14,070	39,371
	Ground lease minimum rents	1,940	1,872	3,812
	Percentage rent	263	1,157	1,420
	Recoveries	9,342	5,607	14,949
	Lease termination fees	0	0	0
	Ancillary rental income	261	1,906	2,167
	Bad debt	(137)	(12)	(149)
(3)	**Operating expenses:**			
	Property management fees	(1,409)	(1,587)	(2,996)
(4)	NOI from assets sold	1,256	0	1,256
(5)	SITE Centers disposition fees			(1,100)

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

$ in thousands, except per share

		1Q19
	Net income attributable to Common Shareholders	**($10)**
	Depreciation and amortization of real estate	19,329
	Impairment of real estate	6,090
	Gain on disposition of real estate, net	(18,219)
	FFO attributable to Common Shareholders	**$7,190**
	Hurricane property loss, net (1)	1,808
	Debt extinguishment, transaction, other, net	15,350
	Total non-operating items, net	17,158
	Operating FFO attributable to Common Shareholders	**$24,348**
	Weighted average shares and units – Basic & Diluted – FFO & OFFO	**18,882**
	FFO per share – Basic & Diluted	**$0.38**
	Operating FFO per share – Basic & Diluted	**$1.29**
	Common stock dividends declared, per share	**N/A**
	Certain non-cash items:	
	Straight-line rent	(211)
	Straight-line fixed CAM	161
	Loan cost amortization	(1,302)
	Non-real estate depreciation expense	(26)
	Capital expenditures:	
	Maintenance capital expenditures	24
	Tenant allowances and landlord work	2,401
	Leasing commissions (2)	904
	Hurricane restorations	21,687
(1)	**Hurricane property (income) loss:**	
	Lost tenant revenue	1,625
	Business interruption income	0
	Clean up costs and other expenses	183
		1,808
(2)	SITE Centers lease commissions	772

Retail Value Inc.
Balance Sheet

$ in thousands

	At Period End 1Q19	At Period End 4Q18
Assets:		
Land	$588,801	$622,827
Buildings	1,554,766	1,629,862
Fixtures and tenant improvements	172,192	172,679
	2,315,759	2,425,368
Depreciation	(705,058)	(704,401)
	1,610,701	1,720,967
Construction in progress and land	45,411	26,070
Real estate, net	1,656,112	1,747,037
Cash	37,560	44,565
Restricted cash (1)	71,556	66,634
Receivables and straight-line (2)	28,546	31,426
Property insurance receivable	15,953	29,422
Intangible assets, net (3)	24,339	31,882
Other assets, net	9,078	11,678
Total Assets	**1,843,144**	**1,962,644**
Liabilities and Equity:		
Secured debt	873,663	967,569
Payable to SITE	34,070	33,985
Dividends payable	0	24,005
Other liabilities (4)	65,252	84,832
Total Liabilities	**972,985**	**1,110,391**
Redeemable preferred equity	**190,000**	**190,000**
Common shares	1,904	1,846
Paid-in capital	692,771	675,566
Distributions in excess of net income	(14,507)	(15,153)
Common shares in treasury at cost	(9)	(6)
Total Equity	**680,159**	**662,253**
Total Liabilities and Equity	**$1,843,144**	**$1,962,644**
(1) Asset sale proceeds	30,452	26,969
Other escrows	41,104	39,665
(2) Straight-line rents receivable	19,235	18,757
(3) Operating lease right of use assets (related to adoption of Topic 842)	1,859	0
(4) Operating lease liabilities (related to adoption of Topic 842)	2,995	0
Below-market leases, net	21,502	33,914