Developers Diversified / Inland Retail Real Estate Trust, Inc.

Acquisition Overview

October 23, 2006

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Safe Harbor Statement

Developers Diversified considers portions of this information to be "forward-looking" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements other than statements of historical facts included in this press release are forward-looking statements. All forward-looking statements speak only as of the date of this press release. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance, achievements or transactions of Developers Diversified, IRRETI and their affiliates or industry results or the benefits of the proposed merger to be materially different from any future results, performance, achievements or transactions expressed or implied by such forward-looking statements. Such risks, uncertainties and other factors relate to, among others, approval of the transaction by the shareholders of IRRETI, the satisfaction of closing conditions to the transaction, difficulties encountered in integrating the companies, the marketing and sale of non-core assets, and the effects of general and local economic and real estate conditions. Additional information or factors which could impact the companies and the forward-looking statements contained herein are included in each company's filings with the Securities and Exchange Commission. The companies assume no obligation to update or supplement forward-looking statements that become untrue because of subsequent events. to be forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, both as amended, with respect to the Company's expectation for future periods. Although the Company believes that the expectations reflected in such forward-looking statements are based upon reasonable assumptions, it can give no assurance that its expectations will be achieved. For this purpose, any statements contained herein that are not historical fact may be deemed to be forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance, achievements or transactions of Developers Diversified, IRRETI and their affiliates or industry results or the benefits of the proposed merger to be materially different from any future results, performance, achievements or transactions expressed or implied by such forward-looking statements. Such risks, uncertainties and other factors relate to, among others, approval of the transaction by the shareholders of IRRETI, the satisfaction of closing conditions to the transaction, difficulties encountered in integrating the companies, the marketing and sale of non-core assets, and the effects of general and local economic and real estate conditions. Additional information or factors which could impact the companies and the forward-looking statements contained herein are included in each company's filings with the Securities and Exchange Commission. The companies assume no obligation to update or supplement forward-looking statements that become untrue because of subsequent events. For more details on the risk factors, please refer to the Company's Form on 10-K as of December 31, 2005.

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Chesterfield Crossings
Richmond, VA



Hillsboro Square
Miami, FL



Meadowmont Village Center
Chapel Hill, NC

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Pleasant Hill Shopping Center
Atlanta, GA



Sarasota Pavilion
Sarasota, FL



Turkey Creek Shopping Center
Knoxville, TN

Transaction Overview

Acquisition of Inland Retail Real Estate Trust, Inc. ("IRRETI")

Key Transaction Terms

- $6.2 billion
- Offer price: $14.00 per share
- Up to $4.00 per share in Developers Diversified stock
  (at Developers Diversified's option)
- Break-up fee: $80 million, payable if a topping bid is accepted
- Existing debt: $2.3 billion *(primarily fixed rate mortgages, substantial amount to be pre-paid upon closing)*

Timing

- Anticipated closing: 1Q07
- Subject to 2/3 approval by IRRETI shareholders

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Transaction Overview

Acquisition Highlights

- Acquire high quality institutional retail portfolio
- Large portfolio of community centers enhances Developers Diversified's position as nation's leading owner of market-dominant community centers
- Compelling population growth demographics due to Southeast U.S. geographic concentration
- Dominant tenants in key retail categories in the Southeast
- Value-add opportunities include proactive asset management through the Developers Diversified platform

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Transaction Overview

Institutional Joint Venture

Portfolio

- $3.0 billion
- 67 properties (23.5 msf total GLA)
- Stabilized community center assets

Structure

- Developers Diversified Equity Contribution: 15%
- Target Leverage: 60% LTV
- Investment Horizon: Long term, closed end
- One time Fee: Acquisition (0.25% of gross asset value)
- Ongoing Fees: Asset management (0.25% of equity), property management (4% EGR), development/tenant construction (5% of total construction costs, excl. land), leasing commissions (market rates)
- Promote: 20% over 10% leveraged IRR hurdle

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Transaction Overview

Sources and Uses

Uses	**$Billions**
Purchase of IRRETI Shares	$3.7
Anticipated Prepayment of Secured Existing Indebtedness	1.8
Anticipated Assumption of Existing Secured Debt and Other Liabilities (1)	0.7
	$6.2

Sources	
New Debt Financing (Bridge / Secured / Unsecured)	$2.7
Assumption of Existing Secured Debt and Other Liabilities (1)	0.7
Institutional Partner Equity	1.1
Developers Diversified Common Share Issuance (2)	1.0
Developers Diversified Capital (Credit Facilities, Cash, etc.)	0.7
	$6.2

Note: Figures as of 6/30/06 IRRETI balance sheet.
(1) Other Liabilities includes transaction expenses.
(2) Developers Diversified may issue equity up to $4.00 per share of the $14.00 per share price in common stock consideration.

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IRRETI Portfolio Overview

High Quality Shopping Centers

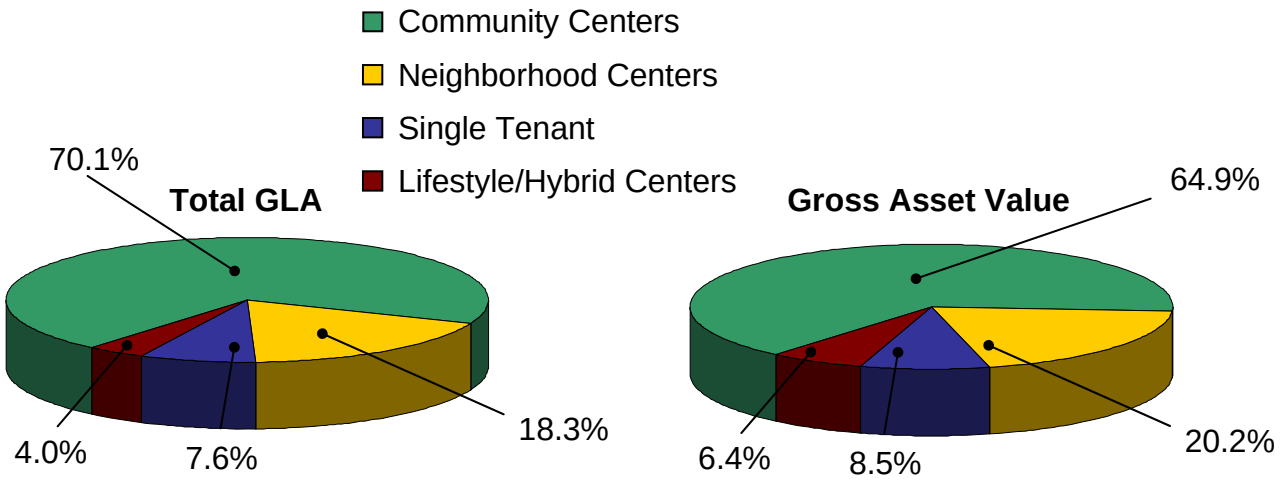
- 307 properties (43.6 msf total GLA)
  - Primarily market-dominant community centers
  - Includes numerous Publix-anchored neighborhood centers
- National presence with Southeast U.S. geographic focus
  - Asset concentrations in high-growth markets in the Southeast
  - Key markets include Atlanta, Charlotte, Miami and Orlando
- Well-leased portfolio (currently 95% occupied)
- Excellent physical condition; average property age ~7 years

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IRRETI Operating Portfolio by Asset Type

Quality Assets, Tenants and Locations

	Number of Properties	Total GLA (MSF)	% of Total	Total Value ($B)	% of Total
Community Centers	116	30.6	70.1%	$3.8	64.9%
Neighborhood Centers	97	8.0	18.3%	$1.2	20.2%
Single Tenant	91	3.3	7.6%	$0.5	8.5%
Lifestyle/Hybrid Centers	3	1.7	4.0%	$0.4	6.4%
Total Portfolio	307	43.6	100.0%	$5.9	100.0%



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IRRETI Portfolio Overview

Compelling population growth demographics in Southeast markets

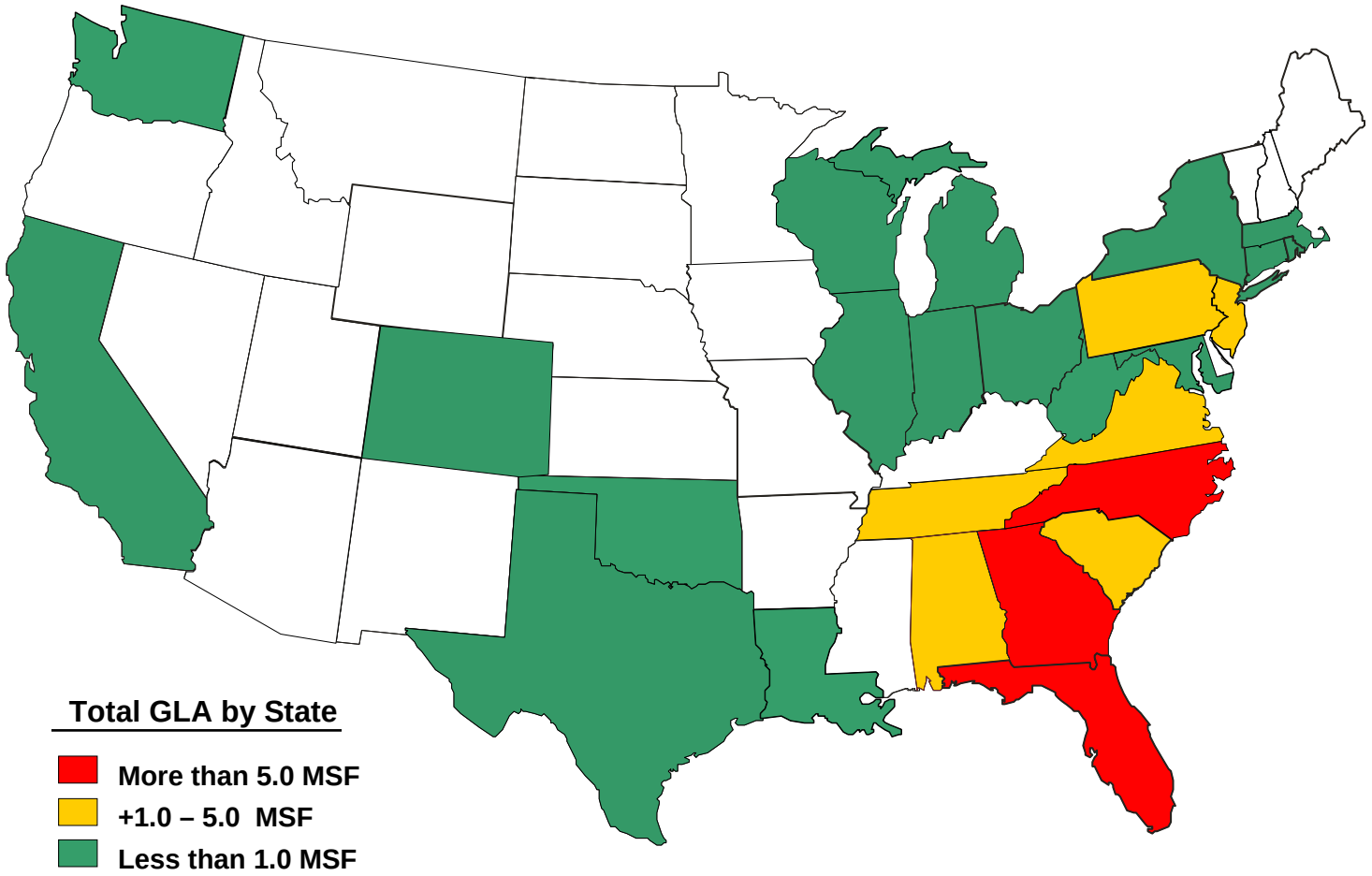
	State	# of Properties	Total GLA (MSF)	% Total GLA	2006-2011 Growth in Population
1.	Georgia	53	11.2	25.7%	8.3%
2.	Florida	68	8.7	19.9%	9.7%
3.	North Carolina	41	6.6	15.1%	6.7%
4.	South Carolina	25	2.7	6.2%	5.3%
5.	Virginia	14	2.5	5.7%	6.0%
6.	Tennessee	11	1.9	4.4%	4.3%
7.	Alabama	7	1.8	4.0%	2.4%
8.	Pennsylvania	18	1.7	4.0%	1.3%
9.	New Jersey	8	1.1	2.6%	3.6%
10.	Ohio	6	0.9	2.1%	1.1%
	Subtotal – Top 10 States	251	39.1	89.7%	6.9%(1)
	Other States	56	4.5	10.3%	
	Total Portfolio	307	43.6	100.0%	

(1) U.S. average is 4.8%.

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IRRETI Portfolio Overview

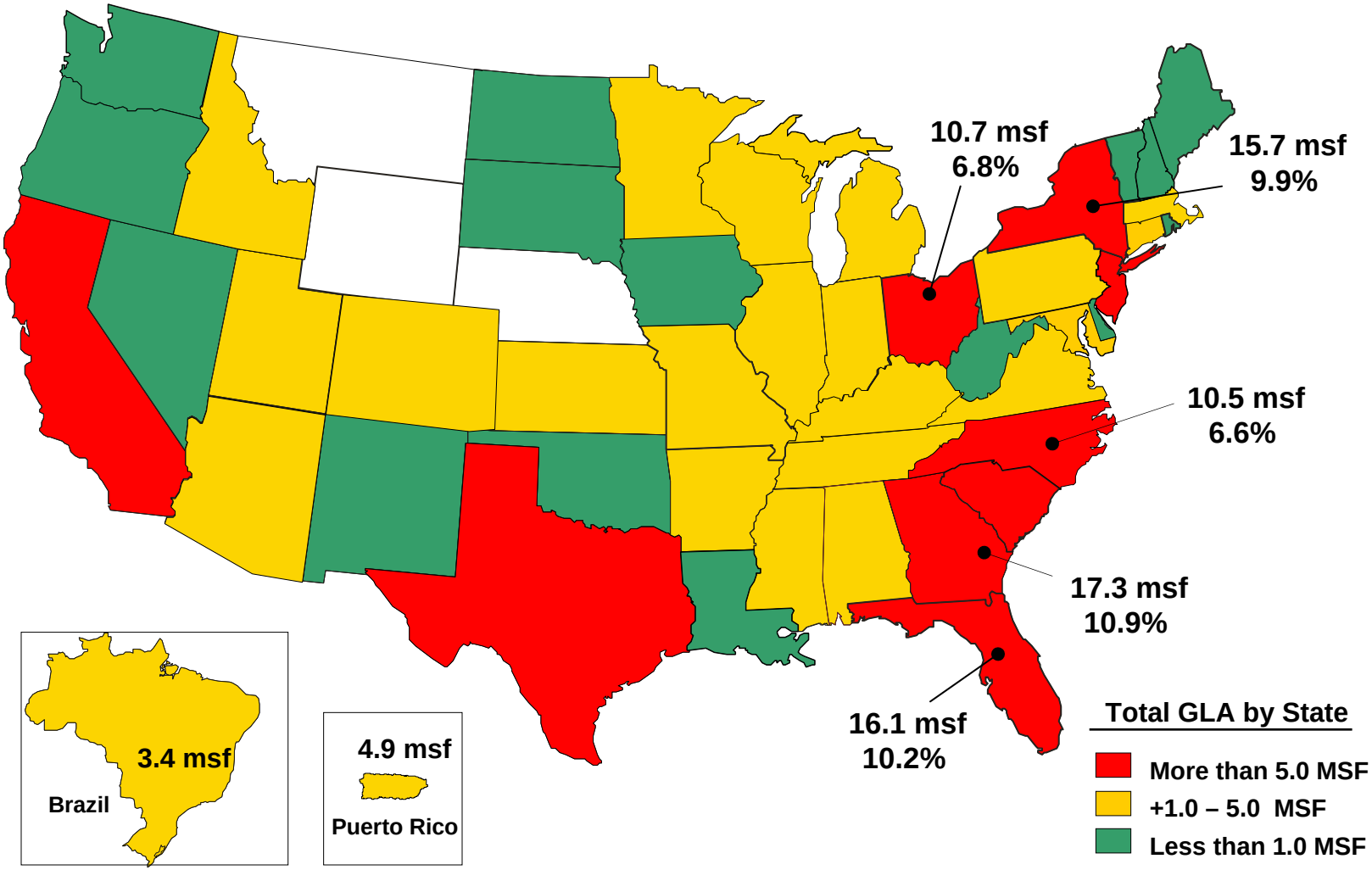
Significant concentration in high-growth Southeast markets



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Developers Diversified Portfolio–Post Merger

Over 800 shopping centers comprising 162 msf, located in 45 states plus Puerto Rico and Brazil



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IRRETI Portfolio Top Tenants by Total GLA

Expands relationships with our core tenants

	Total Units	Total GLA (millions)	Owned Units	Owned GLA (millions)	Unowned Units	Unowned GLA (millions)
Target	27	3.7	0	0.0	27	3.7
Wal-Mart / Sam's Club	19	3.5	10	1.8	9	1.7
Publix	53	2.4	52	2.4	1	0.0
Lowe's Home Imp.	13	1.5	8	0.9	5	0.6
Kroger	24	1.3	23	1.3	1	0.1
Home Depot	12	1.3	5	0.5	7	0.8
Kohl's	10	0.9	9	0.8	1	0.1
The TJX Companies	25	0.8	25	0.8	0	0.0
Circuit City	23	0.8	23	0.8	0	0.0
Ross Dress for Less	25	0.7	25	0.7	0	0.0
Total Top 10 Tenants		**16.8**		**9.8**		**7.0**

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Developers Diversified Portfolio – Post Merger

Largest Tenants by Total GLA

	Total Units	Total GLA (millions)	Owned Units	Owned GLA (millions)	Unowned Units	Unowned GLA (millions)
Wal-Mart / Sam's Club	114	17.8	54	7.7	60	10.0
Target	64	8.3	10	1.3	54	7.1
Lowe's Home Imp.	43	5.4	23	2.8	20	2.6
Home Depot	44	4.6	17	1.6	27	3.1
Kohl's	41	3.5	37	3.2	4	0.3
The TJX Companies	96	3.1	96	3.1	0	0.0
Mervyns	40	3.1	39	3.0	1	0.1
Kmart / Sears	27	2.7	25	2.4	2	0.4
Publix	59	2.7	58	2.7	1	0.0
Tops Markets	40	2.5	39	2.4	1	0.1
Total Top 10 Tenants		**53.8**		**30.1**		**23.7**

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Developers Diversified Portfolio – Post Merger

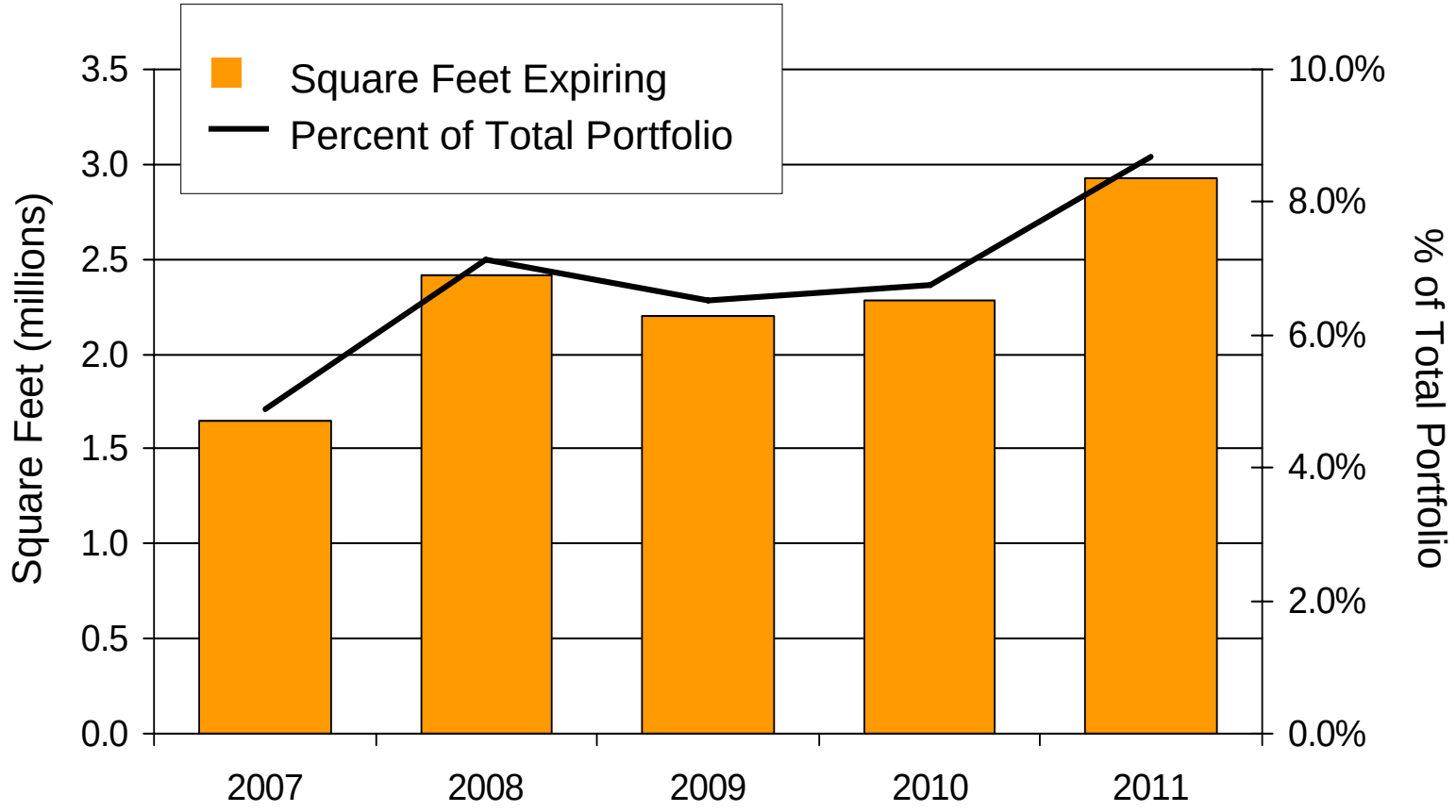
Largest Tenants by Pro Rata Rents

	Owned Units	Total Base Rent ($m)	% of Total Rent
Wal-Mart / Sam's Club	54	$41.4	4.1%
Publix	58	21.9	2.1%
PETsMART	101	19.7	1.9%
The TJX Companies	96	18.5	1.8%
Tops Markets	39	17.0	1.7%
Mervyns	39	17.0	1.7%
Lowe's Home Imp.	23	15.5	1.5%
Circuit City	42	15.2	1.5%
Kohl's	37	14.5	1.4%
Bed Bath & Beyond	55	14.3	1.4%
Top Ten Tenants		**$194.9**	**19.1%**
Total Portfolio		**$1,021.4**	**100.0%**

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IRRETI Portfolio - Lease Expiration Schedule

34% of GLA expires within five years



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IRRETI Portfolio Overview

Additional Opportunities to Create Value

- **Developments in Process**
  - 5 projects
  - Total project costs: $170 million
  - Total GLA: 717,000
- **Numerous potential expansion/redevelopment opportunities**
- **Immediate implementation of Developers Diversified's proactive asset management platform**
  - Leasing
  - Ancillary income
  - Property management
  - Development
  - Expansion/Redevelopment

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Individual Property Highlights

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Fayette Pavilion
Atlanta, GA

Owned GLA: 1,192,266
Year Built: 1995 / 2002 / 2003
Description: Georgia's largest outdoor shopping center.

KEY TENANTS	
Wal-Mart	Marshalls
Kohl's	Publix
Goody's	Sports Authority
T.J. Maxx	Seasonal Concepts
Toys 'R Us	Belk
Best Buy	Cost Plus
Ross Dress for Less	Old Navy
PETsMART	

DEMOGRAPHICS

	POPULATION	HOUSEHOLDS	AVG. HH. INCOME
5 MILES	**91,844**	**32,241**	**$70,894**
7 MILES	**175,670**	**60,988**	**$67,595**
10 MILES	**347,253**	**121,920**	**$67,342**

Source: www.claritas.com

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Birkdale Village
Charlotte, NC

Owned GLA:	**303,469**
Residential Units:	**320**
Year Built:	**2002 / 2003**
Description:	**Lifestyle center with office and multifamily components.**

KEY TENANTS

Banana Republic	Liz Claiborne
Barnes & Noble	Regal Cinemas
Chico's	Sharper Image
Dick's	Talbots
GAP	White House | Black Market
Kirkland's	Williams-Sonoma
Jones New York	

DEMOGRAPHICS

	POPULATION	HOUSEHOLDS	AVG. HH. INCOME
5 MILES	**66,007**	**25,192**	**$110,297**
7 MILES	**88,312**	**33,615**	**$106,628**
10 MILES	**190,823**	**72,572**	**$95,282**

Source: www.claritas.com

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Waterfront Market
Pittsburgh, PA

Owned GLA: 719,162

Year Built: 2003

Description: Hybrid community / lifestyle center on the Monongahela River. Regional destination for shopping, dining and nightlife.

KEY TENANTS

Target	Filene's Basement
Abercrombie & Fitch	Loew's Cinemas
American Eagle	Marshalls
Ann Taylor LOFT	Michaels
Barnes & Noble	Office Depot
Bed, Bath & Beyond	Petco
Best Buy	Pier 1
Dave & Buster's	TJ Maxx
Dick's	Victoria's Secret

DEMOGRAPHICS

	POPULATION	HOUSEHOLDS	AVG. HH. INCOME
5 MILES	**371,019**	**162,639**	**$50,039**
7 MILES	**599,283**	**263,135**	**$53,354**
10 MILES	**882,997**	**382,966**	**$57,823**

Source: www.claritas.com

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Marketplace at Mill Creek
Atlanta, GA

Owned GLA: 403,106
Year Built: 2003
Description: Recently developed community center located adjacent to Mall of Georgia in prime retail corridor.

KEY TENANTS

Toys R Us	Marshalls
Borders	Michaels
Cost Plus	Office Max
DSW	PetSmart
Linens 'N Things	Ross Dress for Less

DEMOGRAPHICS

	POPULATION	HOUSEHOLDS	AVG. HH. INCOME
5 MILES	116,067	37,296	$89,472
7 MILES	208,252	67,814	$90,045
10 MILES	372,164	123,215	$87,241

Source: www.claritas.com

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Sycamore Commons
Charlotte, NC

Owned GLA: 265,535
Year Built: 2002 / 2004
Description: Recently developed community center located in affluent suburb of Charlotte.

KEY TENANTS	
Costco	Lowe's
Bed, Bath & Beyond	Men's Wearhouse
Circuit City	Michaels
Dick's	Old Navy

DEMOGRAPHICS

	POPULATION	HOUSEHOLDS	AVG. HH. INCOME
5 MILES	**125,299**	**48,084**	**$81,457**
7 MILES	**236,248**	**92,704**	**$83,950**
10 MILES	**461,874**	**184,132**	**$85,969**

Source: www.claritas.com

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Additional Information and Where to Find It

This press release does not constitute an offer of any securities for sale. In connection with the proposed transaction, Developers Diversified and IRRETI expect to file a proxy statement/ prospectus as part of a registration statement regarding the proposed merger with the Securities and Exchange Commission. Investors and security holders are urged to read the proxy statement/prospectus because it will contain important information about Developers Diversified and IRRETI and the proposed merger. Investors and security holders may obtain a free copy of the definitive proxy statement/prospectus and other documents filed by Developers Diversified and IRRETI with the SEC at the SEC's website at www.sec.gov. The definitive proxy statement/prospectus and other relevant documents may also be obtained free of charge from Developers Diversified and IRRETI by directing such request to: Developers Diversified Realty Corporation, Attention: Investor Relations, 3300 Enterprise Parkway, Beachwood, Ohio 44122 or Inland Retail Real Estate Trust, Inc., Attention: Investor Relations, 2901 Butterfield Road, Oak Brook, IL 60523. Investors and security holders are urged to read the proxy statement, prospectus and other relevant material when they become available before making any voting or investment decisions with respect to the merger.

Developers Diversified and IRRETI and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from the shareholders of IRRETI in connection with the merger. Information about Developers Diversified and its directors and executive officers, and their ownership of IRRETI securities, is set forth in the proxy statement for the 2006 Annual Meeting of Stockholders of Developers Diversified, which was filed with the SEC on April 3, 2006. Information about IRRETI and its directors and executive officers, and their ownership of IRRETI securities, is set forth in the proxy statement for the 2006 Annual Meeting of Stockholders of IRRETI, which was filed with the SEC on October 14, 2006. Additional information regarding the interests of those persons may be obtained by reading the proxy statement/prospectus when it becomes available. As a result of this transaction, IRRETI does not intend to hold an annual stockholder meeting and instead will hold a special meeting to vote on the proposed merger.

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