

# Retail Opportunity Investments Corp. Reports First Quarter 2011 Results

# Company Increases Dividend 12.5% and Increases 2011 Guidance

PURCHASE, N.Y., May 4, 2011 (GLOBE NEWSWIRE) -- Retail Opportunity Investments Corp. (Nasdaq:ROIC) announced today financial and operating results for the quarter ended March 31, 2011.

## **HIGHLIGHTS**

- Net income of \$6.2 million, or \$0.15 per diluted share for 1Q'11
- Funds From Operation (FFO) of \$10.9 million, or \$0.26 per diluted share for 1Q'11 (1)
- \$86.3 million of shopping center investments completed during 1Q'11
- \$46.6 million of pending shopping center acquisitions under contract
- 95.1% occupancy rate at 3/31/11 for stabilized properties
- \$493.3 million of total assets with \$55.0 million of debt outstanding at 3/31/11 (11.1% debt to total assets)
- Quarterly cash dividend of \$0.09 per share of common stock declared (12.5% increase)

(1) See the end of this press release for a reconciliation of GAAP net income to FFO.

Stuart A. Tanz, President and Chief Executive Officer of Retail Opportunity Investments Corp. stated, "We continue to successfully implement our business plan of broadening our portfolio through acquiring quality necessity-based shopping centers in key metropolitan markets in the western United States. Thus far in 2011, we have secured a total of \$132.9 million of shopping center investments. As we acquire properties, we are quickly enhancing value through aggressively leasing space, capitalizing on the strong demand across our portfolio. As a result, today our stabilized portfolio is 95.1% leased." Mr. Tanz further stated, "We continue to cultivate opportunities to acquire exceptional shopping centers through our longstanding relationships and market expertise. With our solid start to 2011, together with our strong pipeline of acquisition opportunities and leasing activity, we are well positioned to achieve our growth objectives for the year."

#### FINANCIAL SUMMARY

For the three months ended March 31, 2011, net income attributable to common stockholders for the quarter was \$6.2 million, or \$0.15 per diluted share. FFO for the 1st quarter 2011 was \$10.9 million, or \$0.26 per diluted share. ROIC reports FFO as a supplemental performance measure. See the end of this press release for a reconciliation of GAAP net income to FFO. At March 31, 2011, ROIC had total assets of \$493.3 million with \$55.0 million of debt outstanding including \$13.0 million outstanding on its unsecured credit facility.

#### **INVESTMENT SUMMARY**

During the first quarter of 2011, ROIC completed \$86.3 million of shopping center investments. ROIC acquired two shopping centers in separate transactions for \$56.5 million. ROIC acquired a three shopping center portfolio, through a conveyance-in-lieu of foreclosure agreement for an aggregate cost of approximately \$52.3 million. The \$52.3 million reflects approximately \$2.3 million of expenditures incurred in the first quarter of 2011 (included in the \$86.3 million), and the \$50.0 million purchase price of the mortgage notes receivable acquired in the fourth quarter of 2010. Additionally, during the first quarter of 2011, ROIC completed \$27.5 million of mortgage note investments secured by three shopping centers. The first quarter transactions were funded in cash.

In addition to the \$86.3 million of completed transactions, ROIC has entered into binding contracts to acquire two shopping centers in two separate transactions for a total of \$46.6 million. ROIC expects to fund the pending acquisitions with \$16.5 million from our unsecured credit facility and the assumption of two existing mortgages totaling \$30.1 million.

## Marketplace Del Rio

In January 2011, ROIC acquired Marketplace Del Rio for \$35.7 million. The shopping center is approximately 177,000 square

feet and is anchored by Stater Brothers Market and Walgreens. The property is located in Oceanside, California, within the San Diego metropolitan area.

#### **Pinole Vista**

In January 2011, ROIC acquired Pinole Vista for \$20.8 million. The shopping center is approximately 165,000 square feet and is anchored by Lucky Supermarket, a Northern California based grocer. The property is located in Pinole, California, within the San Francisco metropolitan area.

## **Desert Springs Marketplace**

In February 2011, ROIC acquired, through a conveyance-in-lieu of foreclosure agreement, Desert Springs Marketplace. The shopping center is approximately 105,000 square feet and is anchored by Ralphs "Fresh Fare" Grocer (Kroger Co.). The property is located in Palm Desert, California.

## Mills Shopping Center

In February 2011, ROIC acquired, through a conveyance-in-lieu of foreclosure agreement, Mills Shopping Center. The property is approximately 253,000 square feet and is anchored by Raley's Supermarket, a Northern California based grocer. The shopping center is located in Rancho Cordova, California, within the Sacramento metropolitan area.

## **Nimbus Winery Shopping Center**

In February 2011, ROIC acquired, through a conveyance-in-lieu of foreclosure agreement, Nimbus Winery Shopping Center. The property is approximately 75,000 square feet and is located in Rancho Cordova, California, within the Sacramento metropolitan area.

## **Country Club Gate**

In March 2011, ROIC entered into a binding contract to acquire Country Club Gate for \$22.8 million. The shopping center is approximately 109,000 square feet and is anchored by Save Mart Supermarket and Rite Aid. The property is located in Pacific Grove, California, in the heart of the Monterey Peninsula with a population of 76,702 people and average household income of \$89.385 within a five mile radius.

### **Renaissance Towne Center**

In April 2011, ROIC entered into a binding contract to acquire Renaissance Towne Center for \$23.8 million. The shopping center is approximately 53,000 square feet and is anchored by CVS Pharmacy. The property is located in La Jolla, California, within the San Diego metropolitan area with a population of 218,000 people and average household income of \$106,000 within a three mile radius.

## **CASH DIVIDEND**

ROIC's Board of Directors has declared a cash dividend on its common stock of \$0.09 per share, to record holders on May 31, 2011 and payable on June 15, 2011. The \$0.09 per share dividend represents a 12.5% increase over ROIC's most recent cash dividend, paid on March 31, 2011.

#### 2011 FFO & DIVIDEND GUIDANCE

ROIC currently estimates that FFO for 2011 will be within the range of \$0.60 to \$0.70 per diluted share, and net income will be within the range of \$0.26 to \$0.29 per diluted share. The following table provides a reconciliation of GAAP net income to FFO. (In Thousands, except EPS)

For the year ending December 31, 2011		
Low End	High End	
\$ 10.900	\$ 12.000	

#### Plus:

Depreciation and Amortization	14,000	17,000
Funds From Operations (FFO)	24,900	29,000
Plus: Acquisition transaction costs	2,000	2,750
Modified Funds From Operations (MFFO)	\$ 26,900	\$ 31,750
Earnings per share (dilutive)	\$ 0.26	\$ 0.29
FFO per share (dilutive)	\$ 0.60	\$ 0.70
MFFO per share (dilutive)	\$ 0.64	\$ 0.76

ROIC intends to distribute cash dividends on its common stock during the remainder of 2011 in an amount approximately equivalent to 70% to 80% of estimated FFO. ROIC's estimates are based on numerous critical assumptions, including, but not limited, completing approximately \$350 million of shopping center investments during 2011. ROIC management will discuss its estimates and underlying assumptions on the company's May 4, 2011 conference call (see information below). ROIC's quidance is a forward-looking statement and is subject to risks and other factors described elsewhere in this press release.

### **CONFERENCE CALL**

ROIC will conduct a conference call and audio webcast to discuss its quarterly results on May 4, 2011 at 12:00 p.m. Eastern Time. Those interested in participating in the conference call should dial (877) 312-8783 (domestic), or (408) 940-3874 (international) at least ten minutes prior to the scheduled start of the call. When prompted, provide the Conference ID: 58994454. A live webcast will also be available in listen-only mode at <a href="http://www.roicreit.com/">http://www.roicreit.com/</a>. The conference call will be recorded and available for replay beginning at 3:00 p.m. Eastern Time on May 4, 2011 and will be available until 11:59 p.m. Eastern Time on May 11, 2011. To access the conference call recording, dial (800) 642-1687 (domestic), or (706) 645-9291 (international) and use the Conference ID: 58994454. The conference call will also be archived on <a href="http://www.roicreit.com/">http://www.roicreit.com/</a> for approximately 90 days.

#### ABOUT RETAIL OPPORTUNITY INVESTMENTS CORP.

Retail Opportunity Investments Corporation (Nasdaq:ROIC) is a fully integrated real estate company that is organized and operates in order to qualify as a REIT for U.S federal income tax purposes commencing in the year ended December 31, 2010. The Company is focused on acquiring, owning, leasing, repositioning and managing a diverse portfolio of necessity-based retail properties, including, primarily, well located community and neighborhood shopping centers, anchored by national or regional supermarkets and drugstores. The Company targets properties strategically situated in densely populated, middle and upper income markets in western and eastern regions of the United States. The Company presently has ownership and interests in 27 shopping centers encompassing approximately 2.9 million square feet. Additional company information is available at <a href="https://www.roicreit.com">www.roicreit.com</a>.

The Retail Opportunity Investments Corp. logo is available at http://www.globenewswire.com/newsroom/prs/?pkgid=6855

When used herein, the words "believes," "anticipates," "projects," "should," "estimates," "expects," and similar expressions are intended to identify forward-looking statements with the meaning of that term in Section 27A of the Securities Act of 1933, as amended, and in Section 21F of the Securities and Exchange Act of 1934, as amended. Certain statements contained herein may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of ROIC to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, risks associated with the timing of and costs associated with property improvements, financing commitments and general competitive factors. Additional information regarding these and other factors is described in ROIC's filings with the SEC, including its most recent Annual

# RETAIL OPPORTUNITY INVESTMENTS CORP. CONSOLIDATED BALANCE SHEETS

ASSETS         Real Estate Investments:         4 5 12,748,481         5 8,817,303           Land         \$12,278,496         \$58,750,306           Building and improvements         268,676,690         \$25,053,204           Loss: accumulated depreciation         528,238         3,781,406           Montgage notes receivable         4,500,000         4,987,804           Investment in and advances to unconsolidated joint ventures         438,772,61         3,247,935           Real Estate Investments, net         438,772,61         3,247,943           Cash and cash equivalents         5,000,40         4,283,206           Restricted cash         3,074,10         2,583,60           Ceposits         5,000,40         1,500,000           Ceposits         5,000,40         1,500,000           Ceposits         5,000,40         1,500,000           Ceposits         5,000,40         1,500,000           Ceposits         1,000,000         1,500,000           Ceposits         1,000,000         1,500,000           Ceposits         1,000,000         1,500,000           Ceposits         2,000,000         1,500,000           Ceposits         2,000,000         1,500,000           Ceptate expenses         3,000,000 <th></th> <th>March 31, 2011 (unaudited)</th> <th>December 31, 2010</th>		March 31, 2011 (unaudited)	December 31, 2010
Land         12.27.04,34         \$5.47.03,24           Building and improvements         286,567,698         12.75.05,25           Lays: accumulated depreciation         368,567,698         27.27.32,44           Mordingage notes receivable         5.00,000         49.58,616           Mordingage notes receivable         43.00,400         28.70,816           Real Estate Invostments, net         43.07,261         34.27,816           Cash and cash equivalents         3.07,411         28.80,82           Cash and cash equivalents         2.00,100         4.20,808           Cash and cash equivalents         2.00,100         4.20,808           Cash and cash equivalents         2.00,100         1.00,000           Cash and cash equivalents         2.00,000         1.00,000           Deposits         2.00,000         1.00,000         1.00,000           Deposits         2.00,000         1.00,000         1.00,000           Delerred charges, et of august         2.00	ASSETS		
Building and improvements         48,78,258,258         72,732,484           Less: accumulated depreciation         528,239         72,732,484           Less: accumulated depreciation         634,267,76         28,288,288           Mortgage notes receivable         9,500,00         49,780,44           Investment in and advances to unconsolidated joint ventures         430,772,61         342,721,28           Real Estate investments, net         430,772,61         342,722,28           Cast incide clash         3,004,91         34,732,61           Tenant and other receivables         3,004,91         32,832,83           Deposits         5,000,00         3,000,00         3,000,00           Acquired lease intangible asset, net of accumulated amortization         25,433,38         7,072,60           Prepaid expenses         60,000         3,000,00         8,000,00           Deterred charges, net of accumulated amortization         11,171,14         9,576,00           Total Charles         4,11,271,14         9,576,00           Teveloring credit facility         1,100,00         1           Evolving credit facility         1,100,00         1           Acquired lease intangibles iability, net of accumulated amortization         3,100,00         1           Acquired lease intangibles iabi	Real Estate Investments:		
Less: accumulated depreciation         5.28.395         3.078.160           Less: accumulated depreciation         5.28.2395         3.078.160           Mortgage notes receivable         9.00.000         49.078.04           Investment in and advances to unconsolidated joint ventures         43.004.853         24.579.355           Real Estate investments, net         430.772.613         344.212.083           Cash and cash equivalents         11.78.03         43.08.10           Cash and cash equivalents         2,961.203         2,055.881           Real Estate investments, net         2,961.203         2,055.80           Cash and cash equivalents         11.76.00         2,961.203         2,055.80           Deposits         5.00.00         2,961.203         2,055.80           Tenant and other receivables         962.30         71.672.00           Acquired lease intangible asset, net of accumulated amortization         25.439.335         71.672.00           Other extreat charges, net of accumulated amortization         11.711.11         9.576.00           Total assets         41.993.14         42.417.00           Revision         41.983.14         42.417.00           Acquired lease intangibles liability, net of accumulated amortization         33.743.73         29.081.00           Ac	Land	\$ 122,782,459	\$ 85,473,305
Less: accumulated depreciation         5,28,39         3,07,100           Mortgage notes receivable         9,000,00         89,68,48           Mortgage notes receivable         43,000,63         24,775,275           Real State Investments, sel         43,073,215         424,720,203           Cash and cash quivalents         11,764,03         42,732,610           Restricted cash         3,074,914         28,082,610           Restricted cash         5,000         15,000,000           Cequired lease intangible asset, net of accumulated amortization         25,383,83         17,782,600           Chequired charges, net of accumulated amortization         11,711,41         9,576,600           Other         11,711,41         9,576,600           Chey         11,711,41         9,576,600	Building and improvements	266,767,696	187,259,539
Mortgage notes receivable         9,500,000         49,978,044           Investment in and advances to unconsolidated joint ventures         43,004,853         24,579,355           Real Estate Investments, net         430,772,613         344,212,083           Cash and cash equivalents         11,764,093         84,736,410           Restricted cash         30,744,194         28,383,261           Tenant and other receivables         29,61,203         20,558,81           Deposits         500,000         7,500,000           Acquired lease intangible asset, net of accumulated amortization         25,433,385         7,672,605           Deferred charges, net of accumulated amortization         11,711,141         9,576,605           Other         78,90         801,102,000         801,102,000           Total assets         41,918,413         42,417,000         \$           Revolving credit facility         \$1,300,000         \$         \$           Mortgage notes payables         41,998,314         42,417,100         \$           Acquired lease intangibles lisbility, net of accumulated amortization         33,743,73         20,996,167           Accumulate Jessier de separables         41,998,316         45,057,73           Other liabilities         3,981,645         4,506,73		389,550,155	272,732,844
Mortgage notes receivable         9,500,00         49,79,40           Investment in and advances to unconsolidated joint ventures         430,04,853         24,579,355           Real Estate Investments, net         430,72,613         342,120,80           Cash and cash equivalents         11,764,039         84,736,40           Cash and cash equivalents         3,074,91         2,838,261           Tenant and other receivables         2,961,203         2,055,881           Deposits         55,433,305         17,672,600           Acquired lease intangible asset, net of accumulated amortization         25,433,305         17,672,600           Prepaid expenses         962,301         789,655           Deformed charges, net of accumulated amortization         11,711,114         9,576,904           Other         \$493,263,98         \$44,925,209           Prepaid expenses         \$13,000,000         \$4,925,209           Probatises         \$13,000,000         \$1,900,000           Charled Callity         \$13,000,000         \$2           Mortigage notes payables         41,998,31         42,417,100           Acquired lease intangibles liability, net of accumulated amortization         33,40,379         29,996,167           Accumulated sourity deposits         \$1,998,245         45,506,793	Less: accumulated depreciation	5,282,395	3,078,160
Investment in and advances to unconsolidated joint ventures         43,077,26,13         24,212,083           Real Estate Investments, net         430,772,613         34,212,083           Cash and cash equivalents         11,764,09         2,838,261           Restricted cash         3,074,914         2,838,261           Tenant and other receivables         2,061,03         1,500,000           Deposits         500,00         1,750,000           Acquired lase intangible asset, net of accumulated amortization         25,438,30         178,000           Prepaid expenses         962,30         798,600           Deferred charges, net of accumulated amortization         11,711,14         9,576,904           There of Secretary Secretary Secretary         83,263,39         \$40,102,000           Telegrated Charges, net of accumulated amortization         11,711,14         9,576,904           The Working credit facility         \$13,000,000         \$         \$           Revolving credit facility         \$13,000,000         \$         \$           Accounts payables         \$1,910,000         \$         \$           Accounts payables and accrued expenses         \$1,910,000         \$         \$           Tenants' security deposits         \$1,910,000         \$         \$		384,267,760	269,654,684
Real Estate Investments, net         436,772,61         34,212,08           Cash and cash equivalents         11,764,03         2,838,24           Restricted cash         3,074,91         2,263,26           Tenant and other receivables         2,961,20         2,050,80           Deposits         500,00         1,500,000           Acquired lease intangible asset, net of accumulated amortization         25,438,35         17,622,008           Prepaid expenses         962,00         798,656           Deferred charges, net of accumulated amortization         11,711,14         9,576,904           Other         78,94         801,702           Total assets         432,63,59         \$401,925,00           Revolving credit facility         \$13,000,00         \$5           Revolving credit facility         \$13,000,00         \$5           Revolving credit facility         \$13,000,00         \$4           Acquired lease intangibles liability, net of accumulated amortization         \$1,000,00         \$2,096,167           Acquired lease intangibles liability, net of accumulated amortization         \$1,000,00         \$3,000,00           Acquired lease intangibles liability, net of accumulated amortization         \$1,000,00         \$3,000,00           Total liabilities         \$1,000,00         \$1,0	Mortgage notes receivable	9,500,000	49,978,044
Cash and cash equivalents         11,764,03         84,736,410           Restricted cash         3,074,914         2,838,261           Tenant and other receivables         2,061,203         2,055,881           Deposits         500,000         1,500,000           Acquired lease intangible asset, net of accumulated amortization         25,438,365         798,655           Deferred charges, net of accumulated amortization         11,711,44         9,756,904           Other         40,322,6358         \$401,925,000           Liabitities:           Liabitities           Revolving credit facility         \$13,000,000         \$-           Revolving credit facility         \$13,000,000         \$-           Acquired lease intangibles liability, net of accumulated amortization         33,743,739         20,996,167           Accounts payable and accrued expenses         5,141,44         4,893,30           Tenants' security deposits         3,981,64         4,506,779           Total liabilities         3,981,64         4,506,779           Commitments and Contingencies         3,981,64         4,506,779           Common stock, \$,0001 par value 50,000,000 shares authorized; none issued and outstanding         40,403,006         40,406           Acc	Investment in and advances to unconsolidated joint ventures	43,004,853	24,579,355
Restricted cash         3,074,914         2,832,261           Tenant and other receivables         2,961,203         2,055,881           Deposits         500,000         1,500,000           Acquired lease intangible asset, net of accumulated amortization         25,438,38         17,672,000           Prepaid expenses         962,30         798,655           Deferred charges, net of accumulated amortization         11,711,114         9,576,904           Ther         78,940         80,702,000           Total assets         \$493,263.9         \$4,195,200           LABILITIES AND EQUITY           Liabilities:           Revolving credit facility         \$1,300,000         \$1           Mortgage notes payables         41,993,11         42,993,10           Accumuts payable and accrued expenses         13,300,000         20,996,167           Accumits payable and accrued expenses         1,189,20         365,537           Other liabilities         3,343,73         20,996,167           Total liabilities         3,381,64         4,506,779           Commitments and Contingencies         98,956,00         73,668,932           Commitments and Contingencies         4         4,106,779           Common stock, \$,0001 par value 50,000,000 sha	Real Estate Investments, net	436,772,613	344,212,083
Tenant and other receivables         2,961,203         2,058,818           Deposits         500,000         1,500,000           Acquired lease intangible asset, net of accumulated amortization         25,438,385         17,672,608           Prepaid expenses         962,300         962,300         962,506           Deferred charges, net of accumulated amortization         11,711,41         9,576,609           Other         7,804         801,702         \$ 801,702           Total assets         433,263.99         \$ 44,192,502           Revolving credit facility         \$13,000,000         \$ -           Mortgage notes payables         41,998,314         24,117,100           Accounts payable and accrued expenses         41,998,314         24,917,100           Chornity payable and accrued expenses         1,1089,328         89,535,207           Other liabilities         3,981,645         4,506,779           Total liabilities         3,981,645         4,506,779           Commitments and Contingencies         3,981,645         4,506,779           Equity:         2         4           Equity:         2         4           Commitments and Contingencies         4         4,64           Commitments and Contingencies         4	Cash and cash equivalents	11,764,093	84,736,410
Deposits         500,000         1,500,000           Acquired lease intangible asset, net of accumulated amortization         25,438,385         17,672,608           Prepaid expenses         962,306         798,655           Deferred charges, net of accumulated amortization         11,711,41         9,576,904           Other         78,940         801,702           Total assets         432,263,59         \$44,192,502           LIABILITIES AND EQUITY           Libalitities         13,000,000         \$           Revolving credit facility         \$13,000,000         \$           Accumural pales an intangibles liability, net of accumulated amortization         33,743,739         20,996,167           Accounts payable and accrued expenses         5,141,414         4,893,503           Chief riabilities         3,981,645         4,550,775           Total liabilities         3,981,645         4,550,775           Commitments and Contingencies         3,981,645         4,550,775           Equity:         2         4,506,775           Commitments and Contingencies         3,981,645         4,506,775           Equity:         2         4           Commitments and Contingencies         3         4,366         4,506,775	Restricted cash	3,074,914	2,838,261
Acquired lease intangible asset, net of accumulated amortization         25,438,38         17,672,08           Prepaid expenses         962,30         798,655           Deferred charges, net of accumulated amortization         11,711,144         9,576,904           Total assets         \$432,363,58         \$4419,250           LABILITIES AND EQUITY           Liabilities           Revolving credit facility         \$13,000,00         \$           Mortgage notes payables         41,998,14         42,417,00           Acquired lease intangibles liability, net of accumulated amortization         33,743,79         20,996,16           Accounts payable and accrued expenses         5,141,44         4,889,35           Tenants' security deposits         1,089,92         859,37           Total liabilities         3,981,64         4,506,77           Total liabilities         3,981,64         4,506,77           Commitments and Contingencies         2         -           Feetires         4         4,643,64           Prefered stock, \$,0001 par value \$50,000,000 shares authorized; 41,638,100 shares issued and outstanding         4,164         4,164           Additional paid-in-capital         40,439,60         1,280,84         4,04,390,60         1,280,84           Accu	Tenant and other receivables	2,961,203	2,055,881
Prepaid expenses         962,306         798,605           Deferred charges, net of accumulated amortization         11,711,144         9,576,948           Other         78,940         201,700           Total assets         \$493,263,598         \$4-192,500           LIABILITIES AND EQUITY           Liabilities           Revolving credit facility         \$13,000,000         \$-           Mortgage notes payables         41,998,314         24,917,100           Accounts payable and accrued expenses         5,141,41         4,889,350           Commit ease intangibles liability, net of accumulated amortization         33,781,373         20,996,167           Accounts payable and accrued expenses         5,141,41         4,889,350         4,898,350           Other liabilities         3,981,645         4,506,779         4,506,779         4,506,779         4,506,779         4,506,779         4,506,779         4,506,779         4,506,779         4,506,779         4,506,779         4,506,779         4,506,779         4,506,779         4,506,779         4,506,779         4,506,779         4,506,779         4,506,779         4,506,779         4,506,779         4,506,779         4,506,779         4,506,779         4,506,779         4,506,779         4,506,779         4,506,779	Deposits	500,000	1,500,000
Deferred charges, net of accumulated amortization         11,11,114,14         9,576,904           Other         78,940         801,705           Total assets         \$493,635,98         \$44,192,505           LIABILITIES AND EQUITY           LIABILITIES AND EQUITY           LiAbilities           Revolving credit facility         \$13,000,000         \$−           Mortgage notes payables         41,998,314         24,917,100           Acquired lease intangibles liability, net of accumulated amortization         33,743,739         20,996,107           Acquired lease intangibles liability, net of accumulated amortization         33,743,739         20,996,107           Acquired lease intangibles liability, net of accumulated amortization         33,913,439         20,996,107           Acquired lease intangibles liability, net of accumulated amortization         33,913,439         20,996,107           Acquired lease intangibles liability, net of accumulated amortization         33,913,618         45,506,707           Chemit's curring lease intangibles liability, net of accumulated amortization         39,955,040         73,668,935           Chemit's curring lease intangibles liability, net of accumulated amortization         45,506,709         45,506,709           Equity:         Chemit's curring lease intangibles liability, net of accumulated amortization	Acquired lease intangible asset, net of accumulated amortization	25,438,385	17,672,608
Other         78,940         801,700           Total assets         \$493,263.58         \$461,925.50           LIABILITIES AND EQUITY           Standing facilities           And 198,318,000 to 198,318,000         \$13,000,000         \$1,000,000           Acquired lease intangibles liability, net of accumulated amortization         33,134,373         20,996,100           Accumulate and accrued expenses         5,141,411         4,889,350         4,899,350         4,998,350         4,996,350         4,996,350         4,996,350         4,996,350         4,996,350         4,996,350         4,996,350         4,996,350         4,996,350         4,996,350         4,996,350         4,996,350         4,996,350         4,996,350         4,996,350         4,996,350         4,996,350         4,996,350         4,996,350         4,996,350         4,996,350         4,996,350         4,996,350         4,996,350         4,996,350         4,996,350         4,996,350         4,99	Prepaid expenses	962,306	798,655
Total assets         \$ 493,263,59         \$ 464,192,505           LIABILITIES AND EQUITY         Liabilities:         Service of the payable and accrued expenses         \$ 13,000,000         \$ 5           Acquired lease intangibles liability, net of accumulated amortization         33,743,739         20,996,167           Accounts payable and accrued expenses         5,141,41         4,889,350           Accounts payable and accrued expenses         1,089,928         859,537           Other liabilities         3,981,645         4,506,779           Total liabilities         98,955,040         73,668,392           Commitments and Contingencies         98,955,040         73,668,392           Fequity:         Freferred stock, \$,0001 par value 50,000,000 shares authorized; none issued and outstanding         4         4,164           Common stock, \$,0001 par value 50,000,000 shares authorized; 41,638,100 shares issued and outstanding         4,164         4,164           Additional paid-in-capital         404,439,065         403,915,775           Accumulated deficit         (10,066,786)         1(2,880,840)           Accumulated other comprehensive loss         (10,066,786)         1(2,880,840)           Total Retail Opportunity Investments Corp. shareholders' equity         394,30	Deferred charges, net of accumulated amortization	11,711,144	9,576,904
LIABILITIES AND EQUITY           Liabilities:           Revolving credit facility         \$13,000,000         \$—           Mortgage notes payables         41,998,314         42,417,100           Acquired lease intangibles liability, net of accumulated amortization         33,743,739         20,996,167           Accounts payable and accrued expenses         5,141,414         4,889,350           Tenants' security deposits         1,089,928         859,537           Other liabilities         3,981,645         4,506,779           Total liabilities         98,955,040         73,668,932           Commitments and Contingencies         ————————————————————————————————————	Other	78,940	801,700
Liabilities:           Revolving credit facility         \$13,000,000         \$—           Mortgage notes payables         41,998,314         42,417,100           Acquired lease intangibles liability, net of accumulated amortization         33,743,739         20,996,167           Accounts payable and accrued expenses         5,141,414         4,889,350           Tenants' security deposits         1,089,928         859,537           Other liabilities         3,981,645         4,506,779           Total liabilities         98,955,040         73,668,932           Commitments and Contingencies         ————————————————————————————————————	Total assets	\$ 493,263,598	\$ 464,192,502
Mortgage notes payables         41,998,314         42,417,100           Acquired lease intangibles liability, net of accumulated amortization         33,743,739         20,996,167           Accounts payable and accrued expenses         5,141,414         4,889,350           Tenants' security deposits         1,089,928         859,537           Other liabilities         3,981,645         4,506,779           Total liabilities          73,668,932           Commitments and Contingencies             Equity:             Preferred stock, \$.0001 par value 50,000,000 shares authorized; none issued and outstanding         4,164         4,164           Common stock, \$.0001 par value 500,000,000 shares authorized; 41,638,100 shares issued and outstanding         4,164         4,164           Additional paid-in-capital         404,439,065         403,915,775           Accumulated deficit         401,066,783         (10,066,786)         (12,880,840)           Accumulated other comprehensive loss         (70,274)         (517,918)           Total Retail Opportunity Investments Corp. shareholders' equity         394,306,169         390,521,180           Noncontrolling interests         394,308,588         390,523,780			
Acquired lease intangibles liability, net of accumulated amortization         33,743,739         20,996,167           Accounts payable and accrued expenses         5,141,414         4,889,350           Tenants' security deposits         1,089,928         859,537           Other liabilities         3,981,645         4,506,779           Total liabilities         98,955,040         73,668,932           Commitments and Contingencies         -         -           Equity:         -         -           Preferred stock, \$.0001 par value 50,000,000 shares authorized; none issued and outstanding         -         -           Common stock, \$.0001 par value 500,000,000 shares authorized; 41,638,100 shares issued and outstanding         4,164         4,164           Additional paid-in-capital         404,439,065         403,915,775         403,915,775           Accumulated other comprehensive loss         (10,066,786)         1(12,880,840)           Total Retail Opportunity Investments Corp. shareholders' equity         394,306,169         390,521,180           Noncontrolling interests         394,308,558         390,523,570	Revolving credit facility	\$ 13,000,000	\$ <i>—</i>
Accounts payable and accrued expenses         5,141,414         4,889,350           Tenants' security deposits         1,089,928         859,537           Other liabilities         3,981,645         4,506,779           Total liabilities         98,955,040         73,668,932           Commitments and Contingencies         -         -           Equity:         Preferred stock, \$.0001 par value 50,000,000 shares authorized; none issued and outstanding         -         -           Common stock, \$.0001 par value 500,000,000 shares authorized; 41,638,100 shares issued and outstanding         4,164         4,164           Additional paid-in-capital         404,439,065         403,915,775           Accumulated deficit         (10,066,786)         (12,880,840)           Accumulated other comprehensive loss         (70,274)         (517,918)           Total Retail Opportunity Investments Corp. shareholders' equity         394,306,169         39,521,180           Noncontrolling interests         2,389         2,389           Total equity         394,308,558         39,0523,578	Mortgage notes payables	41,998,314	42,417,100
Tenants' security deposits         1,089,928         859,537           Other liabilities         3,981,645         4,506,779           Total liabilities         98,955,040         73,668,932           Commitments and Contingencies         —         —           Equity:         —         —           Preferred stock, \$.0001 par value 50,000,000 shares authorized; none issued and outstanding         —         —           Common stock, \$.0001 par value 500,000,000 shares authorized; 41,638,100 shares issued and outstanding         4,164         4,164           Additional paid-in-capital         404,439,065         403,915,775           Accumulated deficit         (10,066,786)         (12,880,840)           Accumulated other comprehensive loss         (70,274)         (517,918)           Total Retail Opportunity Investments Corp. shareholders' equity         394,306,169         390,521,180           Noncontrolling interests         2,389         2,389           Total equity         394,308,558         390,523,570	Acquired lease intangibles liability, net of accumulated amortization	33,743,739	20,996,167
Other liabilities         3,981,645         4,506,779           Total liabilities         98,955,040         73,668,932           Commitments and Contingencies         -         -           Equity:         -         -           Preferred stock, \$.0001 par value 50,000,000 shares authorized; none issued and outstanding         -         -           Common stock, \$.0001 par value 500,000,000 shares authorized; 41,638,100 shares issued and outstanding         4,164         4,164           Additional paid-in-capital         404,439,065         403,915,775           Accumulated deficit         (10,066,786)         (12,880,840)           Accumulated other comprehensive loss         (70,274)         (517,918)           Total Retail Opportunity Investments Corp. shareholders' equity         394,306,169         390,521,180           Noncontrolling interests         2,389         2,389           Total equity         394,308,558         390,523,570	Accounts payable and accrued expenses	5,141,414	4,889,350
Total liabilities         98,955,040         73,668,932           Commitments and Contingencies         -         -           Equity:         Preferred stock, \$.0001 par value 50,000,000 shares authorized; none issued and outstanding         -         -           Common stock, \$.0001 par value 500,000,000 shares authorized; 41,638,100 shares issued and outstanding         4,164         4,164           Additional paid-in-capital         404,439,065         403,915,775           Accumulated deficit         (10,066,786)         (12,880,840)           Accumulated other comprehensive loss         (70,274)         (517,918)           Total Retail Opportunity Investments Corp. shareholders' equity         394,306,169         390,521,180           Noncontrolling interests         2,339         2,338           Total equity         394,308,558         390,523,570	Tenants' security deposits	1,089,928	859,537
Equity:         Freferred stock, \$.0001 par value 50,000,000 shares authorized; none issued and outstanding         —         —           Common stock, \$.0001 par value 500,000,000 shares authorized; 41,638,100 shares issued and outstanding         4,164         4,164           Additional paid-in-capital         404,439,065         403,915,775           Accumulated deficit         (10,066,786)         (12,880,840)           Accumulated other comprehensive loss         (70,274)         (517,918)           Total Retail Opportunity Investments Corp. shareholders' equity         394,306,169         390,521,180           Noncontrolling interests         2,389         2,389           Total equity         394,308,558         390,523,570	Other liabilities	3,981,645	4,506,779
Equity:         Preferred stock, \$.0001 par value 50,000,000 shares authorized; none issued and outstanding       —       —         Common stock, \$.0001 par value 500,000,000 shares authorized; 41,638,100 shares issued and outstanding       4,164       4,164         Additional paid-in-capital       404,439,065       403,915,775         Accumulated deficit       (10,066,786)       (12,880,840)         Accumulated other comprehensive loss       (70,274)       (517,918)         Total Retail Opportunity Investments Corp. shareholders' equity       394,306,169       390,521,180         Noncontrolling interests       2,389       2,389         Total equity       394,308,558       390,523,570	Total liabilities	98,955,040	73,668,932
Preferred stock, \$.0001 par value 50,000,000 shares authorized; none issued and outstanding         —         —           Common stock, \$.0001 par value 500,000,000 shares authorized; 41,638,100 shares issued and outstanding         4,164         4,164           Additional paid-in-capital         404,439,065         403,915,775           Accumulated deficit         (10,066,786)         (12,880,840)           Accumulated other comprehensive loss         (70,274)         (517,918)           Total Retail Opportunity Investments Corp. shareholders' equity         394,306,169         390,521,180           Noncontrolling interests         2,389         2,389           Total equity         394,308,558         390,523,570	Commitments and Contingencies	_	_
none issued and outstanding         —         —           Common stock, \$.0001 par value 500,000,000 shares authorized; 41,638,100 shares issued and outstanding         4,164         4,164           Additional paid-in-capital         404,439,065         403,915,775           Accumulated deficit         (10,066,786)         (12,880,840)           Accumulated other comprehensive loss         (70,274)         (517,918)           Total Retail Opportunity Investments Corp. shareholders' equity         394,306,169         390,521,180           Noncontrolling interests         2,389         2,389           Total equity         394,308,558         390,523,570	Equity:		
Additional paid-in-capital       404,439,065       403,915,775         Accumulated deficit       (10,066,786)       (12,880,840)         Accumulated other comprehensive loss       (70,274)       (517,918)         Total Retail Opportunity Investments Corp. shareholders' equity       394,306,169       390,521,180         Noncontrolling interests       2,389       2,389         Total equity       394,308,558       390,523,570		_	_
Accumulated deficit         (10,066,786)         (12,880,840)           Accumulated other comprehensive loss         (70,274)         (517,918)           Total Retail Opportunity Investments Corp. shareholders' equity         394,306,169         390,521,180           Noncontrolling interests         2,389         2,389           Total equity         394,308,558         390,523,570	Common stock, \$.0001 par value 500,000,000 shares authorized; 41,638,100 shares issued and outstanding	4,164	4,164
Accumulated other comprehensive loss         (70,274)         (517,918)           Total Retail Opportunity Investments Corp. shareholders' equity         394,306,169         390,521,180           Noncontrolling interests         2,389         2,389           Total equity         394,308,558         390,523,570	Additional paid-in-capital	404,439,065	403,915,775
Total Retail Opportunity Investments Corp. shareholders' equity         394,306,169         390,521,180           Noncontrolling interests         2,389         2,389           Total equity         394,308,558         390,523,570	Accumulated deficit	(10,066,786)	(12,880,840)
Noncontrolling interests         2,389         2,389           Total equity         394,308,558         390,523,570	Accumulated other comprehensive loss	(70,274)	(517,918)
Total equity 394,308,558 390,523,570	Total Retail Opportunity Investments Corp. shareholders' equity	394,306,169	390,521,180
Total equity 394,308,558 390,523,570	Noncontrolling interests	2,389	2,389
	-	394,308,558	390,523,570
		\$ 493,263,598	

# RETAIL OPPORTUNITY INVESTMENTS CORP. CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Three Months Ended	
	March 31, 2011	March 31, 2010
Revenues		
Base rents	\$ 7,181,194	\$ 1,108,683
Recoveries from tenants	1,905,219	260,649
Mortgage interest	954,508	
Total revenues	10,040,921	1,369,332
Operating expenses		
Property operating	1,095,524	206,965
Property taxes	1,052,393	133,957
Depreciation and amortization	4,251,799	443,550
General & Administrative Expenses	2,388,702	2,152,926
Acquisition transaction costs	175,115	486,470
Total operating expenses	8,963,533	3,423,868
Operating income (loss)	1,077,388	(2,054,536)
Non-operating income (expenses)		
Interest expense and other finance expenses	(915,902)	
Gain on bargain purchase	5,761,854	
Equity in earnings from unconsolidated joint ventures	243,279	
Interest income	13,470	413,561
Net income (loss) attributable to Retail Opportunity Investments Corp.	\$ 6,180,089	\$ (1,640,975)
Weighted average shares outstanding Basic and Diluted	41,846,694	41,569,675
Basic income(loss) per share	\$ 0.15	\$ (0.04)
Diluted income(loss) per share	\$ 0.15	\$ (0.04)
Dividends per common share	\$ 0.08	<u>\$ —</u>

# **CALCULATION OF FUNDS FROM OPERATIONS**

(unaudited)

		nded March 31, Ended March 31,	
	2011	2010	
	\$6,180,089	\$ (1,640,975)	
Net income(Loss) for period			
Plus: Real property depreciation	1,803,464	174,779	
Amortization of tenant improvements and allowances	565,863	26,819	

Amortization of deferred leasing costs	2,321,823	241,952
Funds from operations	\$10,871,239	\$ (1,197,425)
Plus: Acquisition transaction costs	175,115	486,470
Modified funds from operations	\$11,046,354	\$ (710,955)
Net Cash Provided by (Used in):		
Operating Activities	\$ 4,036,030	\$ (3,219,301)
Investing Activities	\$ (86,474,714)	\$ (50,006,683)
Financing Activities	\$ 9,466,367	\$ 2,389

ROIC computes FFO in accordance with the "White Paper" on FFO published by NAREIT, which defines FFO as net income attributable to common shareholders (determined in accordance with GAAP) excluding gains or losses from debt restructuring and sales of property, plus real estate related depreciation and amortization, and after adjustments for partnerships and unconsolidated joint ventures. FFO as defined by ROIC may not be comparable to similarly titled items reported by other real estate investment trusts due to possible differences in the application of the NAREIT definition used by such REITs. In addition, ROIC calculates modified FFO, by adding acquisition transaction costs associated with business combinations which have been expensed in accordance with GAAP to FFO as defined above. For the three months ended March 31, 2011 and 2010, ROIC expensed \$175,115 and \$486,470, respectively relating to real estate acquisitions. The table above provides a reconciliation of net income applicable to stockholders in accordance with GAAP to FFO and modified FFO for the three months ended March 31, 2011 and 2010.

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