



Investor Presentation

4th Quarter 2015



Retail Opportunity Investments Corporation
8905 Towne Centre Drive Suite 108
San Diego, CA 92122

www.roireit.net

Market Snapshot

| | |
|---------------------------------------|--------------------|
| NASDAQ Symbol | ROIC |
| Share Price (as of 12/31/15) | \$17.90 |
| Annual Dividend | \$0.72 |
| Yield | 4.0% |
| Total Market Capitalization | \$3 Billion |
| Debt-to-Total Market Cap Ratio | 33% |



Company Overview

- **In 2007, predecessor company was formed:**
 - raises \$400 million through an IPO, as a blind pool acquisition entity
- **In October 2009, the board appoints Stuart Tanz as CEO:**
 - company is reorganized as a real estate investment trust
 - embarks on growth strategy to build premier shopping center REIT
- **Notable achievements since October 2009:**
 - \$2.2 billion in shopping center acquisitions
 - sector-leading, high portfolio occupancy (97.2% as of 12/31/15)
 - solid growth in same-center NOI and same-space releasing spreads
 - met or exceeded FFO consensus every quarter
 - awarded investment grade ratings from Moody's and S&P
 - increased dividend every year (300% cumulative increase)
 - 112% total return to shareholders



Portfolio



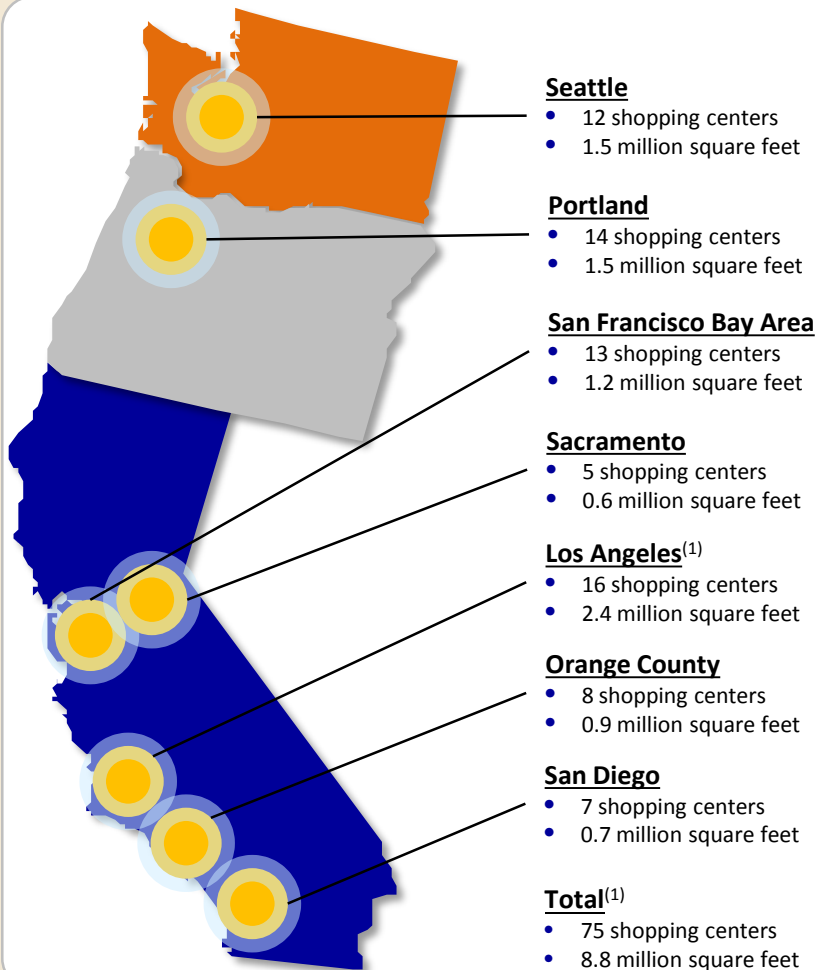
Risk-Averse Strategy

- **Desirable West Coast metropolitan markets**
- **Shopping centers well-located in heart of mature, affluent communities**
- **Own portfolio 100% (no joint ventures/conflict of interests)**
- **Retailers that provide basic consumer goods and services (always in demand)**
 - 96% of properties are anchored by supermarkets (vs. 31% peer average)
 - 99% of all consumers shop at supermarkets (4.8 trips per month to the supermarket)
 - Supermarkets generate highly consistent, daily consumer traffic to the centers
 - Shop tenants (daily-necessity retailers, restaurants, etc.) all benefit from supermarket draw
- **Long-term leases to strong, national and regional anchor retailers (stable cash flow base)**
 - 55% of portfolio leased to anchor retailers (weighted average lease term of approx. 7 years)
- **Shorter-term leases to national, regional and local shop retailers (cash flow growth)**
 - 45% leased to shop tenants (majority well below market)
 - 42% expire over next 3 years (excellent releasing opportunity)
 - provides ability to adapt to evolving retailer trends
- **Stable, highly diverse tenant base with no concentration or credit concerns**
 - top 10 tenants only account for 19% of total base rent
 - 81% of total base rent comes from over 1,500 tenants
- **Controlled pad build-out and expansion (no ground up development risk)**



Largest West Coast Focused Shopping Center REIT

Leading Metro Markets



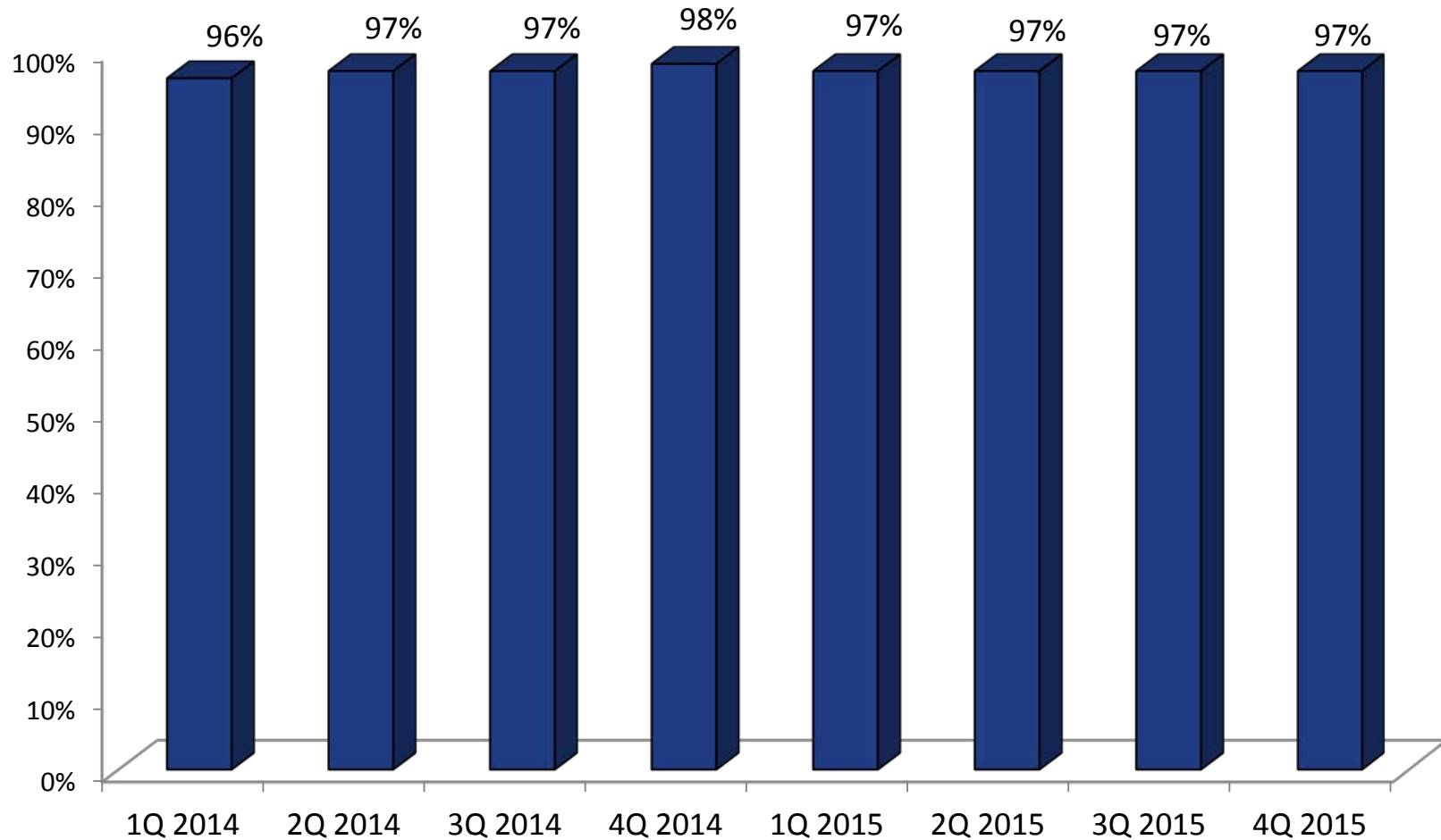
⁽¹⁾ Includes pending acquisitions

Strong Long-term Fundamentals

- Densely populated, affluent demographics
- Above-average household income
- Solid employment growth
- Retail sales above pre-recession levels
- High barriers to entry
- Limited new construction
- Occupancy steadily increasing
- Retail rents steadily increasing

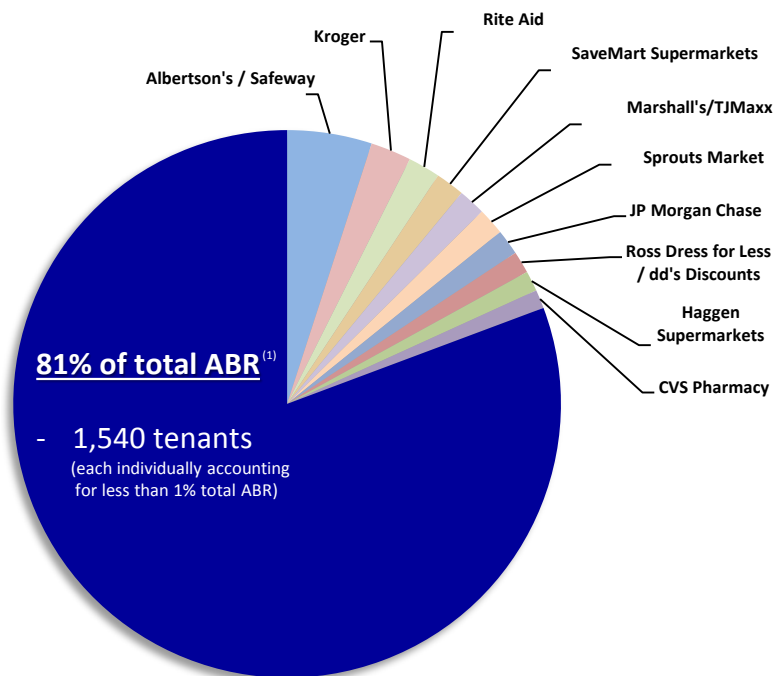


Sector Leading Occupancy

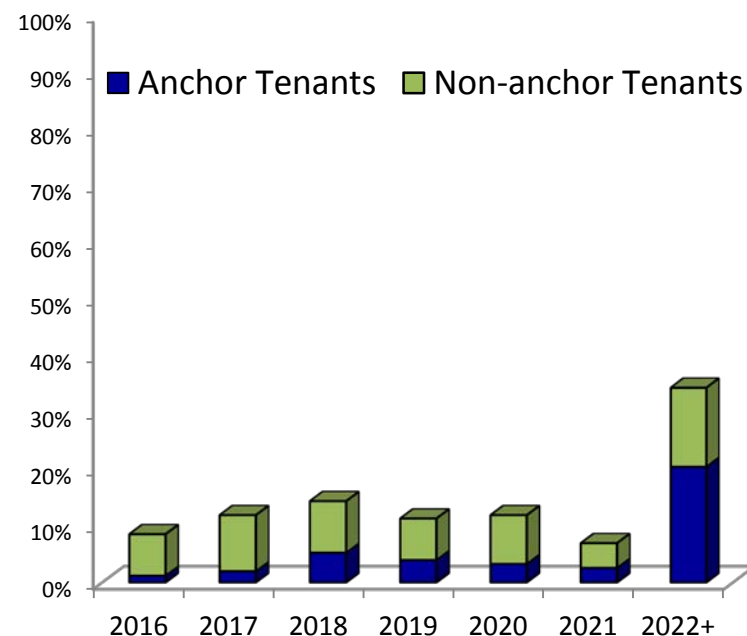


Diverse & Stable Revenue Stream

Strong Tenant Diversity



Minimal Lease Expirations⁽²⁾



⁽¹⁾ Percentages based on total Annual Base Rent.

⁽²⁾ Percentages based on total Annual Base Rent excluding renewal options.

Strong Internal Growth Potential

- **Proven track record of achieving solid growth**
 - 97.2% sector leading occupancy at 12/31/15 (2nd consecutive year above 97%)
 - released upwards of 3x the amount of space originally scheduled to expire in 2015
 - 40.3% increase in same-space cash rents on new leases signed in 2015
 - Recaptured/released 270K SF generating \$2.4mm of incremental cash flow in 2015
- **4.2% economic spread between leased and occupied space as of year-end 2015**
 - over \$6mm of additional rent (on a cash basis) expected to commence in 2016
- **Embedded growth potential from releasing below market space**
 - 600,000 square feet scheduled to expire in 2016 (majority well below market)
 - 200K+ sq. ft. of potential recapturing below market space opportunities identified
- **Over 90,000 square feet of pad development/expansion underway (16% projected yield)**
- **Potential densification/expansion opportunities at key properties**
 - Crossroads (Seattle): entitled for over 200K sq. ft. of additional mixed-use/retail space
 - Fallbrook (Los Angeles): numerous pad development, expansion opportunities and potential to expand/densify with additional mixed-use/retail space over time



Acquisitions



Country Club Village – San Ramon, CA

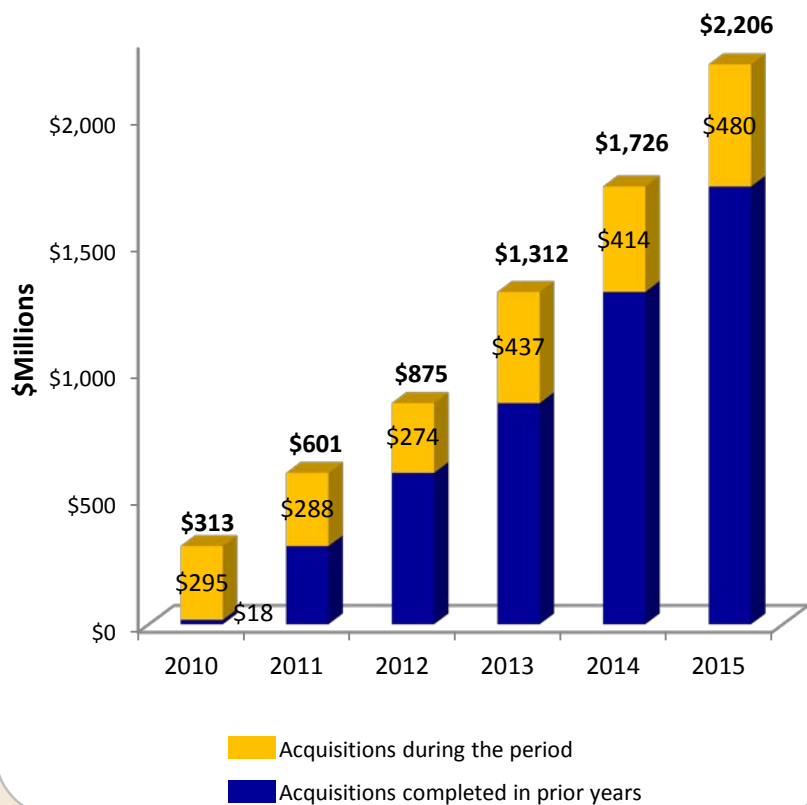
Highly Disciplined Strategy

- **Capitalize on management's extensive network of relationships**
- **Focus on unique, off-market opportunities**
 - undermanaged, under-leased, undercapitalized opportunities
 - privately-owned for years
- **Maintain large pipeline of opportunities across all core markets**
 - enhances ability to grow consistently each year
 - grow in a geographically balanced manner
- **Focus on established, in-fill metropolitan West Coast markets**
 - strong income and population growth
 - Highly protected with barriers to entry and limited new supply
- **Focus on community and neighborhood shopping centers**
 - well-established in highly sought after locations
 - anchored by national and regional supermarkets and drugstores
- **Focus on acquisitions that have opportunities to enhance value**
 - releasing below market space
 - retenanting/repositioning with stronger, daily-necessity retailers
 - controlled pad and expansion possibilities
- **Maintain strict, prudent underwriting**
 - accretive pricing (balance sheet neutral)
 - below replacement cost



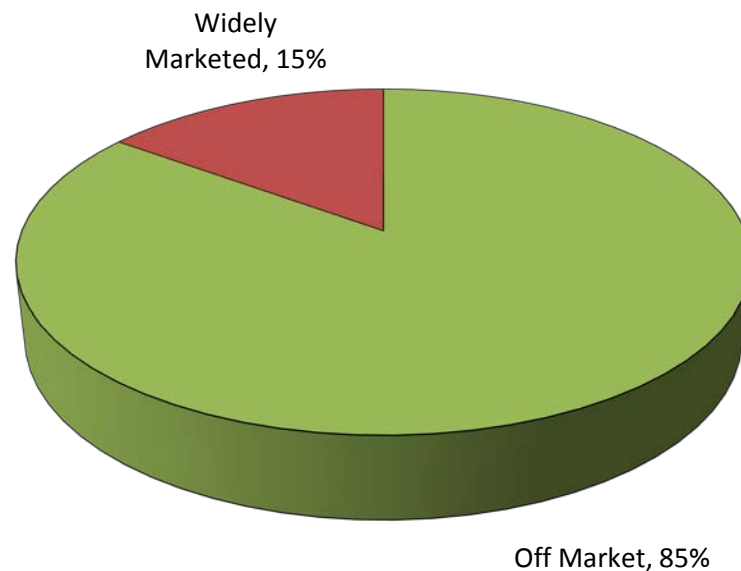
Relationship Driven

Consistent Volume Each Year

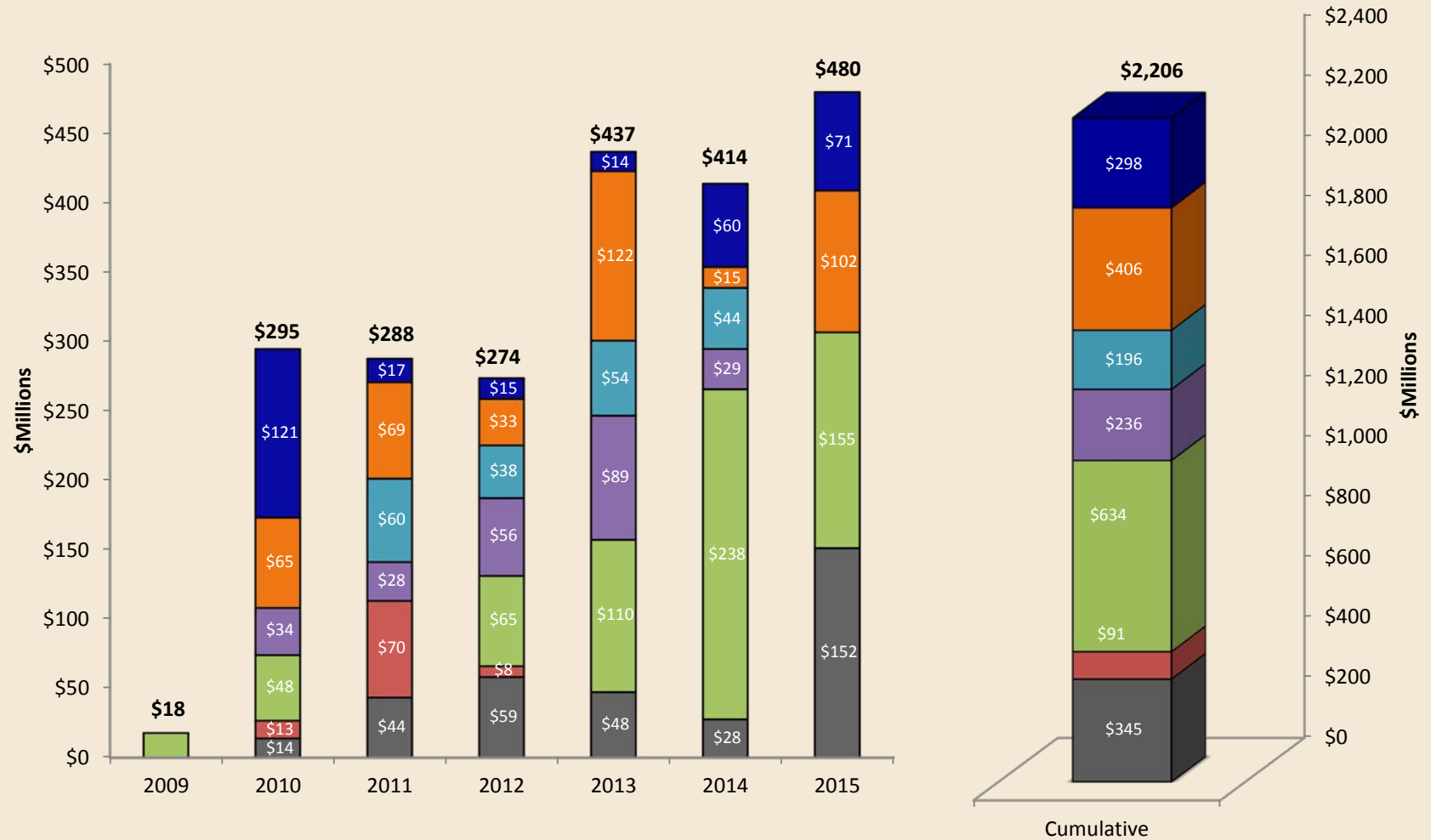


Off Market vs. Widely Marketed

Cumulative Acquisitions (based on purchase price)



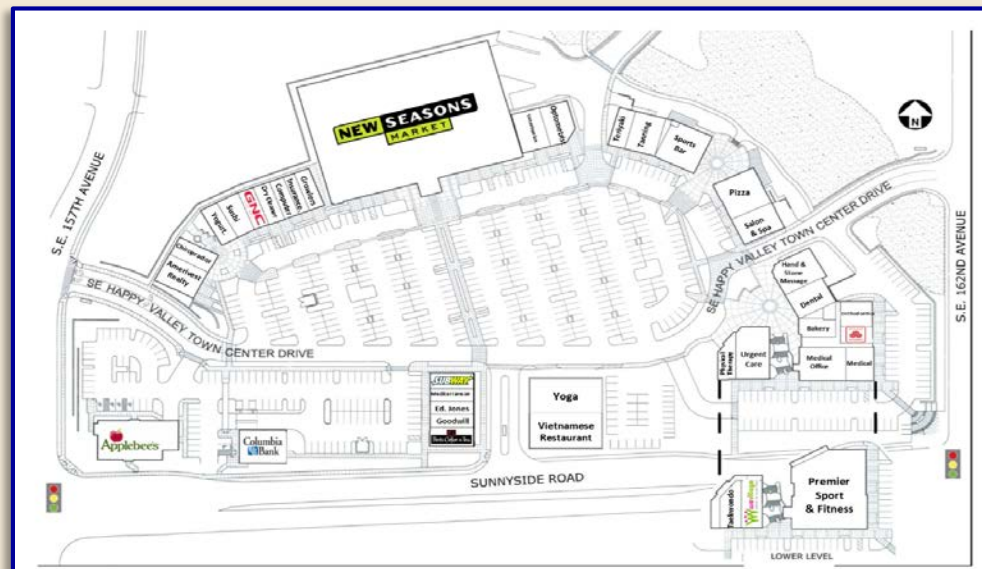
Balanced Across West Coast



■ San Francisco ■ Sacramento ■ Los Angeles ■ Orange County ■ San Diego ■ Seattle ■ Portland



Happy Valley Town Center



Portland Suburb: Happy Valley

Date Acquired: July 2010

Gross Leasable Area: 138,696

Percent Leased: 98%

5-mile Population: 140,795

5-mile HH Income (Avg): \$79,000

Value Enhancement Initiatives:

- increased occupancy by 1040bps (achieved rents 15% above original underwriting)
- maintained occupancy at or near 100% for five years running
- released over 40% of shop space, improving tenant mix and rents
- expanded square footage by building a 6,000 sf pad (17% unlevered yield)
- approx. 20% of the shop space rolls w/in next 2 yrs (20 - 25% below market)
- currently yielding approx. 8% (comparable properties trading in the 5% cap range)



Euclid Plaza



Value Enhancement Initiatives

- acquired in 2012
 - 4 tenant shopping center
 - no shop space
 - entitled for 10,000 square foot expansion
 - private owner facing financial challenges
 - achieved favorable pricing, 7% cap rate based on in-place leases
- within 12 months of closing, completed expansion
 - 100% pre-leased to shop retailers
 - achieved rents above underwriting
 - finished ahead of schedule and under budget
- awarded "Top Retail Real Estate Deal of 2013" by San Diego Business Journal
- currently yielding approximately 9%
(comparable properties trading in the 5% cap rate range)

| | |
|-------------------------|---------------|
| San Diego Suburb: | National City |
| Date Acquired: | March 2012 |
| Gross Leasable Area: | 77,044 |
| Percent Leased: | 100% |
| 5-mile Population: | 439,811 |
| 5-mile HH Income (Avg): | \$63,846 |

Crossroads Shopping Center



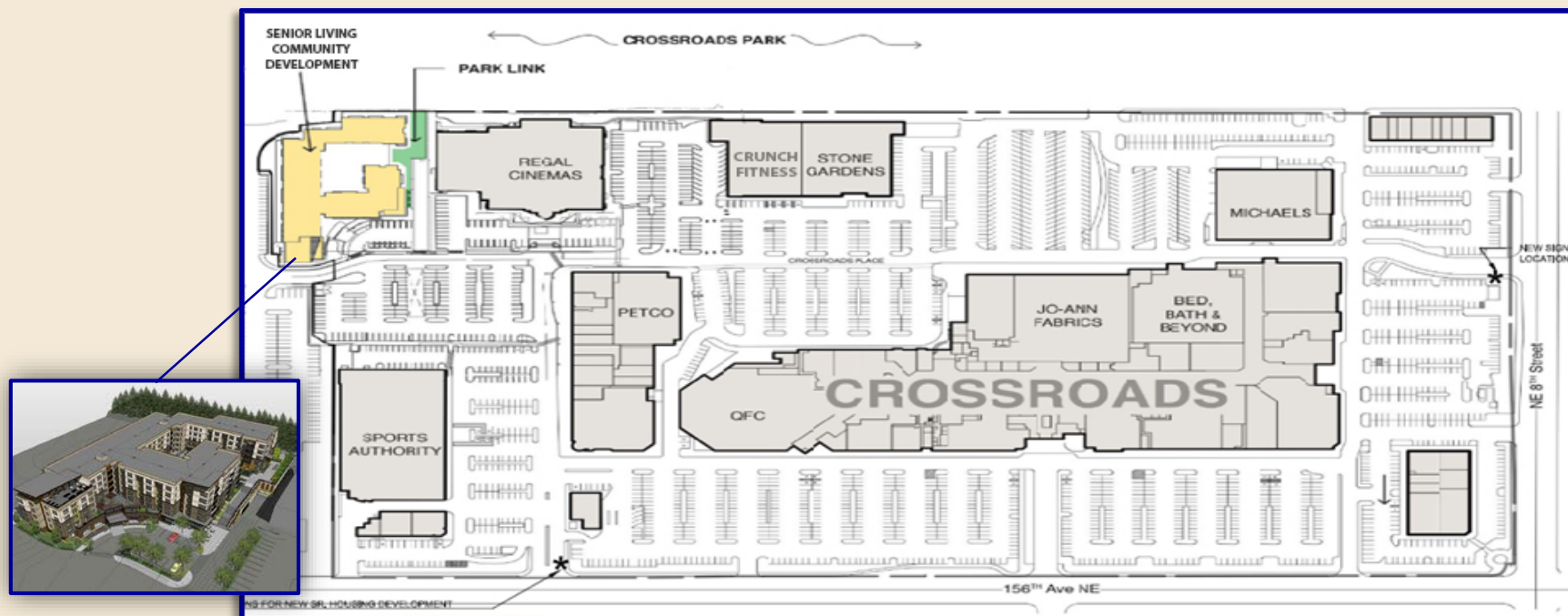
| | |
|-------------------------|--------------------------|
| Seattle Suburb: | Bellevue |
| Date Acquired: | 2010/2013 ⁽¹⁾ |
| Gross Leasable Area: | 463,436 |
| Percent Leased: | 100% |
| 5-mile Population: | 214,154 |
| 5-mile HH Income (Avg): | \$121,163 |

Value Enhancement Initiatives

- increased occupancy by 1300bps (achieved rents 15% above original underwriting)
- maintained occupancy at or near 100% for five years running
- substantially improved tenant mix (brought in numerous national retailers)
- redeveloped/upgraded key pedestrian entrances and promenades
- recently retired mortgage (unencumbering all 463,436 square feet)
- approx. 50% of the shop space rolls within next 2 years (20 - 25% below market)
- currently yielding over 9% (comparable properties trading in the 4% cap rate range)

⁽¹⁾ In December 2010 ROIC acquired a 49% interest in the property. In September 2013 ROIC acquired remaining 51% interest.

Crossroads – Future Development



- Property includes four fully entitled outparcels for an additional 200,000 square feet of mixed-use space
- **ROIC Strategy:**
 - enhance intrinsic appeal/value of Crossroads, while **not** taking on development risk
 - ground lease outparcels (long-term) to leading mixed-use developers, in phases
- **Phase I: senior living community being developed by Seattle's premier senior living developer**
 - scheduled to begin construction in 2016 (ground rent commences following completion)
 - ROIC will own 1,600 square feet of street retail (built by developer)

Financial



Seabridge Marketplace – Oxnard, CA

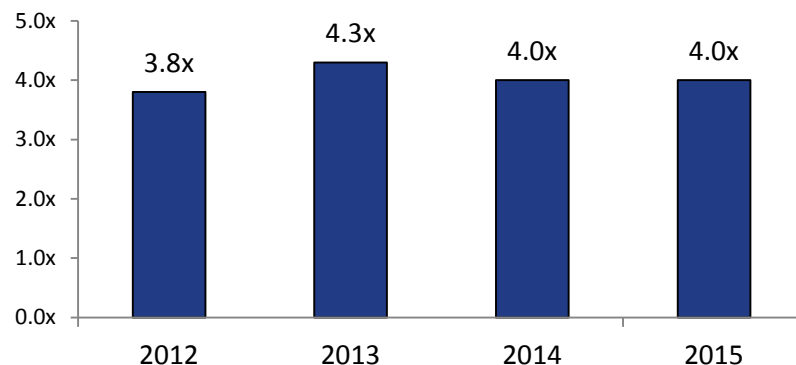
Prudent Strategy

- **Maintain conservative and flexible investment-grade balance sheet**
 - 33% debt to total market cap ratio
 - 4x interest coverage
- **Primarily utilize unsecured debt to maintain liquidity and flexibility**
 - 94% of total debt is unsecured (only 6% secured)
 - \$1.5 billion acquisition facility capacity
- **Maintain large, diversified pool of unencumbered shopping centers**
 - 96% of total square footage unencumbered
 - 69 out of ROIC's 73 shopping center portfolio are debt-free
- **Maintain well-laddered maturity schedule**
 - only \$25 million matures in next three years
- **Maintain simple, straight-forward, transparent business**
 - NAREIT definition FFO utilized
 - no joint ventures/conflicts of interest
 - no preferred or convertible securities
 - comprehensive SEC and supplemental reporting

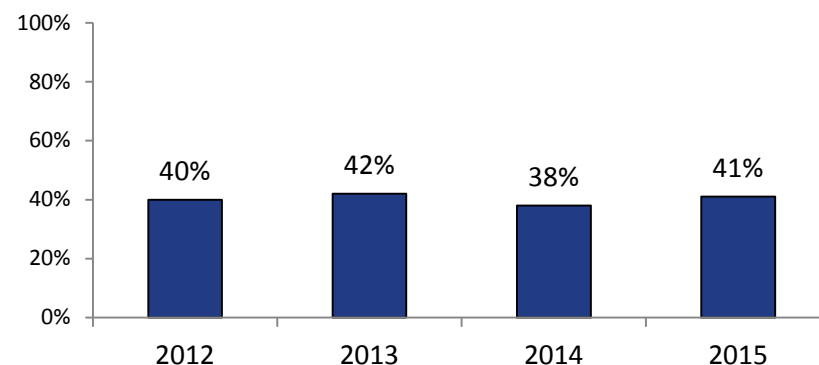


Strong Investment Grade Metrics

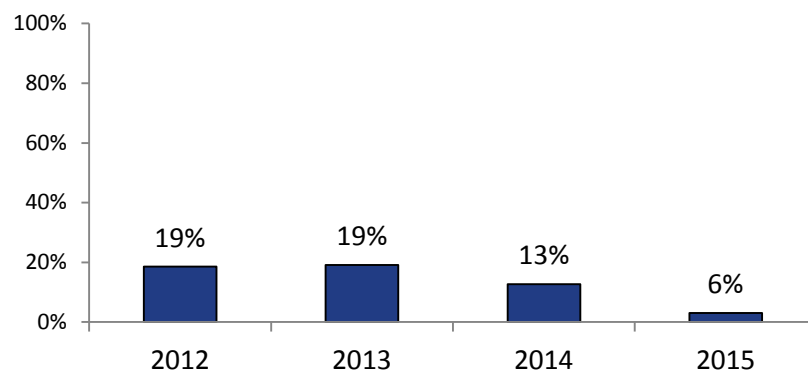
Interest Coverage



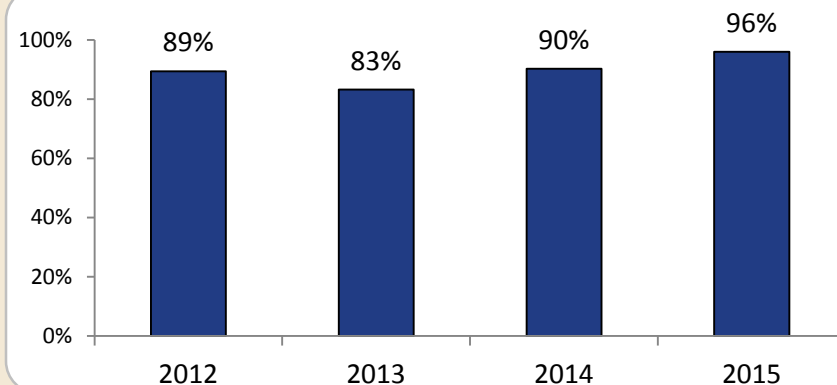
Total Debt/Undepreciated Book Value



Secured Debt/Total Debt



Unencumbered GLA/Total GLA

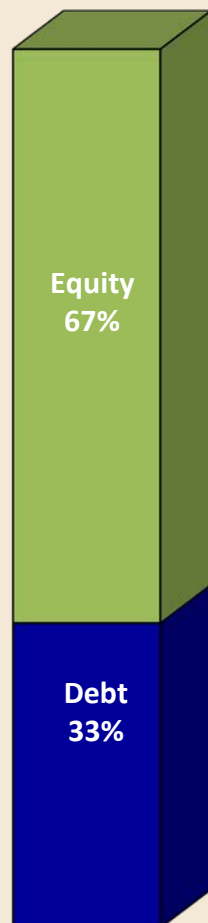


Data as of year end for each period except for Interest Coverage which is based on the 4th quarter of each period.



Balanced Approach to Funding Growth

Total Market Cap: \$3.0 billion



Key Capital Raising Initiatives

- Public Follow On Equity Offerings:
 - 2011: 7.5mm shares @ \$10.85 per share
 - 2014: 14.4mm shares @ \$14.95 per share
 - 2015: 5.5 mm shares @ \$16.55 per share
- ATM Program (initiated in 2011):
 - \$49 million raised to date
- O.P. Units (utilized in acquiring properties):
 - 2013: 0.7mm units @ \$13.57 per unit
 - 2013: 2.6mm units @ \$14.25 per unit
 - 2014: 1.0mm units @ \$16.00 per unit
 - 2015: 8.5mm units @ \$17.29 per unit
- Non-core Property Sales (to date):
 - \$28.4 million (net gain of \$4.9 million)
- Senior, Unsecured Investment Grade Notes:
 - 2013: \$250mm, 10-year notes, 5.0% coupon
 - 2014: \$250mm, 10-year notes, 4.0% coupon
- Unsecured Credit Facility
 - 2011: \$175mm capacity, 175 bps over LIBOR
 - 2012: \$200mm capacity, 155 bps over LIBOR
 - 2013: \$350mm capacity, 110 bps over LIBOR
 - 2014: \$500mm capacity, 100 bps over LIBOR
- Unsecured Term Loan
 - 2015: \$300mm, 110 bps over LIBOR

Leadership



Fallbrook Shopping Center – West Hills, CA

Highly Experienced, Focused Management Team

- Focused exclusively on West Coast for 25+ years
- Focused exclusively on grocery-anchored sector for 25+ years
- Focused exclusively on executing the same strategy for 25+ years
- Unparalleled West Coast shopping center relationships and market knowledge
- Acquired \$6 billion of West Coast shopping centers (sold over \$4 billion)
- Operated successfully as a public REIT for 15+ years:
 - Pan Pacific Retail Properties (1997-2006)
 - ✓ grew from \$400mm IPO to \$4 billion
 - ✓ 500%+ total return to stockholders
 - Retail Opportunity Investment Corp. (2009 - present)
 - ✓ grown from \$400mm in cash to \$3 billion in real estate to date
 - ✓ 112% total return to date
- Impeccable track record leading public REITs
 - straight-forward business plan and capital structure
 - strong, consistent growth and performance year after year



Key Takeaways

- **Only pure play West Coast shopping center REIT**
 - largest public grocery-anchored shopping center portfolio on West Coast
 - located in best, densely populated, affluent metropolitan markets
 - markets have and are projected to continue to outpace the national average
 - high barriers to entry, very limited new supply
- **Highly experienced, focused management team**
 - 25+ years focused exclusively on West Coast
 - unparalleled West Coast relationships and market knowledge
 - 15+ years experience leading public REITs
- **Strong track record of performance since inception**
 - 750% growth in total market cap
 - sector leading operating metrics
 - 300% dividend growth to date
 - 112% total return to date
- **Poised to continue strong performance**
 - highly-fragmented ownership on West Coast (majority privately-owned)
 - ROIC currency/OP units providing competitive acquisition advantage
 - investment grade balance sheet (\$1.5 billion acquisition facility capacity)
 - strong embedded growth within existing portfolio (below market leases)
 - potential ability to densify/enhance value of certain key shopping centers



Forward Looking Statement

Certain information 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 the Company 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 Company's ability to identify and acquire retail real estate investments that meet the Company's investment standards; the level of rental revenue and net interest income the Company achieves from its assets; the market value of the Company's assets and the supply of, and demand for, retail real estate investments in which the Company invests; the conditions in the local markets in which the Company operates, as well as changes in national economic and market conditions; consumer spending and confidence trends; the Company's ability to enter into new leases or to renew leases with existing tenants at the properties at favorable rates; the Company's ability to anticipate changes in consumer buying practices and the space needs of tenants; the competitive landscape impacting the properties the Company acquires and their tenants; the Company's relationships with its tenants and their financial condition; the Company's use of debt as part of its financing strategy and its ability to make payments or to comply with any covenants under any borrowings or other debt facilities; the level of the Company's operating expenses, changes in interest rates that could impact the market price of the Company's common stock and the cost of the Company's borrowings; and legislative and regulatory changes (including changes to laws governing the taxation of REITs). Additional information regarding these and other factors is described in the Company's filings with the Securities and Exchange Commission, including its most recent Annual Report on Form 10-K and the Company's Quarterly Reports on Form 10-Q. Forward looking statements are based on estimates as of the date of this supplemental data. The Company disclaims any obligation to publicly release the results of any revisions to these forward looking statements reflecting new estimates, events or circumstances after the date of this supplemental data. For further information, please refer to the Company's filings with the Securities and Exchange Commission.

