

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):
July 25, 2018

RETAIL OPPORTUNITY INVESTMENTS CORP.
(Exact Name of Registrant as Specified in Its Charter)

Maryland
(State or other jurisdiction of incorporation)

001-33749
(Commission
File Number)

26-050600
(I.R.S. Employer
Identification No.)

RETAIL OPPORTUNITY INVESTMENTS PARTNERSHIP, LP
(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or other jurisdiction of incorporation)

333-189057-01
(Commission File Number)

94-2969738
(I.R.S. Employer Identification No.)

11250 El Camino Real, Suite 200 San Diego, California

(858) 677-0900
(Registrants' Telephone Number, Including Area Code)

92130
(Zip Code)

Not applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (Section 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (Section 240.12b-2 of this chapter)

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

On July 25, 2018, Retail Opportunity Investments Corp. (the "Company") issued an earnings release announcing its financial results for the quarter ended June 30, 2018. A copy of the earnings release is attached as Exhibit 99.1 hereto and incorporated herein by reference. On July 25, 2018, in connection with this earnings release, the Company posted certain supplemental information regarding the Company's operations for the quarter ended June 30, 2018 on its website, www.roireit.net. A copy of the supplemental information is attached as Exhibit 99.2 hereto and incorporated herein by reference.

The information in this Current Report, including the exhibits hereto, is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. The information in this Current Report shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended, unless it is specifically incorporated by reference therein.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Earnings Release, dated July 25, 2018
99.2	Supplemental Information for the quarter ended June 30, 2018

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

RETAIL OPPORTUNITY INVESTMENTS CORP.

Dated: July 25, 2018

By: /s/ Michael B. Haines
Name: Michael B. Haines
Title: Chief Financial Officer

RETAIL OPPORTUNITY INVESTMENTS
PARTNERSHIP, LP

By: RETAIL OPPORTUNITY INVESTMENTS GP, LLC, its general partner

By: /s/ Michael B. Haines
Name: Michael B. Haines
Title: Chief Financial Officer

FOR IMMEDIATE RELEASE
Wednesday, July 25, 2018

Retail Opportunity Investments Corp. Reports 2018 Second Quarter Results

San Diego, CA, July 25, 2018 - Retail Opportunity Investments Corp. (NASDAQ:ROIC) announced today financial and operating results for the three and six months ended June 30, 2018.

HIGHLIGHTS

- ***\$7.3 million of net income attributable to common stockholders (\$0.06 per diluted share)***
- ***\$33.4 million of Funds From Operations⁽¹⁾ (\$0.27 per diluted share)***
- ***97.5% portfolio lease rate at June 30, 2018***
- ***20.4% increase in same-space comparative cash rents on new leases (7.6% on renewals)***
- ***2.8% increase in same-center cash net operating income (2Q'18 vs. 2Q'17)***
- ***\$15.7 million grocery-anchored shopping center acquired***
- ***\$0.1950 per share quarterly cash dividend paid***

⁽¹⁾ A reconciliation of GAAP net income to Funds From Operations (FFO) is provided at the end of this press release.

Stuart A. Tanz, President and Chief Executive Officer of Retail Opportunity Investments Corp. stated, "During the second quarter, demand for space across our portfolio continued to be strong, coming from a broad range of necessity-based retailers. We continued to maintain our portfolio at over 97% leased, ending the second quarter specifically at a strong, 97.5%. Additionally, for the 26th consecutive quarter, we achieved growth in our key same-center and same-space comparative operating metrics. During the second quarter, we grew same-center cash NOI by 2.8% and achieved a 20.4% increase in same-space cash rents on new leases." Tanz added, "Looking ahead, with the current leasing activity and momentum across our portfolio, we are on track to continue achieving solid portfolio operational results as we progress through the second half of 2018."

FINANCIAL SUMMARY

For the three months ended June 30, 2018, GAAP net income attributable to common stockholders was \$7.3 million, or \$0.06 per diluted share, as compared to GAAP net income attributable to common stockholders of \$8.3 million, or \$0.08 per diluted share, for the three months ended June 30, 2017. For the six months ended June 30, 2018, GAAP net income attributable to common stockholders was \$18.0 million, or \$0.16 per diluted share, as compared to GAAP net income attributable to common stockholders of \$18.5 million, or \$0.17 per diluted share, for the six months ended June 30, 2017.

FFO for the second quarter of 2018 was \$33.4 million, or \$0.27 per diluted share, as compared to \$32.8 million in FFO, or \$0.27 per diluted share for the second quarter of 2017. FFO for the first six months of 2018 was \$70.5 million, or \$0.57 per diluted share, as compared to \$67.2 million in FFO, or \$0.55 per diluted share for the first six months of 2017.

ROIC reports FFO as a supplemental performance measure in accordance with the definition set forth by the National Association of Real Estate Investment Trusts. A reconciliation of GAAP net income to FFO is provided at the end of this press release.

At June 30, 2018, ROIC had a total market capitalization of approximately \$3.9 billion with approximately \$1.5 billion of principal debt outstanding, equating to a 39.3% debt-to-total market capitalization ratio. ROIC's principal debt outstanding was comprised of \$95.8 million of mortgage debt and approximately \$1.4 billion of unsecured debt, including \$192.0 million outstanding on its unsecured revolving credit facility at June 30, 2018. ROIC's interest coverage for the second quarter was 3.1 times and 93.6% of its portfolio was unencumbered at June 30, 2018 (based on gross leasable area).

ACQUISITION SUMMARY

Year-to-date in 2018, ROIC has acquired a total of \$38.7 million of shopping center assets. During the first quarter of 2018, ROIC acquired a grocery-anchored shopping center for \$19.0 million. During the second quarter of 2018, ROIC acquired a grocery-anchored shopping center for \$15.7 million. Additionally, during the second quarter, ROIC acquired a multi-tenant, freestanding pad for \$4.0 million located at one of its existing grocery-anchored shopping centers.

King City Plaza

In May 2018, ROIC acquired King City Plaza for \$15.7 million. The shopping center is approximately 63,000 square feet and is anchored by Grocery Outlet Supermarket and McCann's Pharmacy. The property is located in King City, Oregon, within the Portland metropolitan area, and is currently 100% leased.

PROPERTY OPERATIONS SUMMARY

At June 30, 2018, ROIC's portfolio was 97.5% leased. For the second quarter of 2018, same-center net operating income (NOI) was \$44.5 million, as compared to \$43.2 million in same-center NOI for the second quarter of 2017, representing a 2.8% increase. ROIC reports same-center comparative NOI on a cash basis. A reconciliation of GAAP operating income to same-center comparative NOI is provided at the end of this press release.

During the second quarter of 2018, ROIC executed 97 leases, totaling 265,743 square feet, including 42 new leases, totaling 98,669 square feet, achieving a 20.4% increase in same-space comparative base rent, and 55 renewed leases, totaling 167,074 square feet, achieving a 7.6% increase in base rent. ROIC reports same-space comparative base rent on a cash basis.

CASH DIVIDEND

On June 28, 2018, ROIC distributed a \$0.1950 per share cash dividend. On July 25, 2018, ROIC's board of directors declared a cash dividend of \$0.1950 per share, payable on September 27, 2018 to stockholders of record on September 13, 2018.

CONFERENCE CALL

ROIC will conduct a conference call and audio webcast to discuss its results on Thursday, July 26, 2018 at 9:00a.m. Eastern Time / 6:00 a.m. Pacific 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: 1890648. A live webcast will also be available in listen-only mode at <http://www.roireit.net/>. The conference call will be recorded and available for replay beginning at 12:00 p.m. Eastern Time on July 26, 2018 and will be available until 12:00a.m. Eastern Time on August 2, 2018. To access the conference call recording, dial (855) 859-2056 (domestic) or (404) 537-3406 (international) and use the Conference ID: 1890648. The conference call will also be archived on <http://www.roireit.net/> for approximately 90 days.

ABOUT RETAIL OPPORTUNITY INVESTMENTS CORP.

Retail Opportunity Investments Corp. (NASDAQ: ROIC), is a fully-integrated, self-managed real estate investment trust (REIT) that specializes in the acquisition, ownership and management of grocery-anchored shopping centers located in densely-populated, metropolitan markets across the West Coast. As of June 30, 2018, ROIC owned 92 shopping centers encompassing approximately 10.6 million square feet. ROIC is the largest publicly-traded, grocery-anchored shopping center REIT focused exclusively on the West Coast. ROIC is a member of the S&P SmallCap 600 Index and has investment-grade corporate debt ratings from Moody's Investor Services and Standard & Poor's. Additional information is available at: www.roireit.net.

When used herein, the words "believes," "anticipates," "projects," "should," "estimates," "expects," "guidance" 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 of ROIC to differ materially from future results expressed or implied by such forward-looking statements. Information regarding such risks and factors is described in ROIC's filings with the SEC, including its most recent Annual Report on Form 10-K, which is available at: www.roireit.net.

RETAIL OPPORTUNITY INVESTMENTS CORP.
Consolidated Balance Sheets
(In thousands, except share data)

	June 30, 2018 (unaudited)	December 31, 2017
ASSETS		
Real Estate Investments:		
Land	\$ 898,436	\$ 878,797
Building and improvements	2,265,760	2,230,600
	3,164,196	3,109,397
Less: accumulated depreciation	295,602	260,115
Real Estate Investments, net	2,868,594	2,849,282
Cash and cash equivalents	10,958	11,553
Restricted cash	1,420	5,412
Tenant and other receivables, net	42,095	43,257
Deposits	—	500
Acquired lease intangible assets, net	78,246	82,778
Prepaid expenses	1,600	2,853
Deferred charges, net	36,150	37,167
Other	10,606	6,396
Total assets	\$ 3,049,669	\$ 3,039,198
LIABILITIES AND EQUITY		
Liabilities:		
Term loan	\$ 298,942	\$ 298,816
Credit facility	189,259	140,329
Senior Notes	940,762	940,086
Mortgage notes payable	97,884	107,915
Acquired lease intangible liabilities, net	173,911	178,984
Accounts payable and accrued expenses	14,580	18,638
Tenants' security deposits	6,997	6,771
Other liabilities	18,213	18,018
Total liabilities	1,740,548	1,709,557
Commitments and contingencies		
Equity:		
Preferred stock, \$0.0001 par value 50,000,000 shares authorized; none issued and outstanding	—	—
Common stock, \$0.0001 par value, 500,000,000 shares authorized; 112,719,459 and 112,347,451 shares issued and outstanding at June 30, 2018 and December 31, 2017, respectively	11	11
Additional paid-in capital	1,415,286	1,412,590
Dividends in excess of earnings	(236,570)	(210,490)
Accumulated other comprehensive income	7,235	1,856
Total Retail Opportunity Investments Corp. stockholders' equity	1,185,962	1,203,967
Non-controlling interests	123,159	125,674
Total equity	1,309,121	1,329,641
Total liabilities and equity	\$ 3,049,669	\$ 3,039,198

RETAIL OPPORTUNITY INVESTMENTS CORP.

Consolidated Statements of Operations

(Unaudited)

(In thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Revenues				
Base rents	\$ 55,050	\$ 50,528	\$ 110,427	\$ 102,007
Recoveries from tenants	16,471	15,222	32,632	28,890
Other income	820	890	3,677	1,643
Total revenues	72,341	66,640	146,736	132,540
Operating expenses				
Property operating	11,017	9,628	21,495	18,928
Property taxes	7,914	7,647	15,733	14,715
Depreciation and amortization	25,331	23,645	50,548	46,703
General and administrative expenses	3,990	3,817	7,521	7,316
Acquisition transaction costs	—	4	—	4
Other expense	274	225	343	274
Total operating expenses	48,526	44,966	95,640	87,940
Operating income	23,815	21,674	51,096	44,600
Non-operating expenses				
Interest expense and other finance expenses	(15,713)	(12,477)	(31,170)	(24,152)
Net income	8,102	9,197	19,926	20,448
Net income attributable to non-controlling interests	(763)	(888)	(1,885)	(1,969)
Net Income Attributable to Retail Opportunity Investments Corp.	\$ 7,339	\$ 8,309	\$ 18,041	\$ 18,479
Earnings per share – basic and diluted	\$ 0.06	\$ 0.08	\$ 0.16	\$ 0.17
Dividends per common share	\$ 0.1950	\$ 0.1875	\$ 0.3900	\$ 0.3750

CALCULATION OF FUNDS FROM OPERATIONS

(Unaudited)
(In thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Net income attributable to ROIC	\$ 7,339	\$ 8,309	\$ 18,041	\$ 18,479
Plus: Depreciation and amortization	25,331	23,645	50,548	46,703
Funds from operations – basic	32,670	31,954	68,589	65,182
Net income attributable to non-controlling interests	763	888	1,885	1,969
Funds from operations – diluted	\$ 33,433	\$ 32,842	\$ 70,474	\$ 67,151

SAME-CENTER CASH NET OPERATING INCOME ANALYSIS

(Unaudited)

(In thousands, except number of shopping centers and percentages)

	Three Months Ended June 30,				Six Months Ended June 30,			
	2018	2017	\$ Change	% Change	2018	2017	\$ Change	% Change
Number of shopping centers included in same-center analysis	82	82			79	79		
Same-center occupancy	97.3%	97.4%		(0.1)%	97.4%	97.5%		(0.1)%
Revenues:								
Base rents	\$ 46,229	\$ 44,666	\$ 1,563	3.5 %	\$ 89,342	\$ 86,911	\$ 2,431	2.8 %
Percentage rent	91	187	(96)	(51.3)%	176	302	(126)	(41.7)%
Recoveries from tenants	15,181	14,985	196	1.3 %	28,861	28,183	678	2.4 %
Other property income	789	897	(108)	(12.0)%	1,089	1,655	(566)	(34.2)%
Total Revenues	62,290	60,735	1,555	2.6 %	119,468	117,051	2,417	2.1 %
Operating Expenses								
Property operating expenses	10,312	9,805	507	5.2 %	19,418	18,322	1,096	6.0 %
Bad debt expense	276	255	21	8.2 %	364	743	(379)	(51.0)%
Property taxes	7,252	7,449	(197)	(2.6)%	13,769	14,134	(365)	(2.6)%
Total Operating Expenses	17,840	17,509	331	1.9 %	33,551	33,199	352	1.1 %
Same-Center Cash Net Operating Income	\$ 44,450	\$ 43,226	\$ 1,224	2.8 %	\$ 85,917	\$ 83,852	\$ 2,065	2.5 %

SAME-CENTER CASH NET OPERATING INCOME RECONCILIATION

(Unaudited)
(In thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
GAAP operating income	\$ 23,815	\$ 21,674	\$ 51,096	\$ 44,600
Depreciation and amortization	25,331	23,645	50,548	46,703
General and administrative expenses	3,990	3,817	7,521	7,316
Acquisition transaction costs	—	4	—	4
Other expense	274	225	343	274
Property revenues and other expenses ⁽¹⁾	(4,441)	(4,311)	(9,924)	(11,201)
Total Company cash NOI	48,969	45,054	99,584	87,696
Non same-center cash NOI	(4,519)	(1,828)	(13,667)	(3,844)
Same-center cash NOI	\$ 44,450	\$ 43,226	\$ 85,917	\$ 83,852

(1) Includes straight-line rents, amortization of above and below-market lease intangibles, anchor lease termination fees, net of contractual amounts, and expense and recovery adjustments related to prior periods.

NON-GAAP DISCLOSURES

Funds from operations (“FFO”), is a widely recognized non-GAAP financial measure for REITs that the Company believes when considered with financial statements presented in accordance with GAAP, provides additional and useful means to assess its financial performance. FFO is frequently used by securities analysts, investors and other interested parties to evaluate the performance of REITs, most of which present FFO along with net income as calculated in accordance with GAAP. The Company computes FFO in accordance with the “White Paper” on FFO published by the National Association of Real Estate Investment Trusts (“NAREIT”), which defines FFO as net income attributable to common stockholders (determined in accordance with GAAP) excluding gains or losses from debt restructuring, sales of depreciable property and impairments, plus real estate related depreciation and amortization, and after adjustments for partnerships and unconsolidated joint ventures.

The Company uses cash net operating income (“NOI”) internally to evaluate and compare the operating performance of the Company’s properties. The Company believes cash 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, can be used to determine trends in earnings of the Company’s properties as this measure is not affected by the non-cash revenue and expense recognition items, the cost of the Company’s funding, the impact of depreciation and amortization expenses, gains or losses from the acquisition and sale of operating real estate assets, general and administrative expenses or other gains and losses that relate to the Company’s ownership of properties. The Company believes the exclusion of these items from operating income is useful because the resulting measure captures the actual revenue generated and actual expenses incurred in operating the Company’s properties as well as trends in occupancy rates, rental rates and operating costs. Cash NOI is a measure of the operating performance of the Company’s properties but does not measure the Company’s performance as a whole and is therefore not a substitute for net income or operating income as computed in accordance with GAAP. The Company defines cash NOI as operating revenues (base rent and recoveries from tenants), less property and related expenses (property operating expenses and property taxes), adjusted for non-cash revenue and operating expense items such as straight-line rent and amortization of lease intangibles, debt-related expenses and other adjustments. Cash NOI also excludes general and administrative expenses, depreciation and amortization, acquisition transaction costs, other expense, interest expense, gains and losses from property acquisitions and dispositions, extraordinary items, tenant improvements and leasing commissions. Other REITs may use different

methodologies for calculating cash NOI, and accordingly, the Company's cash NOI may not be comparable to other REITs.

Contact:

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858-255-4913

arubino@roireit.net



2nd QUARTER 2018

SUPPLEMENTAL INFORMATION



Retail Opportunity Investments Corporation
11250 El Camino Real, Suite 200
San Diego, CA 92130

www.roireit.net

Our Company

Retail Opportunity Investments Corp. (Nasdaq: ROIC), is a fully integrated, self-managed real estate investment trust (REIT) that specializes in the acquisition, ownership and management of grocery-anchored shopping centers located in densely-populated, metropolitan markets across the West Coast. As of June 30, 2018, ROIC owned 92 shopping centers encompassing approximately 10.6 million square feet. ROIC is the largest publicly-traded, grocery-anchored shopping center REIT focused exclusively on the West Coast. ROIC is a member of the S&P SmallCap 600 Index and has investment-grade corporate debt ratings from Moody's Investor Services and S&P Global Ratings. Additional information is available at www.roireit.net.

Supplemental Information

The enclosed information should be read in conjunction with ROIC's filings with the Securities and Exchange Commission, including but not limited to, its Form 10-Qs filed quarterly and Form 10-Ks filed annually. Additionally, the enclosed information does not purport to disclose all items under generally accepted accounting principles ("GAAP").

Non-GAAP Disclosures

Funds from operations ("FFO"), is a widely-recognized non-GAAP financial measure for REITs that the Company believes when considered with financial statements presented in accordance with GAAP, provides additional and useful means to assess its financial performance. FFO is frequently used by securities analysts, investors and other interested parties to evaluate the performance of REITs, most of which present FFO along with net income as calculated in accordance with GAAP. The Company computes FFO in accordance with the "White Paper" on FFO published by the National Association of Real Estate Investment Trusts ("NAREIT"), which defines FFO as net income attributable to common stockholders (determined in accordance with GAAP) excluding gains or losses from debt restructuring, sales of depreciable property and impairments, plus real estate related depreciation and amortization, and after adjustments for partnerships and unconsolidated joint ventures.

The Company uses cash net operating income ("NOI") internally to evaluate and compare the operating performance of the Company's properties. The Company believes cash 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, can be used to determine trends in earnings of the Company's properties as this measure is not affected by the non-cash revenue and expense recognition items, the cost of the Company's funding, the impact of depreciation and amortization expenses, gains or losses from the acquisition and sale of operating real estate assets, general and administrative expenses or other gains and losses that relate to the Company's ownership of properties. The Company believes the exclusion of these items from operating income is useful because the resulting measure captures the actual revenue generated and actual expenses incurred in operating the Company's properties as well as trends in occupancy rates, rental rates and operating costs. Cash NOI is a measure of the operating performance of the Company's properties but does not measure the Company's performance as a whole and is therefore not a substitute for net income or operating income as computed in accordance with GAAP. The Company defines cash NOI as operating revenues (base rent and recoveries from tenants), less property and related expenses (property operating expenses and property taxes), adjusted for non-cash revenue and operating expense items such as straight-line rent and amortization of lease intangibles, debt-related expenses and other adjustments. Cash NOI also excludes general and administrative expenses, depreciation and amortization, acquisition transaction costs, other expense, interest expense, gains and losses from property acquisitions and dispositions, extraordinary items, tenant improvements and leasing commissions. Other REITs may use different methodologies for calculating cash NOI, and accordingly, the Company's cash NOI may not be comparable to other REITs.

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Balance Sheets

Supplemental Disclosure
Quarter Ended June 30, 2018

(unaudited, dollars in thousands, except par values and share amounts)

	<u>06/30/18</u>	<u>12/31/17</u>
ASSETS:		
Real Estate Investments:		
Land	\$ 898,436	\$ 878,797
Building and improvements	2,265,760	2,230,600
Less: accumulated depreciation	(295,602)	(260,115)
Real Estate Investments, net	<u>2,868,594</u>	<u>2,849,282</u>
Cash and cash equivalents	10,958	11,553
Restricted cash	1,420	5,412
Tenant and other receivables, net	42,095	43,257
Deposits	-	500
Acquired lease intangible assets, net	78,246	82,778
Prepaid expenses	1,600	2,853
Deferred charges, net	36,150	37,167
Other assets	10,606	6,396
TOTAL ASSETS	<u>\$ 3,049,669</u>	<u>\$ 3,039,198</u>
LIABILITIES:		
Term loan	\$ 298,942	\$ 298,816
Credit facility	189,259	140,329
Senior Notes	940,762	940,086
Mortgage notes payable	97,884	107,915
Acquired lease intangible liabilities, net	173,911	178,984
Accounts payable and accrued expenses	14,580	18,638
Tenants' security deposits	6,997	6,771
Other liabilities	18,213	18,018
TOTAL LIABILITIES	<u>1,740,548</u>	<u>1,709,557</u>
EQUITY:		
Common stock, \$.0001 par value 500,000,000 shares authorized	11	11
Additional paid-in capital	1,415,286	1,412,590
Dividends in excess of earnings	(236,570)	(210,490)
Accumulated other comprehensive income	7,235	1,856
Total Retail Opportunity Investments Corp. stockholders' equity	<u>1,185,962</u>	<u>1,203,967</u>
Non-controlling interests	123,159	125,674
TOTAL EQUITY	<u>1,309,121</u>	<u>1,329,641</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 3,049,669</u>	<u>\$ 3,039,198</u>

The Company's Form 10-Q for the quarter ended June 30, 2018, and Form 10-K for the year ended December 31, 2017 should be read in conjunction with the above information.

Income Statements

Supplemental Disclosure
Quarter Ended June 30, 2018

(unaudited, in thousands, except per share amounts)

	Three Months Ended		Six Months Ended	
	06/30/18	06/30/17	06/30/18	06/30/17
REVENUES:				
Base rents	\$ 55,050	\$ 50,528	\$ 110,427	\$ 102,007
Recoveries from tenants	16,471	15,222	32,632	28,890
Other income	820	890	3,677	1,643
TOTAL REVENUES	72,341	66,640	146,736	132,540
OPERATING EXPENSES:				
Property operating	\$ 11,017	\$ 9,628	\$ 21,495	\$ 18,928
Property taxes	7,914	7,647	15,733	14,715
Depreciation and amortization	25,331	23,645	50,548	46,703
General and administrative expenses	3,990	3,817	7,521	7,316
Acquisition transaction costs	-	4	-	4
Other expense	274	225	343	274
TOTAL OPERATING EXPENSES	48,526	44,966	95,640	87,940
OPERATING INCOME	23,815	21,674	51,096	44,600
NON-OPERATING EXPENSES:				
Interest expense and other finance expenses	(15,713)	(12,477)	(31,170)	(24,152)
TOTAL NON-OPERATING EXPENSES	(15,713)	(12,477)	(31,170)	(24,152)
NET INCOME	\$ 8,102	\$ 9,197	\$ 19,926	\$ 20,448
NET INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	(763)	(888)	(1,885)	(1,969)
NET INCOME ATTRIBUTABLE TO RETAIL OPPORTUNITY INVESTMENTS CORP.	\$ 7,339	\$ 8,309	\$ 18,041	\$ 18,479
NET INCOME PER COMMON SHARE - BASIC	\$ 0.06	\$ 0.08	\$ 0.16	\$ 0.17
NET INCOME PER COMMON SHARE - DILUTED	\$ 0.06	\$ 0.08	\$ 0.16	\$ 0.17
Weighted average common shares outstanding - basic	112,165	109,267	112,164	109,247
Weighted average common shares outstanding - diluted	124,205	121,238	124,178	121,156

The Company's Form 10-Q for the quarters ended June 30, 2018 and June 30, 2017 should be read in conjunction with the above information.

Funds From Operations

Supplemental Disclosure
Quarter Ended June 30, 2018

(in thousands, except per share amounts)

	Three Months Ended		Six Months Ended	
	06/30/18	06/30/17	06/30/18	06/30/17
Funds from Operations (FFO)⁽¹⁾:				
Net income attributable to ROIC common stockholders	\$ 7,339	\$ 8,309	\$ 18,041	\$ 18,479
Plus:				
Depreciation and amortization expense	25,331	23,645	50,548	46,703
FUNDS FROM OPERATIONS - BASIC	\$ 32,670	\$ 31,954	\$ 68,589	\$ 65,182
Net income attributable to non-controlling interests	763	888	1,885	1,969
FUNDS FROM OPERATIONS - DILUTED	\$ 33,433	\$ 32,842	\$ 70,474	\$ 67,151
FUNDS FROM OPERATIONS PER SHARE - BASIC	\$ 0.29	\$ 0.29	\$ 0.61	\$ 0.60
FUNDS FROM OPERATIONS PER SHARE - DILUTED	\$ 0.27	\$ 0.27	\$ 0.57	\$ 0.55
Weighted average common shares outstanding - basic	112,165	109,267	112,164	109,247
Weighted average common shares outstanding - diluted	124,205	121,238	124,178	121,156
Common dividends per share	\$ 0.1950	\$ 0.1875	\$ 0.3900	\$ 0.3750
FFO Payout Ratio	72.2%	69.4%	68.4%	68.2%
Additional Disclosures:				
Non Cash Expense (Income)				
Straight line rent	\$ (1,410)		\$ (2,881)	
Above/below market rent amortization, net	(3,143)		(7,218)	
Non-cash interest expense	535		1,070	
Deferred financing costs and mortgage premiums, net	477		926	
Stock based compensation	1,991		3,419	
Capital Expenditures				
Tenant improvements	\$ 4,431		\$ 7,538	
Leasing commissions	255		1,008	
Building improvements	629		990	
Reimbursable property improvements	1,143		1,335	
Pad and other development	1,411		2,428	
Value enhancing tenant improvements	4,261		6,639	

(1) - Funds from operations ("FFO"), is a widely-recognized non GAAP financial measure for REITs that ROIC believes, when considered with financial statements determined in accordance with GAAP, provides additional and useful means to assess its financial performance. FFO is frequently used by securities analysts, investors and other interested parties to evaluate the performance of REITs. ROIC computes FFO in accordance with the "White Paper" on FFO published by the National Association of Real Estate Investment Trusts ("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.

The above does not purport to disclose all items required under GAAP.

Summary of Debt Outstanding

Supplemental Disclosure
Quarter Ended June 30, 2018

(unaudited, dollars in thousands)

	Outstanding Balance	Interest Rate	GAAP Interest Rate	Maturity Date	Percent of Total Indebtedness
Fixed Rate Debt					
Mortgage Debt:					
Magnolia Shopping Center	\$ 8,855	5.50%	3.86%	10/01/18	0.6%
Casitas Plaza Shopping Center	7,234	5.32%	4.20%	06/01/22	0.5%
Riverstone Marketplace	18,238	4.96%	3.80%	07/01/22	1.2%
Fullerton Crossroads	26,000	4.73%	3.82%	04/06/24	1.7%
Diamond Hills Plaza	35,500	3.55%	3.61%	10/01/25	2.2%
Net unamortized premiums/deferred financing charges	2,057				
Total Mortgage Debt	97,884	4.5%	3.8%	5.3 Years (WA)	6.2%
Unsecured Senior Notes:					
Senior Notes Due 2023	250,000	5.00%	5.21%	12/15/23	16.3%
Senior Notes Due 2024	250,000	4.00%	4.21%	12/15/24	16.3%
Senior Notes Due 2026	200,000	3.95%	3.95%	09/22/26	13.0%
Senior Notes Due 2027	250,000	4.19%	4.19%	12/15/27	16.3%
Net unamortized discounts/deferred financing charges	(9,238)				
Total Unsecured Senior Notes	940,762	4.30%	4.41%	7.4 Years (WA)	61.9%
Interest rate swaps	100,000	1.96%	1.96%	1/31/2019	6.4%
Interest rate swaps	200,000	2.84%	2.84%	8/31/2022	13.0%
Total Fixed Rate Debt	\$ 1,338,646	3.92%	3.95%	7.2 Years (WA)	87.5%
Variable Rate Debt					
Credit Facility					
Credit Facility	\$ 192,000	3.10%	3.10%	09/08/21 ⁽¹⁾	12.5%
Net unamortized deferred financing charges	(2,741)				
Credit Facility, net	189,259				
Term Loan					
Term Loan	300,000	3.20%	3.20%	09/08/22	19.5%
Net unamortized deferred financing charges	(1,058)				
Term Loan, net	298,942				
Interest rate swaps	(300,000)				(19.5)%
Total Variable Rate Debt	\$ 188,201	3.16%	3.16%	3.8 Years (WA)	12.5%
TOTAL DEBT	\$ 1,526,847	4.44%	4.48%	6.1 Years (WA)	100.0%
Net unamortized premiums on mortgages					
	(2,354)				
Net unamortized discounts on notes					
	4,959				
Net unamortized deferred financing charges					
	8,375				
Total Principal Debt	\$ 1,537,827				

(1) Does not include extension options available to ROIC.

Summary of Debt Outstanding, continued

Supplemental Disclosure
Quarter Ended June 30, 2018

(unaudited, dollars in thousands)

Summary of Principal Maturities

Year	Mortgage Principal Payments	Mortgage Principal due at Maturity	Credit Facility	Term Loan	Senior Unsecured Notes	Total Principal Payments	Percentage of Debt Maturing
2018	\$ 313	\$ 8,806	\$ -	\$ -	\$ -	\$ 9,119	0.6%
2019	551	-	-	-	-	551	0.0% ⁽²⁾
2020	577	-	-	-	-	577	0.0% ⁽²⁾
2021	717	-	192,000 ⁽¹⁾	-	-	192,717	12.5%
2022	1,003	23,129	-	300,000	-	324,132	21.1%
2023	686	-	-	-	250,000	250,686	16.3%
2024	708	26,000	-	-	250,000	276,708	18.0%
2025	550	32,787	-	-	-	33,337	2.2%
2026	-	-	-	-	200,000	200,000	13.0%
2027	-	-	-	-	250,000	250,000	16.3%
	\$ 5,105	\$ 90,722	\$ 192,000	\$ 300,000	\$ 950,000	\$ 1,537,827	100.0%

Summary of Unencumbered/Encumbered Properties

	Number of Properties	GLA	Percentage of GLA
Unencumbered properties	87	9,921,612	93.6%
Encumbered properties	5	676,522	6.4%
	92	10,598,134	100.0%

Summary of Unsecured Debt/Secured Debt

	Amount	Percentage of Total Principal Debt
Unsecured principal debt	\$ 1,442,000	93.8%
Secured principal debt	95,827	6.2%
Total Principal Debt	\$ 1,537,827	100.0%

(1) Does not include extension options available to ROIC.

(2) Negligible percentage rounds down to zero.

Selected Financial Analysis

Supplemental Disclosure
Quarter Ended June 30, 2018

(unaudited, in thousands, except per share amounts)

	06/30/18	03/31/18	12/31/17	09/30/17	06/30/17
Debt coverage ratios, three months ending:					
Interest coverage ratio (EBITDA/interest expense)	3.1x	3.4x	3.7x	3.7x	3.7x
Debt service coverage (EBITDA/(interest expense + scheduled principal payments))	3.1x	3.4x	3.6x	3.7x	3.6x
Net principal debt (Total principal debt less cash & equivalents)/Annualized EBITDA	7.7x	7.1x	7.3x	7.1x	7.2x
Debt/equity ratios, at period end:					
Total principal debt/total market capitalization	39.3%	40.8%	37.8%	37.5%	36.7%
Total principal debt/total equity market capitalization	64.8%	68.8%	60.8%	60.0%	57.9%
Total principal debt/total book assets	50.4%	49.4%	49.3%	48.2%	47.5%
Total principal debt/undepreciated book value	46.0%	45.3%	45.5%	44.5%	44.0%
Secured principal debt/undepreciated book value	2.9%	2.9%	3.2%	2.0%	2.0%
Market capitalization calculations, at period end:					
Common shares outstanding	112,165	112,165	111,886	109,267	109,267
Operating partnership units (OP units) outstanding	11,648	11,679	11,679	11,679	11,679
Common stock price per share	\$ 19.16	\$ 17.67	\$ 19.95	\$ 19.01	\$ 19.19
Total equity market capitalization	\$ 2,372,268	\$ 2,188,331	\$ 2,465,116	\$ 2,299,192	\$ 2,320,960
Total principal debt	1,537,827	1,505,503	1,499,820	1,379,042	1,343,185
TOTAL MARKET CAPITALIZATION	\$ 3,910,095	\$ 3,693,834	\$ 3,964,936	\$ 3,678,234	\$ 3,664,145
Unsecured Senior Notes Financial Covenants: ⁽¹⁾					
Total debt to total assets not to exceed 60%	47.9%	47.2%	47.4%	46.3%	45.9%
Total secured debt to total assets not to exceed 40%	3.1%	3.1%	3.4%	2.1%	2.2%
Total unencumbered assets to total unsecured debt not to be less than 150%	207.6%	210.7%	208.7%	214.5%	216.6%
Consolidated income available for debt service to interest expense not to be less than 1.5:1	3.5x	3.6x	3.7x	3.8x	3.9x

(1) Calculated in accordance with GAAP pursuant to underlying bond indentures.

2018 Property Acquisitions

Supplemental Disclosure
Quarter Ended June 30, 2018

(dollars in thousands)

<u>Shopping Centers</u>	<u>Location</u>	<u>Date Acquired</u>	<u>Purchase Amount</u>	<u>Owned GLA</u>
1Q 2018				
Stadium Center	Tacoma, WA	02/23/18	\$ 19,000	48,888
Total 1Q 2018			<u>\$ 19,000</u>	<u>48,888</u>
2Q 2018				
King City Plaza	King City, OR	05/18/18	\$ 15,686	62,676
Outparcel at Casitas Plaza	Carpinteria, CA	05/25/18	\$ 3,950	7,691
Total 2Q 2018			<u>\$ 19,636</u>	<u>70,367</u>
Total 2018 Acquisitions			<u>\$ 38,636</u>	<u>119,255</u>

Property Portfolio

Supplemental Disclosure
Quarter Ended June 30, 2018

(dollars in thousands)

Southern California	City	State	Date Acquired	Owned GLA	% Leased	ABR ⁽¹⁾	Major Tenants
Los Angeles metro area							
Paramount Plaza	* Paramount	CA	12/22/09	95,062	95.9%	\$ 1,715	Grocery Outlet Supermarket, 99c Only Stores, Rite Aid Pharmacy
Claremont Promenade	* Claremont	CA	09/23/10	92,297	97.2%	2,358	Super King Supermarket
Gateway Village	* Chino Hills	CA	12/17/10	96,959	96.9%	2,782	Sprouts Market
Scabridge Marketplace	* Oxnard	CA	05/31/12	95,830	100.0%	1,848	Safeway (Vons) Supermarket
Glendora Shopping Center	* Glendora	CA	08/01/12	106,535	94.8%	1,275	Albertson's Supermarket
Redondo Beach Plaza	* Redondo Beach	CA	12/28/12	110,509	100.0%	2,185	Safeway (Vons) Supermarket, Petco
Diamond Bar Town Center	* Diamond Bar	CA	02/01/13	100,342	100.0%	2,295	Walmart Neighborhood Market, Crunch Fitness
Diamond Hills Plaza	* Diamond Bar	CA	04/22/13	139,505	96.0%	3,443	H-Mart Supermarket, Rite Aid Pharmacy
Plaza de la Cañada	* La Cañada Flintridge	CA	12/13/13	100,408	95.9%	2,388	Gelson's Supermarket, TJ Maxx, Rite Aid Pharmacy
Falbrook Shopping Center	* Los Angeles	CA	06/13/14	755,299	99.6%	12,719	Sprouts Market, Trader Joe's, Kroger (Ralph's) Supermarket ⁽²⁾ , TJ Maxx
Moorpark Town Center	* Moorpark	CA	12/03/14	133,547	98.3%	2,097	Kroger (Ralph's) Supermarket, CVS Pharmacy
Ontario Plaza	* Ontario	CA	01/06/15	150,149	99.1%	2,302	El Super Supermarket, Rite Aid Pharmacy
Park Oaks Shopping Center	* Thousand Oaks	CA	01/06/15	110,092	91.2%	2,513	Safeway (Vons) Supermarket, Dollar Tree
Warner Plaza	* Woodland Hills	CA	12/31/15	110,918	98.8%	4,488	Sprouts Market, Kroger (Ralph's) Supermarket ⁽²⁾ , Rite Aid Pharmacy ⁽²⁾
Magnolia Shopping Center	* Santa Barbara	CA	03/10/16	116,360	91.5%	2,106	Kroger (Ralph's) Supermarket
Casitas Plaza Shopping Center	* Carpinteria	CA	03/10/16	105,098	97.4%	1,678	Albertson's Supermarket, CVS Pharmacy
Bouquet Center	* Santa Clarita	CA	04/28/16	148,903	97.0%	3,255	Safeway (Vons) Supermarket, CVS Pharmacy, Ross Dress For Less
North Ranch Shopping Center	* Westlake Village	CA	06/01/16	146,625	87.8%	4,499	Kroger (Ralph's) Supermarket, Trader Joe's, Rite Aid Pharmacy, Petco
The Knolls	* Long Beach	CA	10/03/16	52,021	100.0%	1,411	Trader Joe's, Pet Food Express
The Terraces	* Rancho Palos Verdes	CA	03/17/17	172,922	92.0%	3,323	Trader Joe's, Marshall's, LA Fitness
Los Angeles metro area total				2,939,381	96.9%	\$ 60,680	
Orange County metro area							
Santa Ana Downtown Plaza	* Santa Ana	CA	01/26/10	105,536	93.0%	\$ 2,042	Kroger (Food 4 Less) Supermarket, Marshall's
Sycamore Creek	* Corona	CA	09/30/10	74,198	100.0%	1,752	Safeway (Vons) Supermarket, CVS Pharmacy ⁽²⁾
Desert Springs Marketplace	* Palm Desert	CA	02/17/11	113,718	96.3%	2,744	Kroger (Ralph's) Supermarket, Rite Aid Pharmacy
Cypress Center West	* Cypress	CA	12/04/12	107,246	96.5%	2,382	Kroger (Ralph's) Supermarket, Rite Aid Pharmacy
Harbor Place Center	* Garden Grove	CA	12/28/12	119,821	100.0%	1,651	AA Supermarket, Ross Dress For Less
5 Points Plaza	* Huntington Beach	CA	09/27/13	160,536	95.0%	4,155	Trader Joe's, Pier 1
Peninsula Marketplace	* Huntington Beach	CA	10/15/13	95,416	99.0%	2,424	Kroger (Ralph's) Supermarket, Planet Fitness
Fullerton Crossroads	Fullerton	CA	10/11/17	219,785	99.7%	3,410	Kroger (Ralph's) Supermarket, Kohl's, Jo-Ann Fabrics and Crafts
The Village at N'die Gail Ranch	Laguna Hills	CA	11/30/17	88,486	98.5%	2,973	Smart & Final Extra Supermarket
Orange County metro area total				1,084,742	97.6%	\$ 23,533	
San Diego metro area							
Marketplace Del Rio	* Oceanside	CA	01/03/11	177,195	94.9%	\$ 3,236	Sister Brothers Supermarket, Walgreens
Renaissance Towne Centre	* San Diego	CA	08/03/11	53,074	91.6%	2,333	CVS Pharmacy
Euclyd Plaza	* San Diego	CA	03/29/12	77,044	96.8%	1,411	Vallarta Supermarket, Walgreens
Bay Plaza	* San Diego	CA	10/05/12	73,324	100.0%	1,969	Seafood City Supermarket
Bernardo Heights Plaza	* Rancho Bernardo	CA	02/06/13	37,729	96.3%	906	Sprouts Market
Hawthorne Crossings	* San Diego	CA	06/27/13	141,288	96.3%	3,104	Mitsuwa Supermarket, Ross Dress For Less, Staples
Creekside Plaza	* Poway	CA	02/28/14	128,852	98.9%	2,767	Sister Brothers Supermarket, AMC Theatres
San Diego metro area total				688,506	96.5%	\$ 15,726	
Southern California Totals				4,712,629	97.0%	\$ 99,939	

(1) ABR is equal to annualized base rent on a cash basis for all leases in-place at period end.

(2) These retailers are not tenants of ROIC.

*Denotes properties in same center pool for 2Q 2018.

Property Portfolio, continued

Supplemental Disclosure
Quarter Ended June 30, 2018

(dollars in thousands)

Northern California	City	State	Date Acquired	Owned GLA	% Leased	ABR ⁽¹⁾	Major Tenants
San Francisco metro area							
Pleasant Hill Marketplace	* Pleasant Hill	CA	04/08/10	69,715	100.0%	\$ 1,471	Total Wine and More, Buy Buy Baby, Bassett Furniture
Pinole Vista Shopping Center	* Pinole	CA	01/06/11	223,369	97.2%	2,992	SaveMart (Lucky) Supermarket, Planet Fitness, Kmart
Country Club Gate Center	* Pacific Grove	CA	07/08/11	109,331	95.6%	2,041	SaveMart (Lucky) Supermarket, Rite Aid Pharmacy
Marlin Cove Shopping Center	* Foster City	CA	05/04/12	73,943	97.7%	2,258	99 Ranch Market
The Village at Novato	* Novato	CA	07/24/12	20,081	100.0%	552	Trader Joe's, Pharmaca Pharmacy
Santa Teresa Village	* San Jose	CA	11/08/12	124,306	92.4%	2,516	Raleys (Nob Hill) Supermarket, Dollar Tree
Granada Shopping Center	* Livermore	CA	06/27/13	69,325	100.0%	1,307	SaveMart (Lucky) Supermarket
Country Club Village	* San Ramon	CA	11/26/13	111,093	100.0%	2,153	Walmart Neighborhood Market, CVS Pharmacy
North Park Plaza	* San Jose	CA	04/30/14	76,697	100.0%	2,379	H-Mart Supermarket
Winston Manor	* South San Francisco	CA	01/07/15	49,852	100.0%	1,476	Grocery Outlet Supermarket
Jackson Square	* Hayward	CA	07/01/15	114,220	100.0%	2,178	Safeway Supermarket, CVS Pharmacy, 24 Hour Fitness
Gateway Centre	* San Ramon	CA	09/01/15	112,553	100.0%	2,655	SaveMart (Lucky) Supermarket, Walgreens
Iron Horse Plaza	* Danville	CA	12/04/15	61,860	93.0%	2,071	Lumardi's Market
Monterey Center	* Monterey	CA	07/14/16	25,798	92.4%	1,023	Trader Joe's, Pharmaca Pharmacy
Santa Rosa Southside Shopping Center	* Santa Rosa	CA	03/24/17	88,535	100.0%	1,678	REI, Cost Plus World Market
Monta Loma Plaza	* Mountain View	CA	09/19/17	48,078	100.0%	1,392	Safeway Supermarket
San Francisco metro area total				1,378,756	97.9%	\$ 30,142	
Sacramento metro area							
Norwood Shopping Center	* Sacramento	CA	04/06/10	85,693	92.1%	\$ 1,269	Viva Supermarket, Rite Aid Pharmacy, Citi Trends
Mills Shopping Center	* Rancho Cordova	CA	02/17/11	235,314	86.4%	2,449	Viva Supermarket, Ross Dress For Less (d/d's Discounts), Dollar Tree
Murada Ranch	* Stockton	CA	05/16/11	101,842	93.5%	2,166	Raleys Supermarket
Round Hill Square Shopping Center	* Zephyr Cove	NV	09/21/11	115,984	96.8%	1,972	Safeway Supermarket, Dollar Tree, US Postal Service
Green Valley Station	* Cameron Park	CA	06/15/12	52,245	76.7%	1,037	CVS Pharmacy
Sacramento metro area total				591,078	89.7%	\$ 8,893	
Northern California Totals				1,969,834	95.4%	\$ 39,035	

(1) ABR is equal to annualized base rent on a cash basis for all leases in-place at period end.

*Denotes properties in same center pool for 2Q 2018.

Property Portfolio, continued

Supplemental Disclosure
Quarter Ended June 30, 2018

(dollars in thousands)

Pacific Northwest	City	State	Date Acquired	Owned GLA	% Leased	ABR ⁽¹⁾	Major Tenants
Seattle metro area							
Meridian Valley Plaza	* Kent	WA	02/01/10	51,597	96.9%	\$ 621	Kroger (QFC) Supermarket
The Market at Lake Stevens	* Lake Stevens	WA	03/11/10	74,130	100.0%	1,464	Albertson's (Haggen) Supermarket
Canyon Park Shopping Center	* Bothell	WA	07/29/11	123,592	98.4%	2,370	PCC Community Markets, Rite Aid Pharmacy, Petco
Hawks Prairie Shopping Center	* Lacey	WA	09/09/11	157,529	100.0%	1,810	Safeway Supermarket, Dollar Tree, Big Lots
The Kress Building	* Seattle	WA	09/30/11	74,616	100.0%	1,862	IGA Supermarket, TJMaxx
Gateway Shopping Center	* Marysville	WA	02/16/12	104,298	90.4%	2,383	WinCo Foods ⁽²⁾ , Rite Aid Pharmacy, Ross Dress For Less
Aurora Square	* Shoreline	WA	2012/2014	108,558	100.0%	1,782	Central Supermarket, Marshall's, Pier 1
Canyon Crossing	* Puyallup	WA	04/15/13	120,398	100.0%	2,634	Safeway Supermarket
Crossroads Shopping Center	* Bellevue	WA	2010/2013	463,813	100.0%	10,504	Kroger (QFC) Supermarket, Bed Bath & Beyond, Dick's Sporting Goods
Bellevue Marketplace	* Bellevue	WA	12/10/15	113,758	100.0%	3,143	Asian Family Market
Four Corner Square	* Maple Valley	WA	12/21/15	119,560	100.0%	2,569	Grocery Outlet Supermarket, Walgreens, Johnsons Home & Garden
Bridle Trails Shopping Center	* Kirkland	WA	10/17/16	108,377	100.0%	2,234	Grocery Outlet Supermarket, Bartell Drugs, Dollar Tree
PCC Community Markets Plaza	* Edmonds	WA	01/25/17	34,459	100.0%	646	PCC Community Markets
Highland Hill Shopping Center	Tacoma	WA	05/09/17	163,926	100.0%	2,770	Safeway Supermarket, LA Fitness, Dollar Tree, Petco
North Lynnwood Shopping Center	Lynnwood	WA	10/19/17	63,606	91.3%	808	Kroger (QFC) Supermarket
Stadium Center	Tacoma	WA	02/23/18	48,888	100.0%	1,029	Thriftway Supermarket
Seattle metro area total				1,931,105	99.0%	\$ 38,629	
Portland metro area							
Vancouver Market Center	* Vancouver	WA	06/17/10	118,385	97.0%	\$ 1,370	Skyzone
Happy Valley Town Center	* Happy Valley	OR	07/14/10	138,662	99.2%	3,673	New Seasons Supermarket
Wilsonville Old Town Square	* Wilsonville	OR	2010/2012	49,937	100.0%	1,819	Kroger (Fred Meyer) Supermarket ⁽²⁾
Cascade Summit Town Square	* West Linn	OR	08/20/10	94,934	100.0%	1,719	Safeway Supermarket
Heritage Market Center	* Vancouver	WA	09/23/10	107,468	100.0%	1,754	Safeway Supermarket, Dollar Tree
Division Crossing	* Portland	OR	12/22/10	103,561	98.8%	1,225	Rite Aid Pharmacy, Ross Dress For Less, Ace Hardware
Halsey Crossing	* Gresham	OR	12/22/10	99,428	96.3%	1,295	24 Hour Fitness, Dollar Tree
Hillsboro Market Center	* Hillsboro	OR	11/23/11	156,021	100.0%	2,608	Albertson's Supermarket, Dollar Tree, Ace Hardware
Robinwood Shopping Center	* West Linn	OR	08/23/13	70,831	100.0%	1,057	Walmart Neighborhood Market
Tigard Marketplace	* Tigard	OR	02/18/14	136,889	99.3%	1,964	H-Mart Supermarket, BI-Mart Pharmacy
Wilsonville Town Center	* Wilsonville	OR	12/11/14	167,829	100.0%	2,779	Safeway Supermarket, Rite Aid Pharmacy, Dollar Tree
Tigard Promenade	* Tigard	OR	07/28/15	88,043	100.0%	1,470	Safeway Supermarket
Sunnyside Village Square	* Happy Valley	OR	07/28/15	92,278	100.0%	1,575	Grocery Outlet Supermarket, 24 Hour Fitness, Ace Hardware
Johnson Creek Center	* Happy Valley	OR	11/09/15	108,588	100.0%	2,220	Trader Joe's, Walgreens, Sportsman's Warehouse
Rose City Center	* Portland	OR	09/15/16	60,680	100.0%	820	Safeway Supermarket
Division Center	Portland	OR	04/05/17	121,904	100.0%	1,921	Grocery Outlet Supermarket, Rite Aid Pharmacy, Petco
Riverstone Marketplace	Vancouver	WA	10/11/17	95,774	98.5%	2,133	Kroger (QFC) Supermarket
King City Plaza	King City	OR	05/18/18	62,676	100.0%	974	Grocery Outlet Supermarket
Portland metro area total				1,873,888	99.4%	\$ 32,376	
Pacific Northwest Totals				3,804,993	99.2%	\$ 71,005	
TOTAL SHOPPING CENTERS				10,487,456	97.5%	\$ 209,979	

(1) ABR is equal to annualized base rent on a cash basis for all leases in-place at period end.

(2) These retailers are not tenants of ROIC.

Note: Property Portfolio excludes one shopping center that is currently under contract to be sold (slated for new multi-family development).

* Denotes properties in same center pool for 2Q2018.

Same-Center Cash Net Operating Income Analysis

Supplemental Disclosure
Quarter Ended June 30, 2018

(unaudited, dollars in thousands)

	Three Months Ended				Six Months Ended			
	06/30/18	06/30/17	\$ Change	% Change	06/30/18	06/30/17	\$ Change	% Change
Number of shopping centers included in same-center analysis ⁽¹⁾	82	82			79	79		
Same-center occupancy	97.3%	97.4%		(0.1)%	97.4%	97.5%		(0.1)%
REVENUES:								
Base rents	\$ 46,229	\$ 44,666	\$ 1,563	3.5%	\$ 89,342	\$ 86,911	\$ 2,431	2.8%
Percentage rent	91	187	(96)	(51.3)%	176	302	(126)	(41.7)%
Recoveries from tenants	15,181	14,985	196	1.3%	28,861	28,183	678	2.4%
Other property income	789	897	(108)	(12.0)%	1,089	1,655	(566)	(34.2)%
TOTAL REVENUES	62,290	60,735	1,555	2.6%	119,468	117,051	2,417	2.1%
OPERATING EXPENSES:								
Property operating expenses	\$ 10,312	\$ 9,805	\$ 507	5.2%	\$ 19,418	\$ 18,322	\$ 1,096	6.0%
Bad debt expense	276	255	21	8.2%	364	743	(379)	(51.0)%
Property taxes	7,252	7,449	(197)	(2.6)%	13,769	14,134	(365)	(2.6)%
TOTAL OPERATING EXPENSES	17,840	17,509	331	1.9%	33,551	33,199	352	1.1%
SAME-CENTER CASH NET OPERATING INCOME	\$ 44,450	\$ 43,226	\$ 1,224	2.8%	\$ 85,917	\$ 83,852	\$ 2,065	2.5%
SAME-CENTER CASH NET OPERATING INCOME RECONCILIATION								
GAAP Operating Income	\$ 23,815	\$ 21,674			\$ 51,096	\$ 44,600		
Depreciation and amortization	25,331	23,645			50,548	46,703		
General and administrative expenses	3,990	3,817			7,521	7,316		
Acquisition transaction costs	-	4			-	4		
Other expense	274	225			343	274		
Property revenues and other expenses ⁽²⁾	(4,441)	(4,311)			(9,924)	(11,201)		
TOTAL COMPANY CASH NET OPERATING INCOME	48,969	45,054			99,584	87,696		
Non Same-Center Cash NOI	(4,519)	(1,828)			(13,667)	(3,844)		
SAME-CENTER CASH NET OPERATING INCOME	\$ 44,450	\$ 43,226			\$ 85,917	\$ 83,852		

(1) Same centers are those properties which were owned for the entirety of the current and comparable prior year period.

(2) Includes straight-line rents, amortization of above and below-market lease intangibles, anchor lease termination fees net of contractual amounts, and expense and recovery adjustments related to prior periods.

Note: Analysis excludes one shopping center that is currently under contract to be sold (stated for new multi-family development).

Top Ten Tenants

Supplemental Disclosure
Quarter Ended June 30, 2018

(dollars in thousands)

Tenant	Number of Leases	Leased GLA	Percent of Total Leased GLA	ABR	Percent of Total ABR
1 Albertson's / Safeway Supermarkets	20	990,998	9.7%	\$ 12,055	5.7%
2 Kroger Supermarkets	12	511,240	5.0%	7,054	3.4%
3 Rite Aid Pharmacy	14	266,921	2.6%	3,312	1.6%
4 JP Morgan Chase	22	98,473	1.0%	3,073	1.5%
5 SaveMart Supermarkets	4	187,639	1.8%	2,813	1.3%
6 Marshall's / TJMaxx	6	178,195	1.7%	2,672	1.3%
7 Sprouts Markets	4	159,163	1.6%	2,650	1.3%
8 Ross Dress For Less / dd's Discounts	7	191,703	1.9%	2,618	1.2%
9 Trader Joe's	8	96,714	0.9%	2,522	1.2%
10 H-Mart Supermarkets	3	147,040	1.4%	2,400	1.1%
Top 10 Tenants Total	100	2,828,086	27.6%	\$ 41,169	19.6%
Other Tenants	1,897	7,407,457	72.4%	169,373	80.4%
Total Portfolio	1,997	10,235,543	100.0%	\$ 210,542	100.0%

Lease Expiration Schedule

Supplemental Disclosure
Quarter Ended June 30, 2018

(dollars in thousands)

Anchor Tenants ⁽¹⁾

	Number of Leases Expiring ⁽²⁾	Leased GLA	Percent of Total Leased GLA	Total ABR	Percent of Total ABR	ABR Per Sq. Ft.
2018	3	79,654	0.8%	\$ 992	0.5%	\$ 12.45
2019	13	407,547	4.0%	6,358	3.0%	15.60
2020	17	553,496	5.4%	6,413	3.0%	11.59
2021	15	512,511	5.0%	5,454	2.6%	10.64
2022	17	509,775	5.0%	6,441	3.1%	12.63
2023	28	926,015	9.0%	14,206	6.7%	15.34
2024	8	337,727	3.3%	4,614	2.2%	13.66
2025	10	341,785	3.3%	4,919	2.3%	14.39
2026	11	389,933	3.8%	5,242	2.5%	13.44
2027	9	231,234	2.3%	3,694	1.8%	15.98
2028+	35	1,387,250	13.6%	21,637	10.2%	15.60
	<u>166</u>	<u>5,676,927</u>	<u>55.5%</u>	<u>\$ 79,970</u>	<u>37.9%</u>	<u>\$ 14.09</u>

Non-Anchor Tenants

	Number of Leases Expiring ⁽²⁾	Leased GLA	Percent of Total Leased GLA	Total ABR	Percent of Total ABR	ABR Per Sq. Ft.
2018	115	169,539	1.7%	\$ 4,999	2.4%	\$ 29.49
2019	262	536,010	5.2%	14,907	7.1%	27.81
2020	281	646,492	6.3%	17,705	8.4%	27.39
2021	293	638,297	6.2%	18,885	9.0%	29.59
2022	273	651,249	6.4%	19,404	9.2%	29.79
2023	237	597,379	5.8%	17,609	8.4%	29.48
2024	85	287,101	2.8%	7,291	3.5%	25.39
2025	63	219,677	2.1%	6,050	2.9%	27.54
2026	61	194,637	1.9%	5,803	2.8%	29.82
2027	59	195,353	1.9%	5,722	2.7%	29.29
2028+	102	422,882	4.2%	12,197	5.7%	28.85
	<u>1,831</u>	<u>4,558,616</u>	<u>44.5%</u>	<u>\$ 130,572</u>	<u>62.1%</u>	<u>\$ 28.64</u>

All Tenants

	Number of Leases Expiring ⁽²⁾	Leased GLA	Percent of Total Leased GLA	Total ABR	Percent of Total ABR	ABR Per Sq. Ft.
2018	118	249,193	2.5%	\$ 5,991	2.9%	\$ 24.04
2019	275	943,557	9.2%	21,265	10.1%	22.54
2020	298	1,199,988	11.7%	24,118	11.4%	20.10
2021	308	1,150,808	11.2%	24,339	11.6%	21.15
2022	290	1,161,024	11.4%	25,845	12.3%	22.26
2023	265	1,523,394	14.8%	31,815	15.1%	20.88
2024	93	624,828	6.1%	11,905	5.7%	19.05
2025	73	561,462	5.4%	10,969	5.2%	19.54
2026	72	584,570	5.7%	11,045	5.3%	18.90
2027	68	426,587	4.2%	9,416	4.5%	22.07
2028+	137	1,810,132	17.8%	33,834	15.9%	18.69
	<u>1,997</u>	<u>10,235,543</u>	<u>100.0%</u>	<u>\$ 210,542</u>	<u>100.0%</u>	<u>\$ 20.57</u>

(1) Anchor tenants are leases equal to or greater than 15,000 square feet.
(2) Does not assume exercise of renewal options.

Leasing Summary

Supplemental Disclosure
Quarter Ended June 30, 2018

	For the Three Months Ended June 30, 2018			For the Six Months Ended June 30, 2018		
	Non-Anchor	Anchor	Total	Non-Anchor	Anchor	Total
New Leases						
Number of Leases	42	-	42	67	1	68
Gross Leasable Area (sq. ft.)	98,669	-	98,669	145,515	38,500	184,015
Initial Base Rent (\$/sq. ft.) ⁽¹⁾	\$ 25.25	\$ -	\$ 25.25	\$ 25.91	\$ 22.36	\$ 25.17
Tenant Improvements (\$/sq. ft.)	\$ 4.01	\$ -	\$ 4.01	\$ 4.22	\$ 3.75	\$ 4.12
Leasing Commissions (\$/sq. ft.)	\$ 2.94	\$ -	\$ 2.94	\$ 2.70	\$ -	\$ 2.13
Weighted Average Lease Term (Yrs.) ⁽²⁾	6.9	-	6.9	6.7	13.0	8.1
Renewals						
Number of Leases	54	1	55	117	6	123
Gross Leasable Area (sq. ft.)	140,976	26,098	167,074	290,939	215,131	506,070
Initial Base Rent (\$/sq. ft.) ⁽¹⁾	\$ 28.60	\$ 32.00	\$ 29.13	\$ 29.70	\$ 19.62	\$ 25.41
Tenant Improvements (\$/sq. ft.)	\$ 0.09	\$ -	\$ 0.08	\$ 0.56	\$ -	\$ 0.32
Leasing Commissions (\$/sq. ft.)	\$ 0.04	\$ -	\$ 0.03	\$ 0.17	\$ -	\$ 0.10
Weighted Average Lease Term (Yrs.) ⁽²⁾	4.7	5.0	4.7	5.1	5.0	5.1
Total						
Number of Leases	96	1	97	184	7	191
Gross Leasable Area (sq. ft.)	239,645	26,098	265,743	436,454	253,631	690,085
Initial Base Rent (\$/sq. ft.) ⁽¹⁾	\$ 27.22	\$ 32.00	\$ 27.69	\$ 28.43	\$ 20.03	\$ 25.35
Tenant Improvements (\$/sq. ft.)	\$ 1.70	\$ -	\$ 1.54	\$ 1.78	\$ 0.57	\$ 1.34
Leasing Commissions (\$/sq. ft.)	\$ 1.23	\$ -	\$ 1.11	\$ 1.01	\$ -	\$ 0.64
Weighted Average Lease Term (Yrs.) ⁽²⁾	5.6	5.0	5.5	5.7	6.2	5.9

(1) Initial Base Rent is on a cash basis and is the initial contractual monthly rent, annualized.

(2) Does not assume exercise of renewal options.

Same-Space Comparative Leasing Summary

Supplemental Disclosure
Quarter Ended June 30, 2018

	For the Three Months Ended June 30, 2018			For the Six Months Ended June 30, 2018		
	Non-Anchor	Anchor	Total	Non-Anchor	Anchor	Total
New Leases						
Comparative # of Leases	25	-	25	44	1	45
Comparative GLA (sq. ft.) ⁽¹⁾	63,734	-	63,734	99,689	38,500	138,189
Prior Base Rent (\$/sq. ft.) ⁽²⁾	\$ 23.34	\$ -	\$ 23.34	\$ 24.35	\$ 15.45	\$ 21.87
Initial Base Rent (\$/sq. ft.)	\$ 28.11	\$ -	\$ 28.11	\$ 28.06	\$ 22.36	\$ 26.47
Percentage Change in Base Rents	20.4%	-	20.4%	15.2%	44.7%	21.0%
Tenant Improvements (\$/sq. ft.)	\$ 3.69	\$ -	\$ 3.69	\$ 3.01	\$ 3.75	\$ 3.22
Leasing Commissions (\$/sq. ft.)	\$ 3.20	\$ -	\$ 3.20	\$ 3.00	\$ -	\$ 2.17
Weighted Average Lease Term (Yrs.) ⁽³⁾	8.3	-	8.3	7.6	13.0	9.1
Renewals						
Comparative # of Leases	54	1	55	117	6	123
Comparative GLA (sq. ft.)	140,976	26,098	167,074	290,939	215,131	506,070
Prior Base Rent (\$/sq. ft.) ⁽²⁾	\$ 26.24	\$ 31.64	\$ 27.08	\$ 27.15	\$ 18.64	\$ 23.53
Initial Base Rent (\$/sq. ft.)	\$ 28.60	\$ 32.00	\$ 29.13	\$ 29.70	\$ 19.62	\$ 25.41
Percentage Change in Base Rents	9.0%	1.1%	7.6%	9.4%	5.2%	8.0%
Tenant Improvements (\$/sq. ft.)	\$ 0.09	\$ -	\$ 0.08	\$ 0.56	\$ -	\$ 0.32
Leasing Commissions (\$/sq. ft.)	\$ 0.04	\$ -	\$ 0.03	\$ 0.17	\$ -	\$ 0.10
Weighted Average Lease Term (Yrs.) ⁽³⁾	4.7	5.0	4.7	5.1	5.0	5.1
Total						
Comparative # of Leases	79	1	80	161	7	168
Comparative GLA (sq. ft.) ⁽¹⁾	204,710	26,098	230,808	390,628	253,631	644,259
Prior Base Rent (\$/sq. ft.) ⁽²⁾	\$ 25.33	\$ 31.64	\$ 26.05	\$ 26.43	\$ 18.16	\$ 23.17
Initial Base Rent (\$/sq. ft.)	\$ 28.45	\$ 32.00	\$ 28.85	\$ 29.28	\$ 20.03	\$ 25.64
Percentage Change in Base Rents	12.3%	1.1%	10.7%	10.8%	10.3%	10.6%
Tenant Improvements (\$/sq. ft.)	\$ 1.21	\$ -	\$ 1.08	\$ 1.19	\$ 0.57	\$ 0.94
Leasing Commissions (\$/sq. ft.)	\$ 1.02	\$ -	\$ 0.91	\$ 0.89	\$ -	\$ 0.54
Weighted Average Lease Term (Yrs.) ⁽³⁾	5.8	5.0	5.7	5.7	6.2	5.9

(1) Comparative GLA includes spaces that were vacant for less than 12 months, excluding spaces that were not leased at the time of acquisition.

(2) Prior Base Rent is on a cash basis and is the final monthly rent paid, annualized, for the prior tenant or the prior lease that was renewed.

(3) Does not assume exercise of renewal options.

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Baird Equity Research	RJ Milligan	813.273.8252
Bank of America Merrill Lynch	Craig Schmidt	646.855.3640
BTIG	Michael Gorman	212.738.6138
Capital One Securities, Inc.	Chris Lucas	571.633.8151
Citi	Michael Bilerman	212.816.1383
	Christy McElroy	212.816.6981
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RBC Capital Markets	Wes Golladay	440.715.2650
Wells Fargo	Jeff Donnelly	617.603.4262

Fixed Income Research Coverage

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Ratings Agency Coverage

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