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Developers Diversified Realty Announces \$600 Million Sale of Assets and Authorization of \$500 Million Common Share Repurchase Program

Cleveland, OH – June 28, 2007 – Developers Diversified (NYSE: DDR), the leading owner, manager and developer of market-dominant shopping centers in the U.S., today announced it has reached an agreement to sell 63 non-core retail assets (“the Portfolio”) for \$603 million, which equates to a weighted average cap rate of 7.25%. The Company also announced its Board of Directors has authorized a common share repurchase program.

Non-Core Asset Sale

Approximately seventy percent of the Portfolio’s value is comprised of 42 assets formerly held in Developers Diversified’s portfolio and 30% of the value is comprised of 21 assets recently acquired from Inland Retail Real Estate Trust, Inc. (“IRRETI”). The properties in the Portfolio have an average size of approximately 100,000 square feet and are located throughout 15 states, with major concentrations in New York, Florida, North Carolina, Ohio and Virginia. The Portfolio, which is 93% leased and aggregates 5.7 million square feet, includes major tenants such as Tops, Bi-Lo, Food Lion, Publix, Staples and Dollar Tree. A list of the properties comprising the Portfolio is attached.

Scott A. Wolstein, Developers Diversified’s Chairman and Chief Executive Officer commented, “The sale of these assets is consistent with our strategy of disposing of assets that no longer fit our investment profile or no longer offer growth consistent with our core portfolio. Consistent with our original financing plans, this strategic disposition, coupled with the recent formation of DDR Domestic Retail Fund I, has enabled us to repay over \$1.5 billion of bridge financing associated with the IRRETI acquisition and significantly strengthens our financial position.”

Daniel B. Hurwitz, Developers Diversified’s President and Chief Operating Officer added, “As a result of this asset sale, a greater proportion of our portfolio is comprised of market dominant centers with prime locations throughout the U.S. We continue to actively manage our portfolio to assure that it is positioned to generate superior earnings and asset value growth, and to maximize operating efficiencies within our portfolio.”

Developers Diversified today closed on the sale of 52 of the portfolio assets for approximately \$449 million and anticipates it will close on the remaining 11 portfolio assets within the near future, subject to the assumption of debt and customary closing conditions. A gain of approximately \$20 million will be reflected in net income during the second and third quarters of 2007, but will not be reflected in FFO.

Lehman Brothers acted as exclusive financial advisor to Developers Diversified in connection with the asset sales.

Common Share Repurchase Program

Developers Diversified's Board of Directors authorized a common share repurchase program as part of the Company's ongoing investment strategy to allocate capital to opportunities with the best reward and risk profiles. Under the terms of the program authorized by the Board, the Company may purchase up to a maximum value of \$500 million of its common shares during the next two years. Stock repurchases may be made in the open market as well as through privately negotiated transactions. The timing, manner and amount of repurchases, if any, will be based on Developers Diversified's evaluation of market conditions, applicable legal requirements and other factors.

"We are pleased to have a share repurchase program in place, as it provides us an additional way to invest capital in order to create value for our shareholders. Share repurchase represents one of many investment alternatives, and we believe that we have used it prudently and successfully in the past, having repurchased approximately \$200 million of stock and operating partnership units at an average price under \$17.00 from 1999 to 2000," said Mr. Wolstein.

David Oakes, Developers Diversified's Executive Vice President of Finance and Chief Investment Officer, commented, "We regularly review a broad spectrum of investment options in order to identify the most attractive investment and sale opportunities. Given the current pricing of assets in the private market versus public market, we believe it is an appropriate time to dispose of certain assets and position ourselves with a strong balance sheet. We believe the proceeds from the current portfolio sale and likely future dispositions can be accretively deployed into our large development pipeline, share repurchase or potential acquisition opportunities."

Developers Diversified

Developers Diversified owns and manages approximately 740 retail operating and development properties in 45 states, plus Puerto Rico and Brazil, totaling approximately 155 million square feet. The Company is a self-administered and self-managed real estate investment trust (REIT) operating as a fully integrated real estate company which acquires, develops and leases shopping centers. Additional information about Developers Diversified is available on the Internet at <http://www.ddr.com>.

Developers Diversified considers portions of this information to be forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21 E of the Securities Exchange Act of 1934, both as amended, with respect to the Company's expectation for future periods. Although the Company believes that the expectations reflected in such forward-looking statements are based upon reasonable assumptions, it can give no assurance that its expectations will be achieved. For this purpose, any statements contained herein that are not historical fact may be deemed to be forward-looking statements. There are a number of important factors that could cause the results of the Company to differ materially from those indicated by such forward-looking statements, including, among other factors, local conditions such as oversupply of space or a reduction in demand for real estate in the area, competition from other available space, dependence on rental income from real property, the loss of a major tenant, constructing properties or expansions that produce a desired yield on investment or inability to

enter into definitive agreements with regard to our financing arrangements or our failure to satisfy conditions to the completion of these arrangements. For more details on the risk factors, please refer to the Company's Form on 10-K as of December 31, 2006.

	Property Name	City	State	Anchor Tenant	GLA (owned sf)
1	Alamosa Plaza	Alamosa	CO	City Market Grocery	19,875
2	Columbia Promenade	Kissimmee	FL	Publix Supermarket	65,883
3	Lakeview Plaza	Kissimmee	FL	Publix Supermarket	54,788
4	The Crossroads	Marianna	FL	Sallie Mae, Beall's	63,894
5	Lake Olympia Square	Ocoee	FL	Winn Dixie	89,206
6	Bridgewater Marketplace	Orlando	FL	Winn Dixie	57,960
7	Horizon Park	Tampa	FL	Babies R Us, Northern Tool	215,817
8	Pointe at Tampa Palms	Tampa	FL	Unanchored	20,318
9	Pasco Square	West Pasco	FL	Beall's, Beall's Outlet	135,421
10	Merchants Square	Zephyrhills	FL	Sweetbay, Beall's	74,837
11	Acworth Avenue	Acworth	GA	Unanchored	16,130
12	Shoppes of Augusta	Augusta	GA	Unanchored	21,000
13	Lafayette Center	Lafayette	GA	Farmers Home Furniture	78,422
14	Beacon Heights	Madison	GA	Fred's	105,849
15	Freeway Junction	Stockbridge	GA	Northern Tool, Goodwill	162,778
16	Stockbridge Plaza	Stockbridge	GA	Pike's Aquatic Center	10,800
		Warner			
17	Houston Square	Robins	GA	Publix Supermarket	60,799
18	Decatur Marketplace	Decatur	IL	Wal-Mart Supercenter	22,775
19	Turfway Shopping Center	Florence	KY	Party Town, Office Depot	133,985
20	Eastwood Shopping Center	Frankfort	KY	Sears	155,104
21	Keller Plaza	St. Louis	MO	Sam's Club	52,842
22	Metro Station	Jackson	MS	Office Depot	52,617
23	Cross Creek Shopping Center	Saltillo	MS	Home Depot	65,269
24	Bi-Lo Asheville	Candler	NC	Bi-Lo	54,319
25	Shoppes at CitiSide	Charlotte	NC	Bi-Lo	75,485
26	Concord Crossing	Concord	NC	Bi-Lo	55,930
27	Redbud Commons	Gastonia	NC	Bi-Lo	63,937
28	Eastridge Crossing	Hendersonville	NC	Epic Theatres	159,429
29	Forestdale Plaza	Jamestown	NC	Food Lion	53,239
30	Monroe Shopping Center	Monroe	NC	Bi-Lo	45,080
31	Mooresville Marketplace	Mooresville	NC	Bi-Lo	60,169
32	Family Place at Las Vegas	Las Vegas	NV	99 Cents Only	27,300
33	Boulevard Place	Amherst	NY	Unanchored	16,549
34	University Plaza	Amherst	NY	Tops	162,879
35	Tops Plaza	Canandaigua	NY	Tops	57,498

36	Tops-Staples Plaza	Cortland	NY	Tops	134,223
37	D&L Plaza	Depew	NY	Tops	148,245
38	Chuck E. Cheese's	Dewitt	NY	Chuck E. Cheese's	11,300
39	Hamburg Village Square	Hamburg	NY	Dollar Tree, Rite Aid	92,717
40	Hen-Jef Plaza	Henrietta	NY	CompUSA, Steve and Barry's	159,517
41	Henrietta Plaza	Henrietta	NY	Tops	245,426
42	Ridgeview Place	Irondequoit	NY	Unanchored	64,732
43	Southside Plaza	Jamestown	NY	Quality Markets	63,140
44	Pine Plaza	Niagara Falls	NY	OfficeMax	83,273
45	Wegmans Plaza	Niagara Falls	NY	Wegmans	122,876
46	Bear Road Plaza	Syracuse	NY	Harbor Freight Tools	59,483
47	Thompson Square Mall	Thompson	NY	Home Depot	240,135
48	Del-Ton Plaza	Tonawanda	NY	Valu Home Centers, Rite Aid	55,473
49	Hannaford Plaza	Utica	NY	Hannaford	156,047
50	Tops Plaza	Ashtabula	OH	Tops	57,874
51	South Main Street Plaza	Bellefontaine	OH	Goody's, Staples	52,399
52	Consumer Square	Columbus	OH	Target, Kroger	356,515
53	CVS Center	Pataskala	OH	Unanchored	33,270
54	Shoppes at Turnberry	Pickerington	OH	Unanchored	59,495
55	Tops Plaza	Erie	PA	Tops	106,331
56	North Aiken Bi-Lo Center	Aiken	SC	Bi-Lo	59,204
57	Cedar Springs Crossing	Spartanburg	SC	Bi-Lo	86,570
58	Squirewood Village	Dandridge	TN	Food City	46,122
59	Kensington Place	Murfreesboro	TN	Bi-Lo	70,607
60	Candlers Station	Lynchburg	VA	Goody's	275,765
61	Fairview Square	Lynchburg	VA	Food Lion	85,209
62	Genito Crossing	Midlothian	VA	Food Lion	79,407
63	Memorial Square	Pulaski	VA	Wal-Mart	143,299
