



NEWS RELEASE

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FOR IMMEDIATE RELEASE
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**FIRST QUARTER OPERATING RESULTS AND INCREASED 2016 GUIDANCE
 ANNOUNCED BY NATIONAL RETAIL PROPERTIES, INC.**

Orlando, Florida, May 2, 2016 – National Retail Properties, Inc. (NYSE: NNN), a real estate investment trust, today announced its operating results for the quarter ended March 31, 2016. Highlights include:

Operating Results:

- Revenues and net earnings, FFO, Recurring FFO and AFFO available to common stockholders and diluted per share amounts:

| | Quarter Ended | |
|--|---------------------------------------|------------|
| | March 31, | |
| | 2016 | 2015 |
| | (in thousands, except per share data) | |
| Revenues | \$ 126,980 | \$ 116,187 |
| Net earnings available to common stockholders | \$ 61,824 | \$ 45,119 |
| Net earnings per common share | \$ 0.44 | \$ 0.34 |
| FFO available to common stockholders | \$ 80,098 | \$ 70,843 |
| FFO per common share | \$ 0.57 | \$ 0.54 |
| Recurring FFO available to common stockholders | \$ 80,318 | \$ 70,999 |
| Recurring FFO per common share | \$ 0.57 | \$ 0.54 |
| AFFO available to common stockholders | \$ 81,749 | \$ 72,123 |
| AFFO per common share | \$ 0.58 | \$ 0.55 |

First Quarter 2016 Highlights:

- FFO per share and Recurring FFO per share increased 5.6% over prior year results
- AFFO per share increased 5.5% over prior year results
- Portfolio occupancy was 99.1% at March 31, 2016, consistent with December 31, 2015, and 98.8% at March 31, 2015
- Invested \$125.2 million in property investments, including the acquisition of 46 properties with an aggregate 591,000 square feet of gross leasable area at an initial cash yield of 7.0%
- Sold 10 properties for \$52.8 million producing \$16.9 million of gain on sales
- Raised \$88.0 million net proceeds from the issuance of 1,999,410 common shares

National Retail Properties announced an increase in 2016 FFO guidance from a range of \$2.29 to \$2.35 to a range of \$2.31 to \$2.36 per share before any impairment expense. The 2016 AFFO is estimated to be \$2.36 to \$2.41 per share.

Craig Macnab, Chief Executive Officer, commented: "Our activity thus far in 2016, has set us up well for another solid, consistent year of growth. Our acquisition activity in the first quarter was encouraging, we harvested large gains by selling assets and importantly our balance sheet remains fortress-like as we were active issuing equity at attractive prices."

National Retail Properties invests primarily in high-quality retail properties subject generally to long-term, net leases. As of March 31, 2016, the company owned 2,293 properties in 47 states with a gross leasable area of approximately 25.4 million square feet and with a weighted average remaining lease term of 11.3 years. For more information on the company, visit www.nnnreit.com.

Management will hold a conference call on May 2, 2016, at 2:00 p.m. ET to review these results. The call can be accessed on the National Retail Properties web site live at <http://www.nnnreit.com>. For those unable to listen to the live broadcast, a replay will be available on the company's web site. In addition, a summary of any earnings guidance given on the call will be posted to the company's web site.

Statements in this press release that are not strictly historical are "forward-looking" statements. These statements generally are characterized by the use of terms such as "believe," "expect," "intend," "may," "estimated," or other similar words or expressions. Forward-looking statements involve known and unknown risks, which may cause the company's actual future results to differ materially from expected results. These risks include, among others, general economic conditions, local real estate conditions, changes in interest rates, increases in operating costs, the preferences and financial condition of the company's tenants, the availability of capital, risks related to the company's status as a REIT and the profitability of the company's taxable subsidiary. Additional information concerning these and other factors that could cause actual results to differ materially from these forward-looking statements is contained from time to time in the company's Securities and Exchange Commission ("SEC") filings, including, but not limited to, the company's Annual Report on Form 10-K. Copies of each filing may be obtained from the company or the SEC. Such forward-looking statements should be regarded solely as reflections of the company's current operating plans and estimates. Actual operating results may differ materially from what is expressed or forecast in this press release. National Retail Properties, Inc. undertakes no obligation to publicly release the results of any revisions to these forward-looking statements that may be made to reflect events or circumstances after the date these statements were made.

The reported results are preliminary and not final and there can be no assurance that the results will not vary from the final information filed on Form 10-Q with the SEC for the quarter ended March 31, 2016. In the opinion of management, all adjustments considered necessary for a fair presentation of these reported results have been made.

Funds From Operations, commonly referred to as FFO, is a relative non-GAAP financial measure of operating performance of an equity REIT in order to recognize that income-producing real estate historically has not depreciated on the basis determined under GAAP. FFO is defined by the National Association of Real Estate Investment Trusts ("NAREIT") and is used by the company as follows: net earnings (computed in accordance with GAAP) plus depreciation and amortization of assets unique to the real estate industry, excluding gains (or including losses), any applicable taxes and noncontrolling interests on the disposition of certain assets, the company's share of these items from the company's unconsolidated partnerships and any impairment charges on a depreciable real estate asset.

FFO is generally considered by industry analysts to be the most appropriate measure of performance of real estate companies. FFO does not necessarily represent cash provided by operating activities in accordance with GAAP and should not be considered an alternative to net earnings as an indication of the company's performance or to cash flow as a measure of liquidity or ability to make distributions. Management considers FFO an appropriate measure of performance of an equity REIT because it primarily excludes the assumption that the value of the real estate assets diminishes predictably over time, and because industry analysts have accepted it as a performance measure. The company's computation of FFO may differ from the methodology for calculating FFO used by other equity REITs, and therefore, may not be comparable to such other REITs. A reconciliation of net earnings (computed in accordance with GAAP) to FFO, as defined by NAREIT, is included in the financial information accompanying this release.

Adjusted Funds From Operations ("AFFO") is a non-GAAP financial measure of operating performance used by many companies in the REIT industry. AFFO adjusts FFO for certain non-cash items that reduce or increase net income in accordance with GAAP. AFFO should not be considered an alternative to net earnings, as an indication of the company's performance or to cash flow as a measure of liquidity or ability to make distributions. Management considers AFFO a useful supplemental measure of the company's performance.

The company's computation of AFFO may differ from the methodology for calculating AFFO used by other equity REITs, and therefore, may not be comparable to such other REITs. A reconciliation of net earnings (computed in accordance with GAAP) to AFFO is included in the financial information accompanying this release.

National Retail Properties, Inc.
(in thousands, except per share data)
(unaudited)

| | Quarter Ended | |
|---|---------------|------------|
| | March 31, | |
| | 2016 | 2015 |
| Income Statement Summary | | |
| Revenues: | | |
| Rental and earned income | \$ 122,475 | \$ 112,064 |
| Real estate expense reimbursement from tenants | 3,590 | 3,515 |
| Interest and other income from real estate transactions | 463 | 163 |
| Interest income on commercial mortgage residual interests | 452 | 445 |
| | 126,980 | 116,187 |
| Operating expenses: | | |
| General and administrative | 9,249 | 8,605 |
| Real estate | 4,787 | 4,759 |
| Depreciation and amortization | 34,655 | 32,141 |
| Impairment – commercial mortgage residual interests valuation | 220 | — |
| Impairment losses, net of recoveries | 572 | 1,028 |
| | 49,483 | 46,533 |
| Other expenses (revenues): | | |
| Interest and other income | (19) | (11) |
| Interest expense | 23,586 | 21,786 |
| Real estate acquisition costs | 129 | 599 |
| | 23,696 | 22,374 |
| Income tax expense | — | (442) |
| Earnings before gain on disposition of real estate, net of income tax expense | 53,801 | 46,838 |
| Gain on disposition of real estate, net of income tax expense | 16,875 | 7,200 |
| Earnings including noncontrolling interests | 70,676 | 54,038 |
| Loss (earnings) attributable to noncontrolling interests | 7 | (60) |
| Net earnings attributable to NNN | 70,683 | 53,978 |
| Series D preferred stock dividends | (4,762) | (4,762) |
| Series E preferred stock dividends | (4,097) | (4,097) |
| Net earnings available to common stockholders | \$ 61,824 | \$ 45,119 |

National Retail Properties, Inc.
(in thousands, except per share data)
(unaudited)

| | Quarter Ended | |
|--|---------------|---------|
| | March 31, | |
| | 2016 | 2015 |
| Weighted average common shares outstanding: | | |
| Basic | 140,840 | 131,665 |
| Diluted | 141,326 | 132,110 |
| Net earnings per share available to common stockholders: | | |
| Basic | \$ 0.44 | \$ 0.34 |
| Diluted | \$ 0.44 | \$ 0.34 |

National Retail Properties, Inc.
(in thousands, except per share data)
(unaudited)

| | Quarter Ended March 31, | |
|---|----------------------------|-----------|
| | 2016 | 2015 |
| <u>Funds From Operations (FFO) Reconciliation:</u> | | |
| Net earnings available to common stockholders | \$ 61,824 | \$ 45,119 |
| Real estate depreciation and amortization | 34,577 | 32,028 |
| Gain on disposition of real estate, net of income tax and noncontrolling interest | (16,875) | (7,148) |
| Impairment losses – depreciable real estate, net of recoveries and income tax | 572 | 844 |
| Total FFO adjustments | 18,274 | 25,724 |
| FFO available to common stockholders | \$ 80,098 | \$ 70,843 |
| FFO per common share: | | |
| Basic | \$ 0.57 | \$ 0.54 |
| Diluted | \$ 0.57 | \$ 0.54 |
| <u>Recurring Funds from Operations Reconciliation:</u> | | |
| Net earnings available to common stockholders | \$ 61,824 | \$ 45,119 |
| Total FFO adjustments | 18,274 | 25,724 |
| FFO available to common stockholders | 80,098 | 70,843 |
| Impairment – commercial mortgage residual interests valuation | 220 | — |
| Impairment losses – non-depreciable real estate | — | 156 |
| Total Recurring FFO adjustments | 220 | 156 |
| Recurring FFO available to common stockholders | \$ 80,318 | \$ 70,999 |
| Recurring FFO per common share: | | |
| Basic | \$ 0.57 | \$ 0.54 |
| Diluted | \$ 0.57 | \$ 0.54 |

National Retail Properties, Inc.
(in thousands, except per share data)
(unaudited)

| | Quarter Ended March 31, | |
|---|----------------------------|-----------|
| | 2016 | 2015 |
| <u>Adjusted Funds From Operations (AFFO) Reconciliation:</u> | | |
| Net earnings available to common stockholders | \$ 61,824 | \$ 45,119 |
| Total FFO adjustments | 18,274 | 25,724 |
| Total Recurring FFO adjustments | 220 | 156 |
| Recurring FFO available to common stockholders | 80,318 | 70,999 |
| | | |
| Straight line accrued rent | (242) | (205) |
| Net capital lease rent adjustment | 340 | 334 |
| Below market rent amortization | (859) | (1,024) |
| Stock based compensation expense | 2,703 | 2,409 |
| Capitalized interest expense | (511) | (390) |
| Total AFFO adjustments | 1,431 | 1,124 |
| AFFO available to common stockholders | \$ 81,749 | \$ 72,123 |
| | | |
| AFFO per common share: | | |
| Basic | \$ 0.58 | \$ 0.55 |
| Diluted | \$ 0.58 | \$ 0.55 |
| | | |
| <u>Other Information:</u> | | |
| Percentage rent | \$ 474 | \$ 185 |
| Amortization of debt costs | \$ 756 | \$ 709 |
| Scheduled debt principal amortization (excluding maturities) | \$ 260 | \$ 409 |
| Non-real estate depreciation expense | \$ 81 | \$ 118 |

2016 Earnings Guidance:

FFO guidance for 2016 was increased from a range of \$2.29 to \$2.35 to a range of \$2.31 to \$2.36 per share before any impairment expense. The 2016 AFFO is estimated to be \$2.36 to \$2.41 per share. The FFO guidance equates to net earnings before any impairments or gains or losses from the sale of real estate of \$1.32 to \$1.37 per share, plus \$0.99 per share of expected real estate depreciation and amortization. The guidance is based on current plans and assumptions and subject to risks and uncertainties more fully described in this press release and the company's reports filed with the Securities and Exchange Commission.

2016 Guidance

| | |
|---|---------------------------|
| Net earnings per common share before any impairments or gains (losses) on sale of real estate | \$1.32 - \$1.37 per share |
| Real estate depreciation and amortization per share | \$0.99 per share |
| FFO per share | \$2.31 - \$2.36 per share |
| AFFO per share | \$2.36 - \$2.41 per share |
| G&A expenses | \$35.5 Million |
| Real estate expenses, net of tenant reimbursements | \$5.5 Million |
| Acquisition volume | \$500 - \$600 Million |
| Disposition volume | \$85 - \$100 Million |

National Retail Properties, Inc.
(in thousands)
(unaudited)

| | March 31, 2016 | December 31, 2015 |
|--|-------------------|----------------------|
| Balance Sheet Summary | | |
| Assets: | | |
| Cash and cash equivalents | \$ 8,203 | \$ 13,659 |
| Restricted cash and cash held in escrow | 43,136 | 601 |
| Receivables, net of allowance | 5,236 | 3,344 |
| Mortgages, notes and accrued interest receivable, net of allowance | 8,558 | 8,688 |
| Real estate portfolio: | | |
| Accounted for using the operating method, net of accumulated depreciation and amortization | 5,343,433 | 5,256,274 |
| Accounted for using the direct financing method | 14,178 | 14,518 |
| Real estate held for sale | 627 | 32,666 |
| Commercial mortgage residual interests | 10,801 | 11,115 |
| Accrued rental income, net of allowance | 25,575 | 25,529 |
| Debt costs, net of accumulated amortization | 3,662 | 4,003 |
| Other assets | 89,494 | 89,647 |
| Total assets | \$ 5,552,903 | \$ 5,460,044 |
| Liabilities: | | |
| Line of credit payable | \$ — | \$ — |
| Mortgages payable, including unamortized premium and net of unamortized debt costs | 17,066 | 23,964 |
| Notes payable, net of unamortized discount and unamortized debt costs | 1,952,723 | 1,951,980 |
| Accrued interest payable | 33,637 | 20,113 |
| Other liabilities | 115,315 | 121,594 |
| Total liabilities | 2,118,741 | 2,117,651 |
| Stockholders' equity of NNN | 3,433,910 | 3,342,134 |
| Noncontrolling interests | 252 | 259 |
| Total equity | 3,434,162 | 3,342,393 |
| Total liabilities and equity | \$ 5,552,903 | \$ 5,460,044 |
| Common shares outstanding | 143,236 | 141,008 |
| Gross leasable area, Property Portfolio (square feet) | 25,401 | 24,964 |

National Retail Properties, Inc.
Debt Summary
As of March 31, 2016
(in thousands)
(unaudited)

| Unsecured Debt | Principal | Principal, Net of Unamortized Discount | Stated Rate | Effective Rate | Maturity Date |
|---|---------------------|---|--------------|-------------------|---------------|
| Line of credit payable | \$ — | \$ — | L + 92.5 bps | — | January 2019 |
| Unsecured notes payable: | | | | | |
| 2017 | 250,000 | 249,823 | 6.875% | 6.924% | October 2017 |
| 2021 | 300,000 | 297,447 | 5.500% | 5.689% | July 2021 |
| 2022 | 325,000 | 321,566 | 3.800% | 3.985% | October 2022 |
| 2023 | 350,000 | 348,085 | 3.300% | 3.388% | April 2023 |
| 2024 | 350,000 | 349,405 | 3.900% | 3.924% | June 2024 |
| 2025 | 400,000 | 399,071 | 4.000% | 4.029% | November 2025 |
| Total | <u>1,975,000</u> | <u>1,965,397</u> | | | |
| Total unsecured debt ⁽¹⁾ | <u>\$ 1,975,000</u> | <u>\$ 1,965,397</u> | | | |
| Debt costs | | (17,782) | | | |
| Accumulated amortization | | 5,108 | | | |
| Debt costs, net of accumulated amortization | | <u>(12,674)</u> | | | |
| Notes payable, net of unamortized discount and unamortized debt costs | | <u>\$ 1,952,723</u> | | | |

⁽¹⁾ Unsecured notes payable have a weighted average interest rate of 4.5% and a weighted maturity of 7 years

| Mortgages Payable | Principal Balance | Interest Rate | Maturity Date |
|--|----------------------|---------------|---------------|
| Mortgage ⁽¹⁾ | \$ 14,414 | 5.230% | July 2023 |
| Mortgage ⁽¹⁾ | 2,774 | 6.400% | February 2017 |
| | <u>\$ 17,188</u> | | |
| Debt costs | | (226) | |
| Accumulated amortization | | 104 | |
| Debt costs, net of accumulated amortization | | <u>(122)</u> | |
| Mortgages payable, including unamortized premium and net of unamortized debt costs | <u>\$ 17,066</u> | | |

⁽¹⁾ Includes unamortized premium

⁽²⁾ Mortgages payable have a weighted average interest rate of 5.4% and a weighted average maturity of 6 years

National Retail Properties, Inc.
Property Portfolio

Top 20 Lines of Trade

| Line of Trade | As of March 31, | |
|--|---------------------|---------------------|
| | 2016 ⁽¹⁾ | 2015 ⁽²⁾ |
| 1. Convenience stores | 16.5% | 17.7% |
| 2. Restaurants – full service | 10.8% | 9.0% |
| 3. Restaurants – limited service | 7.9% | 6.9% |
| 4. Automotive service | 7.0% | 7.2% |
| 5. Family entertainment centers | 5.7% | 5.1% |
| 6. Theaters | 5.1% | 5.1% |
| 7. Automotive parts | 4.1% | 4.6% |
| 8. Health and fitness | 4.0% | 3.8% |
| 9. Recreational vehicle dealers, parts and accessories | 3.6% | 3.3% |
| 10. Banks | 3.4% | 3.6% |
| 11. Sporting goods | 2.9% | 3.7% |
| 12. Wholesale clubs | 2.3% | 2.8% |
| 13. Drug stores | 2.3% | 2.4% |
| 14. Medical service providers | 2.3% | 2.0% |
| 15. Consumer electronics | 2.2% | 2.4% |
| 16. Travel plazas | 2.0% | 2.3% |
| 17. General merchandise | 2.0% | 2.1% |
| 18. Home improvement | 2.0% | 1.9% |
| 19. Home furnishings | 1.8% | 1.8% |
| 20. Grocery | 1.7% | 1.6% |
| Other | 10.4% | 10.7% |
| Total | 100.0% | 100.0% |

Top 10 States

| State | % of Total ⁽¹⁾ | State | % of Total ⁽¹⁾ |
|-------------------|---------------------------|---------------|---------------------------|
| 1. Texas | 19.6% | 6. Georgia | 4.4% |
| 2. Florida | 9.5% | 7. Indiana | 4.0% |
| 3. Illinois | 5.3% | 8. Virginia | 3.8% |
| 4. North Carolina | 5.1% | 9. Alabama | 3.1% |
| 5. Ohio | 5.1% | 10. Tennessee | 3.0% |

⁽¹⁾ Based on the annualized base rent for all leases in place as of March 31, 2016.

⁽²⁾ Based on the annualized base rent for all leases in place as of March 31, 2015.

**National Retail Properties, Inc.
Property Portfolio**

Top Tenants (> 2.0%)

| | Properties | % of Total ⁽¹⁾ |
|---------------------------|------------|---------------------------|
| Sunoco | 125 | 5.8% |
| Mister Car Wash | 90 | 4.3% |
| LA Fitness | 25 | 3.9% |
| Couche-Tard (Pantry) | 86 | 3.6% |
| Camping World | 32 | 3.6% |
| 7-Eleven | 77 | 3.5% |
| SunTrust | 121 | 3.2% |
| AMC Theatre | 17 | 3.1% |
| Bell American (Taco Bell) | 115 | 3.0% |
| Chuck E. Cheese's | 53 | 2.7% |
| Frisch's Restaurant | 74 | 2.4% |
| Gander Mountain | 12 | 2.3% |
| BJ's Wholesale Club | 7 | 2.3% |
| Best Buy | 19 | 2.1% |

Lease Expirations⁽²⁾

| | % of Total ⁽¹⁾ | # of Properties | Gross Leasable Area ⁽³⁾ | | % of Total ⁽¹⁾ | # of Properties | Gross Leasable Area ⁽³⁾ |
|------|------------------------------|--------------------|---------------------------------------|------------|------------------------------|--------------------|---------------------------------------|
| 2016 | 0.7% | 19 | 256,000 | 2022 | 5.6% | 95 | 1,189,000 |
| 2017 | 2.8% | 51 | 1,002,000 | 2023 | 2.4% | 55 | 905,000 |
| 2018 | 6.1% | 183 | 1,645,000 | 2024 | 2.6% | 49 | 770,000 |
| 2019 | 3.3% | 79 | 1,116,000 | 2025 | 5.5% | 133 | 1,118,000 |
| 2020 | 4.2% | 137 | 1,553,000 | 2026 | 6.0% | 167 | 1,732,000 |
| 2021 | 4.8% | 118 | 1,354,000 | Thereafter | 56.0% | 1,180 | 12,415,000 |

⁽¹⁾ Based on the annual base rent of \$496,053,000, which is the annualized base rent for all leases in place as of March 31, 2016.

⁽²⁾ As of March 31, 2016, the weighted average remaining lease term is 11.3 years.

⁽³⁾ Square feet.