

INLAND REAL ESTATE CORP  
Form 424B5  
May 11, 2009

Filed Pursuant to Rule 424(b)(5)  
Registration No. 333-158800

**The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities nor do they seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.**

**Subject to Completion, dated May 11, 2009**

**PROSPECTUS SUPPLEMENT**

(To prospectus dated April 24, 2009)

**14,000,000 Shares**  
**Inland Real Estate Corporation**  
**Common Stock**

We are offering 14,000,000 shares of our common stock, par value \$0.01 per share. All of the shares of common stock offered pursuant to this prospectus supplement are being offered by us.

Our common stock is listed on the New York Stock Exchange under the symbol "IRC." On May 8, 2009, the last reported sale price of our common stock on the New York Stock Exchange was \$8.03 per share.

To preserve our status as a real estate investment trust for U.S. federal income tax purposes, we impose certain restrictions on the ownership of our common stock. See "Description of Capital Stock Restrictions on Transfer, Acquisition and Redemption of Shares of Capital Stock" in the accompanying prospectus.

**Investing in our common stock involves risks. See "Risk Factors" beginning on page S-5 of this prospectus supplement and in the documents we incorporate by reference, including our Annual Report on Form 10-K for the year ended December 31, 2008.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

	Per Share	Total
Public Offering Price	\$	\$
Underwriting Discount	\$	\$
Proceeds to Inland Real Estate Corporation from this offering (before expenses)	\$	\$

We have granted the underwriters an option to purchase up to 2,100,000 additional shares of common stock at the public offering price, less the underwriting discount, within 30 days from the date of this prospectus supplement to cover over-allotments.

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The underwriters expect to deliver the shares of common stock to purchasers on or about May , 2009. The underwriters are offering the common stock as set forth under "Underwriting."

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*Joint Book-Running Managers*

**Merrill Lynch & Co.**

**Wachovia Securities**

*Co-Lead Managers*

**BMO Capital Markets**

**KeyBanc Capital Markets**

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The date of this prospectus supplement is May , 2009

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You should rely only on the information contained in, or incorporated by reference in, this prospectus supplement and the accompanying prospectus. We have not authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information contained in this prospectus supplement or the accompanying prospectus is accurate as of any date other than the date on the front of this prospectus supplement or the accompanying prospectus.

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Unless we have indicated, or the context otherwise requires, references in this prospectus supplement to "the Company," "we," "us," "our," or similar terms are to Inland Real Estate Corporation and its subsidiaries.

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**ABOUT THIS PROSPECTUS SUPPLEMENT**

You should read this prospectus supplement along with the accompanying prospectus, as well as the information incorporated by reference herein and therein, carefully before you invest in our common stock. These documents contain important information you should consider before making your investment decision. Generally, when we refer to this "prospectus," we are referring to the prospectus supplement and the prospectus. This prospectus supplement and the accompanying prospectus contain the terms of this offering of common stock. The accompanying prospectus contains information about our securities generally, some of which does not apply to the common stock covered by this prospectus supplement. This prospectus supplement may add, update or change information contained in or incorporated by reference in the accompanying prospectus. If the information in this prospectus supplement is inconsistent with any information contained in or incorporated by reference in the accompanying prospectus, the information in this prospectus supplement will apply and will supersede the inconsistent information contained in or incorporated by reference in the accompanying prospectus.

**FORWARD-LOOKING STATEMENTS**

This prospectus supplement and the accompanying prospectus and the documents incorporated by reference herein and therein, including our Annual Report on Form 10-K for the year ended December 31, 2008, contain forward-looking statements. Forward-looking statements are statements that are not historical, including statements regarding management's intentions, beliefs, expectations, representations, plans or predictions of the future and are typically identified by words such as "believe," "expect," "anticipate," "intend," "estimate," "may," "will," "should" and "could." We intend that such forward-looking statements be subject to the safe harbors created by Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. There are numerous risks and uncertainties that could cause actual results to differ materially from those set forth in the forward-looking statements. See "Risk Factors" beginning on page S-5 of this prospectus supplement and in our Annual Report on Form 10-K for the year ended December 31, 2008 for a more complete discussion of these risks and uncertainties.

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**SUMMARY**

This summary highlights selected information about us. The summary is not complete and may not contain all of the information that may be important to you in deciding to invest in our common stock. You should read this entire prospectus supplement and the accompanying prospectus carefully, as well as the documents incorporated herein and therein by reference, including our Annual Report on Form 10-K for the year ended December 31, 2008, and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2009, before making an investment decision.

**The Company**

We are a real estate investment trust or "REIT" that through consolidated or unconsolidated entities acquires, owns, operates and develops open-air neighborhood, community, power and lifestyle shopping centers and single-tenant retail properties located primarily in what we believe is the demographically strong upper Midwest markets.

Approximately sixty-five percent of our total retail portfolio (consolidated plus unconsolidated) gross leasable area ("GLA") is located in the Chicago Metropolitan Statistical Area ("MSA"), with our second largest market concentration being approximately seventeen percent in the Minneapolis-St. Paul MSA. Tenants at our retail properties primarily provide "everyday" goods and services to consumers, with more than sixty-four percent of total retail portfolio square footage anchored by grocery, drug, and discount stores. The properties in our portfolio generate cash flows from rents and related revenues. The primary drivers of our internal income growth are rental rate increases over expiring rates on new and renewal leases and cost savings from operational efficiencies.

We have qualified as a REIT under the Internal Revenue Code of 1986, as amended (the "Code") for federal income tax purposes commencing with the tax year ended December 31, 1995. So long as we qualify for treatment as a REIT, we generally will not be subject to federal income tax to the extent we meet the requirements of the tests imposed by the Code. If we fail to qualify as a REIT in any taxable year, without the benefit of certain statutory relief provisions, we will be subject to federal and state income taxes on our taxable income at regular corporate tax rates. Even if we qualify for taxation as a REIT, we may be subject to certain state and local taxes on our income, property or net worth and federal income and excise taxes on our undistributed income.

We maintain our principal executive and management office at 2901 Butterfield Road, Oak Brook, Illinois, 60523. Our phone number is (630) 218-8000.

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**Recent Developments**

**Dividends.** In February, March and April, 2009 we paid monthly cash distributions to stockholders of \$0.08167 per common share which equated to an annualized distribution equal to \$0.98 per share. To enhance financial flexibility, our board has decided to reduce the amount of the annual distribution that we will pay for 2009. In particular, our board has decided that we will pay aggregate annual distributions in an amount equal to its annual taxable income for 2009, all of which would be paid in cash. We have already declared a distribution payable on May 17, 2009 to holders of record on April 30, 2009, of \$0.08167 per common share. We estimate paying a distribution in June equal to approximately \$0.05 per common share. This amount is estimated assuming we sell 14 million shares in this offering (without giving effect to the exercise of the over-allotment option), applying the net proceeds as described herein as well as taking account of the aggregate distributions paid during the four months ended April 30, 2009 as well as the distribution to be paid on May 17, 2009. If the underwriters exercise their over-allotment option, the actual amount of the dividend will be lower. The actual amount and timing of the distribution to be paid in June, and any future distributions, remains subject to our board of directors declaring the distribution and establishing a payment date. In addition, future distribution amounts may differ based on, among other things, the actual number of shares issued in this offering and the net proceeds raised, our actual earnings or cash flow as well as updated internal estimates of taxable income and changes to our capital structure such as the level of our indebtedness, from time to time, and the costs thereof. See also "Risk Factors We have recently changed the amount of our distributions and may change our distribution policy in the future." below.

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**The Offering<sup>(1)</sup>**

Common stock offered	14,000,000 shares (16,100,000 shares if the underwriters exercise their over-allotment option in full)
Shares outstanding after the offering	80,951,411 shares
Use of proceeds	We intend to use the net proceeds of this offering to repay amounts outstanding on our line of credit and for other general corporate purposes, which may include repurchasing 4.625% convertible notes due 2026 and the repayment of our term loan. Initially, pending the expected use, we expect to invest the net proceeds of this offering in short term instruments.
Restriction on Ownership	In order to maintain our qualification as a real estate investment trust for federal income tax purposes, ownership, actually or constructively, by any person of more than 9.8% in value of our outstanding capital stock is restricted by our charter unless the restrictions are waived by our board. See "Description of Capital Stock Restrictions on Transfer, Acquisition and Redemption of Shares of Capital Stock" in the accompanying prospectus for additional information regarding this limitation.
Risk factors	See "Risk Factors" beginning on page S-5 of this prospectus supplement and our Annual Report on Form 10-K for the year ended December 31, 2008 for a discussion of factors you should carefully consider before deciding to invest in our common stock.
NYSE symbol	IRC

(1) Based on 66,951,411 shares outstanding on May 8, 2009.

Unless expressly stated otherwise, the information set forth above and throughout this prospectus supplement assumes the underwriters do not exercise their over-allotment option.

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**RISK FACTORS**

An investment in our common stock involves significant risks. You should consult with your own financial and legal advisers and carefully consider, among other matters, the risks described in our Annual Report on Form 10-K for the year ended December 31, 2008 incorporated herein by reference. You should carefully consider the risks described in that report and the other information in this prospectus supplement and accompanying prospectus before you decide to buy our shares. The value of our shares could decline due to any of these risks, and you could lose all or part of your investment. In addition, you should consider the additional risk factors set forth below.

***We have recently changed the amount of our distributions and may change our distribution policy in the future.***

Recognizing the need to maintain maximum financial flexibility in light of the current state of the capital markets and considering the dilutive impact of issuing additional shares in this offering, we decided to reduce the amount we pay as distributions for 2009 to an annualized amount equal to our taxable income for 2009.

In addition, a recent Internal Revenue Service ("IRS") revenue procedure allows us to satisfy the REIT income distribution requirement by distributing up to 90% of our distributions on our common stock in shares of our common stock in lieu of paying distributions entirely in cash. Although we reserve the right to utilize this procedure in the future, we currently have no intent to do so. In the event that we pay a portion of a distribution in shares of our common stock, taxable U.S. stockholders would be required to pay tax on the entire amount of the distribution, including the portion paid in shares of common stock, in which case the stockholders might have to pay the tax using cash from other sources. If a U.S. stockholder sells the stock it receives as a distribution in order to pay this tax, the sales proceeds may be less than the amount included in income with respect to the distribution, depending on the market price of our stock at the time of the sale. Furthermore, with respect to non-U.S. stockholders, we may be required to withhold U.S. tax with respect to the distribution, including in respect of all or a portion of the distribution that is payable in stock. In addition, if a significant number of our stockholders sell shares of our common stock in order to pay taxes owed on distributions, these sales would put downward pressure on the market price of our common stock.

The decision to declare and pay distributions on our common stock in the future, as well as the timing, amount and composition of any future distributions, will depend on our earnings, funds from operations, liquidity, financial condition, capital requirements, contractual prohibitions or other limitations under our indebtedness, the annual distribution requirements under the REIT provisions of the Code, state law and any other factors we deem relevant. Any change in our distribution policy or the amount of distributions we pay could have a material adverse effect on the market price of our common stock.

***Our shareholders will experience dilution as a result of this offering and they may experience further dilution if we issue additional common stock.***

The issuance of common stock in this offering will have a dilutive effect on our earnings per share.

Any additional future issuances of common stock will reduce the percentage of our common stock owned by investors purchasing shares in this offering who do not participate in future issuances. Shareholders will not be entitled to vote on whether or not we issue additional common stock. In addition, depending on the terms and pricing of an additional offering of our common stock and the value of our properties, our shareholders may experience dilution in both the book value and fair value of their shares.

***The price of our common stock may fluctuate significantly.***

The market price of our common stock may fluctuate significantly in response to many factors, many of which are out of our control, including:

general economic conditions, including the current recession, competition and the supply of and demand for shopping center and single-tenant properties in our markets;



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risks that tenants will not remain in occupancy or pay rent, or pay reduced rent due to bankruptcies or declines in their businesses;

interest rate levels and the availability of financing;

potential environmental liability and other risks associated with owning, developing and acquiring shopping center properties;

greater than anticipated funding costs associated with our joint venture properties or operating costs;

inflationary, deflationary and other general economic trends;

the effects of natural disasters;

actual or anticipated variations in our operating results or distributions;

changes in our funds from operations or earnings;

publication of research reports about us or the real estate industry, generally and recommendations by financial analysts or actions taken by rating agencies with respect to our securities or those of other REITS;

any future issuances of equity securities;

failure to pay our obligations under, or comply with the terms of our indebtedness;

impairment charges; and

other risks detailed from time to time in the reports filed by us with the Securities and Exchange Commission.

These factors may cause the market price of our common stock to decline, regardless of our financial condition, results of operations, business or prospects.

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The following table sets forth our estimated cash and cash equivalents and capitalization as of March 31, 2009, as adjusted to give effect to:

the offering and sale of 14,000,000 shares of our common stock in this offering (assuming no exercise of the underwriters' over-allotment option) at an assumed offering price of \$8.03 per share, after deducting underwriting discounts and commissions and estimated transaction expenses payable by us; and

the application of the estimated net proceeds of the offering as set forth under "Use of Proceeds".

The amount of proceeds we ultimately receive from this offering of common stock is dependent upon numerous factors and subject to general market conditions. Also, we may increase or decrease the number of shares in this offering. Accordingly, the actual amounts shown in the "Pro Forma As Adjusted" column may differ materially from those shown below. The capitalization table should be read in conjunction with our consolidated financial statements and the related notes incorporated by reference in this prospectus supplement and the accompanying prospectus.

<b>March 31, 2009 (\$ in thousands)</b>	<b>Actual</b>	<b>Pro Forma As Adjusted</b>
Cash and cash equivalents	\$ 9,628	\$ 31,489
Debt:		
Mortgages payable	\$ 435,489	\$ 435,489
Convertible notes	146,444	146,444
Unsecured credit facilities	225,000	140,000
Total debt	806,933	721,933
Stockholders' equity:		
Common stock, \$.01 par value per share	668	808
Additional paid in capital	639,103	745,824
Accumulated other comprehensive loss	(2,640)	(2,640)
Accumulated distributions in excess of net income	(294,221)	(294,221)
Total stockholders' equity	342,910	449,771
Noncontrolling interest:	2,058	2,058
Total equity	\$ 344,968	\$ 451,829

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**USE OF PROCEEDS**

We estimate that the net proceeds from the sale of the shares we are offering with this prospectus supplement will be approximately \$106.8 million, after deducting underwriting discounts and estimated offering expenses. We intend to use the net proceeds of this offering to repay amounts outstanding on our line of credit which accrues interest only on draws under the line at the rate equal to either 30 basis points over the Prime Rate or 100 150 basis points over LIBOR, and matures on April 21, 2011. The principal amount outstanding on our line of credit as of March 31, 2009 was \$85 million. We intend to use the remaining net proceeds for general corporate purposes, which may include repurchasing 4.625% convertible notes due 2026 and the repayment of our term loan. Initially, pending the expected use, we expect to invest the net proceeds of this offering in short term instruments. Affiliates of certain of the underwriters are lenders under our line of credit and our term loan, and may receive a portion of the net proceeds of this offering proportionate to their respective commitments under such line of credit and term loan.

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We intend to offer the shares through the underwriters. Merrill Lynch, Pierce, Fenner & Smith Incorporated and Wachovia Capital Markets, LLC, are acting as the representatives of the underwriters named below. Subject to the terms and conditions described in the underwriting agreement among us and the underwriters, we have agreed to sell to the underwriters, and the underwriters severally have agreed to purchase from us, the number of shares listed opposite their names below.

<b>Underwriter</b>	<b>Number of Shares</b>
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
Wachovia Capital Markets, LLC	
BMO Capital Markets Corp.	
KeyBanc Capital Markets Inc.	
<b>Total</b>	<b>14,000,000</b>

The underwriters have agreed to purchase all of the shares sold under the underwriting agreement if any of these shares are purchased. If an underwriter defaults, the underwriting agreement provides that the purchase commitments of the nondefaulting underwriters may be increased or the underwriting agreement may be terminated.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act or to contribute to payments the underwriters may be required to make in respect of those liabilities.

The underwriters are offering the shares, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the shares, and other conditions contained in the underwriting agreement, such as the receipt by the underwriters of officer's certificates and legal opinions. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

At our request, the underwriters have reserved for sale, at the public offering price, up to 150,000 shares offered hereby to be sold to certain of our directors and officers (who may purchase them directly or through entities they own and control) who have expressed an interest in purchasing shares in the offering. None of our directors or officers have entered into any binding commitments to purchase shares. The number of shares available for sale to the general public will be reduced to the extent such persons purchase such reserved shares. Any reserved shares which are not so purchased will be offered by the underwriters to the general public on the same terms as the other shares offered hereby.

**Lock-up Agreements**

Our directors and named executive officers have entered into lock-up agreements with the underwriters. Under these agreements, our directors and named executive officers may not, subject to certain exceptions, directly or indirectly, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of any shares or any securities convertible into or exercisable or exchangeable for our common stock, or enter into any swap or other arrangement that transfers any of the economic consequences of ownership of their shares without the prior written consent of the representatives of the underwriters for a period of 90 days from the date of this prospectus. This consent may be given at anytime without public notice. Prior to entering into the lock-up agreement, 6,065,453 shares of our common stock held by Inland Investment Stock Holding Company and 100,903 shares of our common stock held by Partnership Ownership Corporation, entities in which Daniel L. Goodwin, one

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of our directors, owns a controlling interest, were pledged to financial institutions as security for loans. 3,257,266 shares were pledged to Bank of America N.A., an affiliate of one of the underwriters. Pursuant to the terms of Mr. Goodwin's lock-up agreement, in the event that these shares are released from the pledge securing those lines of credit, these Inland entities are permitted to use these shares to re-pledge or refinance these lines of credit. All other shares owned by Mr. Goodwin will otherwise be covered by the lock-up. Under Mr. Goodwin's lock-up, these shares may be re-pledged to refinance such lines of credit, including by holding them in a brokerage margin account. During this 90-day period, each of our directors and officers has agreed that, without the prior written consent of the representatives, they will not, during this 90-day period make any demand for or exercise any right with respect to, the registration of any shares or any security convertible into or exercisable or exchangeable for our common stock without the prior written consent of the representatives. Notwithstanding the foregoing, if (1) during the last 17 days of the 90-day restricted period, we issue an earnings release or material news or a material event relating to our company occurs; or (2) prior to the expiration of the 90-day restricted period, we announce that we will release earnings results during the 16-day period beginning on the last day of the 90-day period, the restrictions described above shall continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event, unless the representatives agree in writing to waive this extended lock-up.

The underwriting agreement provides that we are similarly restricted from engaging in the aforementioned activities during the 90-day period, without the prior written consent of the representatives; provided, however, the restrictions do not apply to the shares to be sold hereunder, the issuance by us of shares of stock or options, rights or other securities convertible into or exercisable for shares of stock pursuant to any equity incentive plan, stock ownership or purchase plan, dividend reinvestment plan or other equity plan of ours in effect as of the date of this prospectus supplement, or the issuance by us of shares of stock issuable upon the conversion or exchange of securities or the exercise of warrants or options outstanding as of the date of this prospectus supplement.

**Option to Purchase Additional Shares**

We have granted to the underwriters an option to purchase up to 2,100,000 additional shares at the same price per share as they are paying for the shares shown in the table below. These additional shares would cover sales by the underwriters which exceed the total number of shares shown in the table above. The underwriters may exercise this option at any time and from time to time, in whole or in part, within 30 days after the date of this prospectus supplement. To the extent that the underwriters exercise this option, each underwriter will purchase additional shares from us in approximately the same proportion as it purchased the shares shown in the table above. We will pay the expenses associated with the exercise of this option.

**Commissions and Discounts**

The representatives have advised us that the underwriters propose initially to offer the shares to the public at the public offering price on the cover page of this prospectus supplement and to dealers at that price less a concession not in excess of \$ \_\_\_\_\_ per share. After the public offering, the public offering price and concession may be changed.

The following table shows the public offering price, underwriting discount and proceeds before expenses to us. The information assumes either no exercise or full exercise by the underwriters of their option to purchase additional shares.

	<b>Per Share</b>	<b>Without Option</b>	<b>With Option</b>
Public offering price			
Underwriting discount			
Proceeds, before expenses, to us			

The expenses of the offering, not including the underwriting discount, are estimated at \$500,000 and are payable by us.

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**Sales Outside the United States**

No action has been taken in any jurisdiction (except in the United States) that would permit a public offering of the shares of common stock, or the possession, circulation or distribution of this prospectus supplement, the accompanying prospectus or any other material relating to us or the shares of common stock in any jurisdiction where action for that purpose is required. Accordingly, the shares of common stock may not be offered or sold, directly or indirectly, and none of this prospectus supplement, the accompanying prospectus or any other offering material or advertisements in connection with the shares of common stock may be distributed or published, in or from any country or jurisdiction except in compliance with any applicable rules and regulations of any such country or jurisdiction. Each of the underwriters may arrange to sell the shares of common stock offered hereby in certain jurisdictions outside the United States, either directly or through affiliates, where they are permitted to do so.

In relation to each member state of the European Economic Area that has implemented the Prospectus Directive (each, a relevant member state), with effect from and including the date on which the Prospectus Directive is implemented in that relevant member state (the relevant implementation date), an offer of shares of common stock described in this prospectus supplement may not be made to the public in that relevant member state prior to the publication of a prospectus in relation to the shares of common stock that has been approved by the competent authority in that relevant member state or, where appropriate, approved in another relevant member state and notified to the competent authority in that relevant member state, all in accordance with the Prospectus Directive, except that, with effect from and including the relevant implementation date, an offer of securities may be offered to the public in that relevant member state at any time:

to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

to any legal entity that has two or more of (a) an average of at least 250 employees during the last financial year; (b) a total balance sheet of more than €43,000,000; and (c) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;

to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the underwriters; or

in any other circumstances that do not require the publication of a prospectus pursuant to Article 3 of the Prospectus Directive;

provided that no such offer of shares of common stock shall require us or any underwriter to publish a prospectus pursuant to Article 3 of the Prospective Directive.

Each purchaser of shares of common stock described in this prospectus supplement located within a relevant member state will be deemed to have represented, acknowledged and agreed that it is a "qualified investor" within the meaning of Article 2(1)(e) of the Prospectus Directive.

For purposes of this provision, the expression an "offer to the public" in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to purchase or subscribe the securities, as the expression may be varied in that member state by any measure implementing the Prospectus Directive in that member state, and the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each relevant member state.

In addition, each underwriter: (a) has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "FSMA") received by it in connection with the issue or sale of shares of common stock in circumstances in which Section 21(1) of the FSMA does not apply to us, and (b) has complied and will

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comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the shares in, from or otherwise involving the United Kingdom.

Without limitation to the other restrictions referred to herein, this prospectus supplement is directed only at (1) persons outside the United Kingdom; (2) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005; or (3) high net worth bodies corporate, unincorporated associations and partnerships and trustees of high value trusts as described in Article 49(2) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005. Without limitation to the other restrictions referred to herein, any investment or investment activity to which this prospectus supplement relates is available only to, and will be engaged in only with, such persons, and persons within the United Kingdom who receive this communication (other than persons who fall within (2) or (3) above) should not rely or act upon this communication.

Neither this prospectus supplement nor the accompanying prospectus has been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus supplement, the accompanying prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares of common stock may not be circulated or distributed, nor may the shares of common stock be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to compliance with conditions set forth in the SFA.

Where the shares of common stock are subscribed or purchased under Section 275 of the SFA by a relevant person which is: (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (however described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the shares of common stock pursuant to an offer made under Section 275 of the SFA except: (1) to an institutional investor (for corporations, under Section 274 of the SFA) or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights and interest in that trust are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for corporations, in accordance with the conditions specified in Section 275 of the SFA; (2) where no consideration is or will be given for the transfer; or (3) where the transfer is by operation of law.

The prospectus supplement and the accompanying prospectus (including any amendment, supplement or replacement thereto) have not been prepared in connection with the offering of our securities that has been approved by the Autorité des marchés financiers or by the competent authority of another State that is a contracting party to the Agreement on the European Economic Area and notified to the Autorité des marchés financiers; no security has been offered or sold and will be offered or sold, directly or indirectly, to the public in France except to permitted investors, or Permitted Investors, consisting of persons licensed to provide the investment service of portfolio management for the account of third parties, qualified investors (investisseurs qualifiés) acting for their own account

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and/or corporate investors meeting one of the four criteria provided in article D. 341-1 of the French Code Monétaire et Financier and belonging to a limited circle of investors (cercle restreint d'investisseurs) acting for their own account, with "qualified investors" and "limited circle of investors" having the meaning ascribed to them in Article L. 411-2, D. 411-1, D. 411-2, D. 734-1, D. 744-1, D. 754-1 and D. 764-1 of the French Code Monétaire et Financier; none of this prospectus supplement and the accompanying Prospectus or any other materials related to the offer or information contained therein relating to our securities has been released, issued or distributed to the public in France except to Permitted Investors; and the direct or indirect resale to the public in France of any securities acquired by any Permitted Investors may be made only as provided by articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 to L. 621-8-3 of the French Code Monétaire et Financier and applicable regulations thereunder.

Our securities may not and will not be publicly offered, distributed or re-distributed on a professional basis in or from Switzerland, and neither this prospectus supplement and the accompanying prospectus nor any other solicitation for investments in our securities may be communicated or distributed in Switzerland in any way that could constitute a public offering within the meaning of articles 652a or 1156 of the Swiss Federal Code of Obligations or of Article 2 of the Federal Act on Investment Funds of March 18, 1994. This prospectus supplement and the accompanying Prospectus may not be copied, reproduced, distributed or passed on to others without the underwriters' and agents' prior written consent. This prospectus supplement and the accompanying Prospectus are not a prospectus within the meaning of Articles 1156 and 652a of the Swiss Code of Obligations or a listing prospectus according to article 32 of the Listing Rules of the Swiss exchange and may not comply with the information standards required thereunder. We will not apply for a listing of our securities on any Swiss stock exchange or other Swiss regulated market and this prospectus supplement and the accompanying Prospectus may not comply with the information required under the relevant listing rules. The securities have not been and will not be approved by any Swiss regulatory authority. The securities have not been and will not be registered with or supervised by the Swiss Federal Banking Commission, and have not been and will not be authorized under the Federal Act on Investment Funds of March 18, 1994. The investor protection afforded to acquirers of investment fund certificates by the Federal Act on Investment Funds of March 18, 1994 does not extend to acquirers of our securities.

This document relates to an exempt offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority. This document is intended for distribution only to persons of a type specified in those rules. It must not be delivered to, or relied on by, any other person. The Dubai Financial Services Authority has no responsibility for reviewing or verifying any documents in connection with exempt offers. The Dubai Financial Services Authority has not approved this document nor taken steps to verify the information set out in it, and has no responsibility for it. The shares which are the subject of the offering contemplated by this prospectus supplement may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the shares offered should conduct their own due diligence on the shares. If you do not understand the contents of this document you should consult an authorized financial adviser.

#### **New York Stock Exchange Listing**

The shares are listed on the New York Stock Exchange under the symbol "IRC."

#### **Price Stabilization and Short Positions**

Until the distribution of the shares is completed, SEC rules may limit underwriters from bidding for and purchasing our shares. However, the representatives may engage in transactions that stabilize the price of the shares, such as bids or purchases to peg, fix or maintain that price.



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If the underwriters create a short position in the shares in connection with this offering, i.e., if they sell more shares than are listed on the cover of this prospectus supplement, the representatives may reduce that short position by purchasing shares in the open market. The representatives may also elect to reduce any short position by exercising all or part of the underwriters' option to purchase additional shares described above. Purchases of our shares to stabilize the price of our shares or to reduce a short position may cause the price of our shares to be higher than it might be in the absence of these purchases.

Neither we nor any of the underwriters makes any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of our shares. In addition, neither we nor any of the underwriters makes any representation that the representatives will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

**Electronic Distribution**

In connection with the offering, certain of the underwriters or securities dealers may distribute this prospectus supplement and the accompanying prospectus by electronic means, such as e-mail. Certain of the underwriters may facilitate Internet distribution for this offering to certain of their respective Internet subscription customers. In addition, certain of the underwriters may allocate a limited number of shares of common stock for sale to their respective online brokerage customers. An electronic prospectus supplement and the accompanying prospectus will be made available on the Internet Website maintained by any such underwriter. Other than the prospectus supplement and the accompanying prospectus in electronic format, the information on any such Internet Website is not part of this prospectus supplement.

**Other Relationships**

Certain of the underwriters and their affiliates have provided in the past to us and our affiliates and may provide from time to time in the future certain commercial banking, financial advisory, investment banking and other services for us and such affiliates in the ordinary course of their business, for which they have received and may continue to receive customary fees and commissions. In addition, from time to time, certain of the underwriters and their affiliates may effect transactions for their own account or the account of customers, and hold on behalf of themselves or their customers, long or short positions in our debt or equity securities or loans, and may do so in the future. Affiliates of certain of the underwriters are lenders under our line of credit and our term loan. As we intend to use a portion of the net proceeds of this offering to reduce amounts outstanding under such line of credit and may use the net proceeds of this offering for the repayment of our term loan, these affiliates may receive a portion of the net proceeds of this offering proportionate to their respective commitments under such line of credit and term loan.

**LEGAL MATTERS**

Shefsky & Froelich has passed upon certain tax matters for us, including those described under "U.S. Federal Income Tax Considerations" in the accompanying prospectus. Certain legal matters with respect to the validity of the securities offered under this prospectus supplement will be passed upon for us by Venable LLP, Baltimore, Maryland. The underwriters have been represented by Shearman & Sterling LLP, New York, New York.

**EXPERTS**

The consolidated financial statements and schedule of the Company as of December 31, 2008 and 2007, and for each of the years in the three-year period ended December 31, 2008 have been incorporated by reference herein and in the registration statement in reliance upon the reports of KPMG LLP, independent registered public accounting firm, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing. KPMG LLP has also audited the effectiveness of our internal control over financial reporting as of December 31, 2008.

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PROSPECTUS

## Inland Real Estate Corporation

### Debt Securities, Preferred Stock, Common Stock, Securities Warrants, Depositary Shares

We may offer, from time to time, one or more of the following:

debt securities;

warrants to purchase debt securities;

shares of our preferred stock;

warrants to purchase shares of our preferred stock;

shares of our common stock;

warrants to purchase shares of our common stock; and

depositary shares.

We collectively refer to the common stock warrants, the debt securities warrants and the preferred stock warrants in this prospectus as the securities warrants. We collectively refer to the debt securities, the preferred stock, the common stock, the securities warrants and the depositary shares in this prospectus as the securities.

We may offer and sell the securities separately, together or as units, in separate classes or series, in amounts, at prices and on terms to be determined at the time of sale. We will provide the specific terms of these securities in prospectus supplements or free writing prospectuses to this prospectus prepared in connection with each offering. The prospectus supplement or free writing prospectus will also disclose whether the securities will be listed on a national securities exchange and if they are not to be listed, the possible effects thereof on their marketability. You should read this prospectus, the applicable prospectus supplement and any applicable free writing prospectus carefully before you invest in the securities.

We may offer securities through public or private transactions, and in the case of our common stock, on or off the New York Stock Exchange, at prevailing market prices or at privately negotiated prices. Securities may be sold directly, through agents from time to time or through underwriters or dealers. If any agent or any underwriter is involved in the sale of the securities, the name of the agent or underwriter and any applicable commission or discount will be set forth in the accompanying prospectus supplement. Our net proceeds from the sale of securities will also be set forth in the applicable prospectus supplement.

Our common stock is traded on the New York Stock Exchange under the symbol "IRC."

**Investing in our securities involves risks. See "Risk Factors" on page 1.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.**

**The date of this prospectus is April 24, 2009**

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No dealer, salesperson or other person is authorized to give any information or to represent anything not contained or incorporated by reference in this prospectus, any accompanying supplement to this prospectus or any free writing prospectus we may provide you in connection with an offering of securities. You must not rely on any unauthorized information or representations not contained or incorporated by reference in this prospectus, any accompanying prospectus supplement or any free writing prospectus. This prospectus, any accompanying prospectus supplement or any free writing prospectus do not constitute an offer to sell or the solicitation of an offer to buy any securities other than the registered securities to which they relate, nor does this prospectus, any accompanying supplement to this prospectus or any free writing prospectus constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information contained in this prospectus, any prospectus supplement to this prospectus or any free writing prospectus is accurate only as of the date of that document.

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