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**Section 1: 8-K (8-K)**

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT**

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

**Date of Report: February 13, 2017**

**NATIONAL RETAIL PROPERTIES, INC.**

**(exact name of registrant as specified in its charter)**

**Maryland**  
**(State or other jurisdiction of  
incorporation or organization)**

**001-11290**  
**(Commission  
File Number)**

**56-1431377**  
**(I.R.S. Employment  
Identification No.)**

**450 South Orange Avenue, Suite 900, Orlando, Florida 32801**  
**(Address of principal executive offices, including zip code)**

**(407) 265-7348**  
**(Registrant's telephone number, including area code)**

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

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

**Item 2.02. Results of Operations and Financial Condition.**

On February 13, 2017, National Retail Properties, Inc. (the "Company"), issued a press release announcing its results of operations and financial condition for the quarter and year ended December 31, 2016. The press release is attached hereto as Exhibit 99.1 to this report and the supplemental data is attached hereto as Exhibit 99.2 to this report. The press release and the supplemental data are available on the Company's website.

The information in this Form 8-K is being furnished and shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities of such section, nor shall such information be deemed to be incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

- 99.1 Press Release, dated February 13, 2017, of National Retail Properties, Inc.
- 99.2 Supplemental Data, dated February 13, 2017, of National Retail Properties, Inc.

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

**National Retail Properties, Inc.**

Dated: February 13, 2017

By: /s/ Kevin B. Habicht

Kevin B. Habicht

Executive Vice President and Chief Financial Officer

## EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release, dated February 13, 2017, of National Retail Properties, Inc.
99.2	Supplemental Data, dated February 13, 2017, of National Retail Properties, Inc.

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## Section 2: EX-99.1 (EXHIBIT 99.1)



### NEWS RELEASE

For information contact:

Kevin B. Habicht

Chief Financial Officer

(407) 265-7348 FOR IMMEDIATE RELEASE

February 13, 2017

### **RECORD ANNUAL RESULTS ANNOUNCED BY NATIONAL RETAIL PROPERTIES, INC.**

**Orlando, Florida, February 13, 2017** – National Retail Properties, Inc. (NYSE: NNN), a real estate investment trust, today announced operating results for the quarter and year ended December 31, 2016. Highlights include:

#### Operating Results:

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

	Quarter Ended December 31,		Year Ended December 31,	
	2016	2015	2016	2015
	(in thousands, except per share data)			
Revenues	\$ 141,199	\$ 126,377	\$ 533,647	\$ 482,916
Net earnings available to common stockholders	\$ 54,044	\$ 33,612	\$ 200,877	\$ 162,402
Net earnings per common share	\$ 0.37	\$ 0.24	\$ 1.38	\$ 1.20
FFO available to common stockholders	\$ 88,717	\$ 67,319	\$ 330,544	\$ 289,193
FFO per common share	\$ 0.60	\$ 0.49	\$ 2.28	\$ 2.15
Core FFO available to common stockholders	\$ 88,717	\$ 76,661	\$ 340,643	\$ 299,171
Core FFO per common share	\$ 0.60	\$ 0.56	\$ 2.35	\$ 2.22
AFFO available to common stockholders	\$ 90,285	\$ 77,953	\$ 347,933	\$ 304,772
AFFO per common share	\$ 0.62	\$ 0.57	\$ 2.41	\$ 2.27

- Portfolio occupancy was 99.0% at December 31, 2016 and September 30, 2016, as compared to 99.1% at December 31, 2015

#### 2016 Highlights:

- Increased annual net earnings per common share 15.0%
- Increased annual FFO per common share 6.0%
- Increased annual Core FFO per common share 5.9%
- Increased annual AFFO per common share 6.2%
- Dividend yield of 4.0% at December 31, 2016
- Annual dividend per common share increased to \$1.78 marking the 27th consecutive year of annual dividend increases - making the company one of only four equity REITs and one of only 94 public companies with 27 or more consecutive annual dividend increases
- Maintained high occupancy levels at or above 99.0% for the entire year with a weighted average remaining lease term of 11.6 years

2016 Highlights (continued):

- Invested \$846.9 million in 313 properties with an aggregate gross leasable area of approximately 2,734,000 square feet at an initial cash yield of 6.9%
- Sold 38 properties for \$103.2 million, producing \$27.1 million of gains on sale, net of noncontrolling interests, at a cap rate of 6.8%
- Raised \$950.9 million of new long-term capital at attractive pricing
  - Raised \$274.0 million in net proceeds from the issuance of 5,903,848 common shares
  - Raised \$342.8 million in net proceeds from the issuance of 3.60% senior unsecured notes due 2026
  - Raised \$334.1 million in net proceeds from the issuance of 5.20% Series F preferred stock
- Entire \$650 million availability on bank credit facility at December 31, 2016
- 99.7% of properties are unencumbered with secured mortgage debt
- Total shareholder return of 14.5% for 2016 exceeds industry averages and general equity averages
- Total average annual shareholder return of 14.3% over the past 25 years exceeds industry averages and general equity averages

Selected Highlights for the quarter ended December 31, 2016:

- Investments:
  - \$250.4 million in property investments, including the acquisition of 64 properties with an aggregate gross leasable area of approximately 698,000 square feet at an initial cash yield of 6.9%
- Dispositions:
  - Sold 14 properties with net proceeds of \$20.1 million, producing \$4.6 million of gains on sales, net of noncontrolling interests, at a cap rate of 7.2%
- Long-term capital:
  - Raised \$965,000 in net proceeds from the issuance of 22,986 common shares
  - Raised \$342.8 million in net proceeds from the issuance of 3.60% senior unsecured notes due 2026
  - Raised \$334.1 million in net proceeds from the issuance of 5.20% Series F preferred stock

Craig Macnab, Chief Executive Officer, commented: "We are delighted to report another excellent year at NNN, with per share FFO results and acquisitions activity all being records. We were pleased with our capital market activity in 2016 with well executed debt and preferred offerings which were attractively priced and improved our long term cost of capital. As we head into 2017, our balance sheet positions us well for building shareholder value, growing per share results and continuing our 27 year record of annual increases in our dividend."

National Retail Properties invests primarily in high-quality retail properties subject generally to long-term, net leases. As of December 31, 2016, the company owned 2,535 properties in 48 states with a gross leasable area of approximately 27.2 million square feet and with a weighted average remaining lease term of 11.6 years. For more information on the company, visit [www.nnnreit.com](http://www.nnnreit.com).

Management will hold a conference call on February 13, 2017, at 10:30 a.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 and risks related to the company's status as a REIT. 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 (the "Commission") 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 Commission. 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-K with the Commission for the quarter and year ended December 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.*

*Core Funds From Operations (“Core FFO”) is a non-GAAP measure of operating performance that adjusts FFO to eliminate the impact of certain GAAP income and expense amounts that the company believes are infrequent and unusual in nature and/or not related to its core real estate operations. Exclusion of these items from similar FFO-type metrics is common within the REIT industry, and management believes that presentation of Core FFO provides investors with a potential metric to assist in their evaluation of the company’s operating performance across multiple periods and in comparison to the operating performance of its peers because it removes the effect of unusual items that are not expected to impact the company’s operating performance on an ongoing basis. Core FFO is used by management in evaluating the performance of the company’s core business operations and is a factor in determining management compensation. Items included in calculating FFO that may be excluded in calculating Core FFO may include items like transaction related gains, income or expense, impairments on land or commercial mortgage residual interests, preferred stock redemption costs or other non-core amounts as they occur. The company’s computation of Core FFO may differ from the methodology for calculating Core 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 Core FFO 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		Year Ended	
	December 31,		December 31,	
	2016	2015	2016	2015
<b>Income Statement Summary</b>				
<b>Revenues:</b>				
Rental and earned income	\$ 135,947	\$ 121,106	\$ 515,954	\$ 465,282
Real estate expense reimbursement from tenants	4,732	4,561	14,984	14,868
Interest and other income from real estate transactions	128	264	1,032	988
Interest income on commercial mortgage residual interests	392	446	1,677	1,778
	<u>141,199</u>	<u>126,377</u>	<u>533,647</u>	<u>482,916</u>
<b>Operating expenses:</b>				
General and administrative	9,408	9,657	36,508	34,736
Real estate	6,555	5,575	20,852	19,776
Depreciation and amortization	38,987	34,848	149,101	134,798
Impairment – commercial mortgage residual interests valuation	—	51	6,830	531
Impairment losses – real estate and other charges, net of recoveries	338	708	11,287	4,420
	<u>55,288</u>	<u>50,839</u>	<u>224,578</u>	<u>194,261</u>
<b>Other expenses (revenues):</b>				
Interest and other income	(62)	(42)	(170)	(109)
Interest expense	24,429	24,548	96,352	90,008
Real estate acquisition costs	42	33	563	927
	<u>24,409</u>	<u>24,539</u>	<u>96,745</u>	<u>90,826</u>
Income tax expense	—	(9,827)	—	(10,318)
Earnings before gain on disposition of real estate, net of income tax expense	61,502	41,172	212,324	187,511
Gain on disposition of real estate, net of income tax expense	4,624	1,305	27,182	10,450
Earnings including noncontrolling interests	66,126	42,477	239,506	197,961
Earnings from continuing operations attributable to noncontrolling interests:	(34)	(6)	(6)	(125)
Net earnings attributable to NNN	66,092	42,471	239,500	197,836
Series D preferred stock dividends	(4,762)	(4,762)	(19,047)	(19,047)
Series E preferred stock dividends	(4,097)	(4,097)	(16,387)	(16,387)
Series F preferred stock dividends	(3,189)	—	(3,189)	—
Net earnings available to common stockholders	<u>\$ 54,044</u>	<u>\$ 33,612</u>	<u>\$ 200,877</u>	<u>\$ 162,402</u>
<b>Weighted average common shares outstanding:</b>				
Basic	<u>146,266</u>	<u>137,111</u>	<u>144,176</u>	<u>133,999</u>
Diluted	<u>146,763</u>	<u>137,623</u>	<u>144,661</u>	<u>134,489</u>
<b>Net earnings per share available to common stockholders:</b>				
Basic	<u>\$ 0.37</u>	<u>\$ 0.24</u>	<u>\$ 1.39</u>	<u>\$ 1.21</u>
Diluted	<u>\$ 0.37</u>	<u>\$ 0.24</u>	<u>\$ 1.38</u>	<u>\$ 1.20</u>





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

	Quarter Ended		Year Ended	
	December 31,		December 31,	
	2016	2015	2016	2015
<b><u>Funds From Operations (FFO) Reconciliation:</u></b>				
Net earnings available to common stockholders	\$ 54,044	\$ 33,612	\$ 200,877	\$ 162,402
Real estate depreciation and amortization:	38,907	34,754	148,779	134,380
Gain on disposition of real estate, net of income tax and noncontrolling interests	(4,579)	(1,305)	(27,137)	(10,397)
Impairment losses – depreciable real estate, net of recoveries and income tax	345	258	8,025	2,808
Total FFO adjustments	<u>34,673</u>	<u>33,707</u>	<u>129,667</u>	<u>126,791</u>
FFO available to common stockholders	<u>\$ 88,717</u>	<u>\$ 67,319</u>	<u>\$ 330,544</u>	<u>\$ 289,193</u>
FFO per common share:				
Basic	<u>\$ 0.61</u>	<u>\$ 0.49</u>	<u>\$ 2.29</u>	<u>\$ 2.16</u>
Diluted	<u>\$ 0.60</u>	<u>\$ 0.49</u>	<u>\$ 2.28</u>	<u>\$ 2.15</u>
<b><u>Core Funds from Operations Reconciliation:</u></b>				
Net earnings available to common stockholders	\$ 54,044	\$ 33,612	\$ 200,877	\$ 162,402
Total FFO adjustments	<u>34,673</u>	<u>33,707</u>	<u>129,667</u>	<u>126,791</u>
FFO available to common stockholders	88,717	67,319	330,544	289,193
Impairment – commercial mortgage residual interests valuation	—	51	6,830	531
Impairment losses – non-depreciable real estate and other charges	—	—	—	156
Bad debt expense – loans	—	—	3,269	—
Income tax benefit	—	(316)	—	(316)
TRS revocation election	—	9,607	—	9,607
Total Core FFO adjustments	<u>—</u>	<u>9,342</u>	<u>10,099</u>	<u>9,978</u>
Core FFO available to common stockholders	<u>\$ 88,717</u>	<u>\$ 76,661</u>	<u>\$ 340,643</u>	<u>\$ 299,171</u>
Core FFO per common share:				
Basic	<u>\$ 0.61</u>	<u>\$ 0.56</u>	<u>\$ 2.36</u>	<u>\$ 2.23</u>
Diluted	<u>\$ 0.60</u>	<u>\$ 0.56</u>	<u>\$ 2.35</u>	<u>\$ 2.22</u>



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

	Quarter Ended December 31,		Year Ended December 31,	
	2016	2015	2016	2015
<b><u>Adjusted Funds From Operations (AFFO) Reconciliation:</u></b>				
Net earnings available to common stockholders	\$ 54,044	\$ 33,612	\$ 200,877	\$ 162,402
Total FFO adjustments	34,673	33,707	129,667	126,791
Total Core FFO adjustments	—	9,342	10,099	9,978
Core FFO available to common stockholders	<u>88,717</u>	<u>76,661</u>	<u>340,643</u>	<u>299,171</u>
Straight-line accrued rent	(273)	(529)	(252)	(368)
Net capital lease rent adjustment	309	331	1,364	1,277
Below market rent amortization	(662)	(671)	(2,842)	(3,046)
Stock based compensation expense	2,689	2,461	10,758	9,671
Capitalized interest expense	(495)	(750)	(1,738)	(2,383)
Loss on sale of mortgage receivable	—	450	—	450
Total AFFO adjustments	<u>1,568</u>	<u>1,292</u>	<u>7,290</u>	<u>5,601</u>
AFFO available to common stockholders	<u>\$ 90,285</u>	<u>\$ 77,953</u>	<u>\$ 347,933</u>	<u>\$ 304,772</u>

AFFO per common share:

Basic	<u>\$ 0.62</u>	<u>\$ 0.57</u>	<u>\$ 2.41</u>	<u>\$ 2.27</u>
Diluted	<u>\$ 0.62</u>	<u>\$ 0.57</u>	<u>\$ 2.41</u>	<u>\$ 2.27</u>

**Other Information:**

Percentage rent	<u>\$ 776</u>	<u>\$ 802</u>	<u>\$ 1,735</u>	<u>\$ 1,430</u>
Amortization of debt costs	<u>\$ 810</u>	<u>\$ 773</u>	<u>\$ 3,086</u>	<u>\$ 2,915</u>
Scheduled debt principal amortization (excluding maturities)	<u>\$ 129</u>	<u>\$ 378</u>	<u>\$ 656</u>	<u>\$ 1,587</u>
Non-real estate depreciation expense	<u>\$ 83</u>	<u>\$ 77</u>	<u>\$ 333</u>	<u>\$ 418</u>

**2017 Earnings Guidance:**

Core FFO guidance for 2017 is \$2.42 to \$2.48 per share. The 2017 AFFO is estimated to be \$2.46 to \$2.52 per share. The FFO guidance equates to net earnings of \$1.37 to \$1.43 per share, plus \$1.05 per share of expected real estate depreciation and amortization and excludes any gains from the sale of real estate and any charges for impairments, severance costs, or preferred stock redemption charges. 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.

**2017 Guidance**

Net earnings per common share excluding any gains on sale of real estate, impairment charges, severance charges or charges in connection with preferred stock redemption	\$1.37 - \$1.43 per share
Real estate depreciation and amortization per share	\$1.05 per share
Core FFO per share	\$2.42 - \$2.48 per share
AFFO per share	\$2.46 - \$2.52 per share
G&A expenses (excluding severance charges)	\$34 - \$35 Million
Real estate expenses, net of tenant reimbursements	\$6.0 - \$6.5 Million
Acquisition volume	\$500 - \$600 Million
Disposition volume	\$80 - \$120 Million

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

	December 31, 2016	December 31, 2015
<b>Balance Sheet Summary</b>		
<b>Assets:</b>		
Real estate:		
Accounted for using the operating method, net of accumulated depreciation and amortization	\$ 5,881,280	\$ 5,231,413
Accounted for using the direct financing method	11,230	14,518
Real estate held for sale	23,850	57,527
Cash and cash equivalents	294,540	13,659
Restricted cash and cash held in escrow	—	601
Receivables, net of allowance	3,418	3,344
Mortgages, notes and accrued interest receivable, net of allowance	1,252	8,688
Accrued rental income, net of allowance	25,101	25,529
Debt costs, net of accumulated amortization	2,715	4,003
Commercial mortgage residual interests	36	11,115
Other assets	90,729	89,647
Total assets	\$ 6,334,151	\$ 5,460,044
<b>Liabilities:</b>		
Line of credit payable	\$ —	\$ —
Mortgages payable, including unamortized premium and net of unamortized debt cost	13,878	23,964
Notes payable, net of unamortized discount and unamortized debt costs	2,297,811	1,951,980
Accrued interest payable	19,665	20,113
Other liabilities	85,869	121,594
Total liabilities	2,417,223	2,117,651
Stockholders' equity of NNN	3,916,799	3,342,134
Noncontrolling interests	129	259
Total equity	3,916,928	3,342,393
Total liabilities and equity	\$ 6,334,151	\$ 5,460,044
Common shares outstanding	147,150	141,008
Gross leasable area, Property Portfolio (square feet)	27,204	24,964

**National Retail Properties, Inc.**

Debt Summary  
As of December 31, 2016  
(in thousands)  
(unaudited)

<u>Unsecured Debt</u>	<u>Principal</u>	<u>Discount</u>	<u>Stated Rate</u>	<u>Effective Rate</u>	<u>Maturity Date</u>
Line of credit payable	\$ —	\$ —	L + 92.5 bps	—	January 2019
Unsecured notes payable:					
2017	250,000	249,907	6.875%	6.924%	October 2017
2021	300,000	297,764	5.500%	5.689%	July 2021
2022	325,000	321,917	3.800%	3.985%	October 2022
2023	350,000	348,269	3.300%	3.388%	April 2023
2024	350,000	349,451	3.900%	3.924%	June 2024
2025	400,000	399,131	4.000%	4.029%	November 2025
2026	350,000	346,153	3.600%	3.733%	December 2026
Total	<u>2,325,000</u>	<u>2,312,592</u>			
Total unsecured debt <sup>(1)</sup>	<u>\$ 2,325,000</u>	<u>\$ 2,312,592</u>			
Debt costs		(21,157)			
Accumulated amortization		6,376			
Debt costs, net of accumulated amortization		<u>(14,781)</u>			
Notes payable, net of unamortized discount and unamortized debt costs		<u>\$ 2,297,811</u>			

<sup>(1)</sup> Unsecured notes payable have a weighted average interest rate of 4.4% and a weighted average maturity of 6.6 years

<u>Mortgages Payable</u>	<u>Principal Balance</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
Mortgage <sup>(1)</sup>	<u>\$ 13,987</u>	5.230%	July 2023
Debt costs		(147)	
Accumulated amortization		38	
Debt costs, net of accumulated amortization		<u>(109)</u>	
Mortgages payable, including unamortized premium and net of unamortized debt costs	<u>\$ 13,878</u>		

<sup>(1)</sup> Includes unamortized premium

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

**Top 20 Lines of Trade**

Line of Trade	As of December 31,	
	2016 <sup>(1)</sup>	2015 <sup>(2)</sup>
1. Convenience stores	16.9%	16.7%
2. Restaurants - full service	11.8%	11.0%
3. Restaurants - limited service	7.5%	7.2%
4. Automotive service	6.6%	7.0%
5. Family entertainment centers	5.8%	5.6%
6. Health and fitness	5.7%	3.8%
7. Theaters	4.9%	5.2%
8. Automotive parts	3.9%	4.2%
9. Recreational vehicle dealers, parts and accessories	3.4%	3.6%
10. Banks	3.1%	3.4%
11. Sporting goods	2.5%	3.3%
12. Medical service providers	2.4%	2.2%
13. Wholesale clubs	2.4%	2.6%
14. Drug stores	2.1%	2.3%
15. Consumer electronics	2.0%	2.2%
16. Travel plazas	1.9%	2.1%
17. Furniture	1.9%	1.1%
18. General merchandise	1.8%	1.9%
19. Home improvement	1.8%	1.8%
20. Home furnishings	1.7%	1.9%
Other	9.9%	10.9%
Total	100.0%	100.0%

**Top 10 States**

State	% of Total <sup>(1)</sup>	State	% of Total <sup>(1)</sup>
1. Texas	18.4%	6. Georgia	4.3%
2. Florida	9.1%	7. Indiana	4.2%
3. Illinois	5.7%	8. Virginia	3.5%
4. Ohio	5.7%	9. Alabama	3.0%
5. North Carolina	4.7%	10. Tennessee	2.8%

<sup>(1)</sup> Based on the annualized base rent for all leases in place as of December 31, 2016.

<sup>(2)</sup> Based on the annualized base rent for all leases in place as of December 31, 2015.

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

**Top Tenants (≥ 2.0%)**

	<u>Properties</u>	<u>% of Total <sup>(1)</sup></u>
Sunoco	125	5.4%
Mister Car Wash	90	4.0%
LA Fitness	29	3.8%
AMC Theatres	20	3.5%
Camping World	32	3.4%
Couche-Tard (Pantry)	86	3.3%
7-Eleven	77	3.3%
SunTrust	121	3.0%
Bell American (Taco Bell)	115	2.8%
Chuck E. Cheese's	53	2.5%
BJ's Wholesale Club	8	2.4%
Frisch's Restaurant	74	2.2%
Gander Mountain	12	2.2%
Bob Evans	117	2.0%

**Lease Expirations<sup>(2)</sup>**

	<u>% of Total<sup>(1)</sup></u>	<u># of Properties</u>	<u>Gross Leasable Area <sup>(3)</sup></u>		<u>% of Total<sup>(1)</sup></u>	<u># of Properties</u>	<u>Gross Leasable Area <sup>(3)</sup></u>
2017	1.2%	27	502,000	2023	2.5%	85	1,014,000
2018	3.2%	90	1,153,000	2024	2.6%	50	883,000
2019	3.0%	76	1,122,000	2025	5.0%	132	1,116,000
2020	3.8%	132	1,571,000	2026	6.0%	181	1,830,000
2021	4.4%	122	1,320,000	2027	9.0%	190	2,842,000
2022	6.1%	111	1,456,000	Thereafter	53.2%	1,305	11,891,000

<sup>(1)</sup> Based on the annual base rent of \$543,446,000, which is the annualized base rent for all leases in place as of December 31, 2016.

<sup>(2)</sup> As of December 31, 2016, the weighted average remaining lease term is 11.6 years.

<sup>(3)</sup> Square feet.

**Section 3: EX-99.2 (EXHIBIT 99.2)**



# **ANNUAL SUPPLEMENTAL DATA**

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As of December 31, 2016

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Statements in this supplemental 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 (the “Commission”) 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 Commission. 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.

## ***INCOME STATEMENT SUMMARY***

(in thousands, except per share data)

(unaudited)

	Quarter Ended December 31,		Year Ended December 31,	
	2016	2015	2016	2015
<b>Revenues:</b>				
Rental and earned income	\$ 135,947	\$ 121,106	\$ 515,954	\$ 465,282
Real estate expense reimbursement from tenants	4,732	4,561	14,984	14,868
Interest and other income from real estate transactions	128	264	1,032	988
Interest income on commercial mortgage residual interests	392	446	1,677	1,778
	<u>141,199</u>	<u>126,377</u>	<u>533,647</u>	<u>482,916</u>
<b>Operating expenses:</b>				
General and administrative	9,408	9,657	36,508	34,736
Real estate	6,555	5,575	20,852	19,776
Depreciation and amortization	38,987	34,848	149,101	134,798
Impairment – commercial mortgage residual interests valuation	—	51	6,830	531
Impairment losses – real estate and other charges, net of recoveries	338	708	11,287	4,420
	<u>55,288</u>	<u>50,839</u>	<u>224,578</u>	<u>194,261</u>
<b>Other expenses (revenues):</b>				
Interest and other income	(62)	(42)	(170)	(109)
Interest expense	24,429	24,548	96,352	90,008
Real estate acquisition costs	42	33	563	927
	<u>24,409</u>	<u>24,539</u>	<u>96,745</u>	<u>90,826</u>
Income tax expense	—	(9,827)	—	(10,318)
Earnings before gain on disposition of real estate, net of income tax expense	61,502	41,172	212,324	187,511
Gain on disposition of real estate, net of income tax expense	4,624	1,305	27,182	10,450
Earnings including noncontrolling interests	66,126	42,477	239,506	197,961
Earnings from continuing operations attributable to noncontrolling interests:	(34)	(6)	(6)	(125)
Net earnings attributable to NNN	66,092	42,471	239,500	197,836

## ***INCOME STATEMENT SUMMARY***

(in thousands, except per share data)

(unaudited)

	Quarter Ended December 31,		Year Ended December 31,	
	2016	2015	2016	2015
Net earnings attributable to NNN	66,092	42,471	239,500	197,836
Series D preferred stock dividends	(4,762)	(4,762)	(19,047)	(19,047)
Series E preferred stock dividends	(4,097)	(4,097)	(16,387)	(16,387)
Series F preferred stock dividends	(3,189)	—	(3,189)	—
Net earnings available to common stockholders	<u>\$ 54,044</u>	<u>\$ 33,612</u>	<u>\$ 200,877</u>	<u>\$ 162,402</u>
<b>Weighted average common shares outstanding:</b>				
Basic	<u>146,266</u>	<u>137,111</u>	<u>144,176</u>	<u>133,999</u>
Diluted	<u>146,763</u>	<u>137,623</u>	<u>144,661</u>	<u>134,489</u>
<b>Net earnings per share available to common stockholders:</b>				
Basic	<u>\$ 0.37</u>	<u>\$ 0.24</u>	<u>\$ 1.39</u>	<u>\$ 1.21</u>
Diluted	<u>\$ 0.37</u>	<u>\$ 0.24</u>	<u>\$ 1.38</u>	<u>\$ 1.20</u>

## ***FUNDS FROM OPERATIONS (FFO)***

(in thousands, except per share data)

(unaudited)

	Quarter Ended December 31,		Year Ended December 31,	
	2016	2015	2016	2015
Net earnings available to common stockholders	\$ 54,044	\$ 33,612	\$ 200,877	\$ 162,402
Real estate depreciation and amortization:	38,907	34,754	148,779	134,380
Gain on disposition of real estate, net of income tax and noncontrolling interests	(4,579)	(1,305)	(27,137)	(10,397)
Impairment losses – depreciable real estate, net of recoveries and income tax	345	258	8,025	2,808
Total FFO adjustments	34,673	33,707	129,667	126,791
FFO available to common stockholders	\$ 88,717	\$ 67,319	\$ 330,544	\$ 289,193
FFO per common share:				
Basic	\$ 0.61	\$ 0.49	\$ 2.29	\$ 2.16
Diluted	\$ 0.60	\$ 0.49	\$ 2.28	\$ 2.15

## ***CORE FUNDS FROM OPERATIONS***

(in thousands, except per share data)

(unaudited)

	Quarter Ended December 31,		Year Ended December 31,	
	2016	2015	2016	2015
Net earnings available to common stockholders	\$ 54,044	\$ 33,612	\$ 200,877	\$ 162,402
Total FFO adjustments	34,673	33,707	129,667	126,791
FFO available to common stockholders	88,717	67,319	330,544	289,193
Impairment – commercial mortgage residual interests valuation	—	51	6,830	531
Impairment losses – non-depreciable real estate and other charges	—	—	—	156
Bad debt expense – loans	—	—	3,269	—
Income tax benefit	—	(316)	—	(316)
Taxable REIT subsidiary revocation election <sup>(1)</sup>	—	9,607	—	9,607
Total Core FFO adjustments	—	9,342	10,099	9,978
Core FFO available to common stockholders	\$ 88,717	\$ 76,661	\$ 340,643	\$ 299,171
Core FFO per common share:				
Basic	\$ 0.61	\$ 0.56	\$ 2.36	\$ 2.23
Diluted	\$ 0.60	\$ 0.56	\$ 2.35	\$ 2.22

<sup>(1)</sup> At the close of business on December 31, 2015, NNN elected to revoke its election to classify the TRS as taxable REIT subsidiaries. This TRS revocation election resulted in an additional tax expense of approximately \$9,607 for 2015.

## ***ADJUSTED FUNDS FROM OPERATIONS (AFFO)***

(in thousands, except per share data)

(unaudited)

	Quarter Ended December 31,		Year Ended December 31,	
	2016	2015	2016	2015
Net earnings available to common stockholders	\$ 54,044	\$ 33,612	\$ 200,877	\$ 162,402
Total FFO adjustments	34,673	33,707	129,667	126,791
Total Core FFO adjustments	—	9,342	10,099	9,978
Core FFO available to common stockholders	88,717	76,661	340,643	299,171
Straight-line accrued rent	(273)	(529)	(252)	(368)
Net capital lease rent adjustment	309	331	1,364	1,277
Below market rent amortization	(662)	(671)	(2,842)	(3,046)
Stock based compensation expense	2,689	2,461	10,758	9,671
Capitalized interest expense	(495)	(750)	(1,738)	(2,383)
Loss on sale of mortgage receivable	—	450	—	450
Total AFFO adjustments	1,568	1,292	7,290	5,601
AFFO available to common stockholders	\$ 90,285	\$ 77,953	\$ 347,933	\$ 304,772
AFFO per common share:				
Basic	\$ 0.62	\$ 0.57	\$ 2.41	\$ 2.27
Diluted	\$ 0.62	\$ 0.57	\$ 2.41	\$ 2.27

## ***OTHER INFORMATION***

(in thousands)

(unaudited)

	Quarter Ended December 31,		Year Ended December 31,	
	2016	2015	2016	2015
Percentage rent	\$ 776	\$ 802	\$ 1,735	\$ 1,430
Amortization of debt costs	\$ 810	\$ 773	\$ 3,086	\$ 2,915
Scheduled debt principal amortization (excluding maturities)	\$ 129	\$ 378	\$ 656	\$ 1,587
Non-real estate depreciation expense	\$ 83	\$ 77	\$ 333	\$ 418

## ***BALANCE SHEET***

(in thousands)

(unaudited)

	December 31, 2016	December 31, 2015
<b>Assets:</b>		
Real estate:		
Accounted for using the operating method, net of accumulated depreciation and amortization	\$ 5,881,280	\$ 5,231,413
Accounted for using the direct financing method	11,230	14,518
Real estate held for sale	23,850	57,527
Cash and cash equivalents	294,540	13,659
Restricted cash and cash held in escrow	—	601
Receivables, net of allowance	3,418	3,344
Mortgages, notes and accrued interest receivable, net of allowance	1,252	8,688
Accrued rental income, net of allowance	25,101	25,529
Debt costs, net of accumulated amortization	2,715	4,003
Commercial mortgage residual interests	36	11,115
Other assets	90,729	89,647
<b>Total assets</b>	<b>\$ 6,334,151</b>	<b>\$ 5,460,044</b>
<b>Liabilities:</b>		
Line of credit payable	\$ —	\$ —
Mortgages payable, including unamortized premium and net of unamortized debt cost	13,878	23,964
Notes payable, net of unamortized discount and unamortized debt costs	2,297,811	1,951,980
Accrued interest payable	19,665	20,113
Other liabilities	85,869	121,594
<b>Total liabilities</b>	<b>2,417,223</b>	<b>2,117,651</b>
Stockholders' equity of NNN	3,916,799	3,342,134
Noncontrolling interests	129	259
<b>Total equity</b>	<b>3,916,928</b>	<b>3,342,393</b>
<b>Total liabilities and equity</b>	<b>\$ 6,334,151</b>	<b>\$ 5,460,044</b>
Common shares outstanding	147,150	141,008
Gross leasable area, Property Portfolio (square feet)	27,204	24,964

## ***DEBT SUMMARY***

(in thousands)

As of December 31, 2016

<b>Unsecured Debt</b>	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	249,907	6.875%	6.924%	October 2017
2021	300,000	297,764	5.500%	5.689%	July 2021
2022	325,000	321,917	3.800%	3.985%	October 2022
2023	350,000	348,269	3.300%	3.388%	April 2023
2024	350,000	349,451	3.900%	3.924%	June 2024
2025	400,000	399,131	4.000%	4.029%	November 2025
2026	350,000	346,153	3.600%	3.733%	December 2026
<b>Total</b>	<b>2,325,000</b>	<b>2,312,592</b>			
<b>Total unsecured debt <sup>(1)</sup></b>	<b>\$ 2,325,000</b>	<b>\$ 2,312,592</b>			
Debt costs		(21,157)			
Accumulated amortization		6,376			
Debt costs, net of accumulated amortization		(14,781)			
Notes payable, net of unamortized discount and unamortized debt costs		<b>\$ 2,297,811</b>			

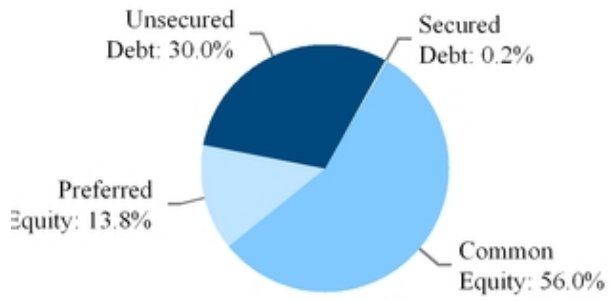
<sup>(1)</sup> Unsecured notes payable have a weighted average interest rate of 4.4% and a weighted average maturity of 6.6 years

<b>Mortgages Payable</b>	Interest Rate	Maturity Date	Principal Balance
Mortgage <sup>(1)</sup>	5.230%	July 2023	\$ 13,987
Debt costs			(147)
Accumulated amortization			38
Debt costs, net of accumulated amortization			(109)
Mortgages payable, including unamortized premium and net of unamortized debt costs			<b>\$ 13,878</b>

<sup>(1)</sup> Includes unamortized premium



**Total Gross Book Assets**  
**(\$6,684.8 Million)**



## CREDIT METRICS <sup>(1)</sup>

Ratings: Moody's Baa1; S&P BBB+; Fitch BBB+

	2012	2013	2014	2015	2016	2016 Pro Forma Pfd Stock Redemption <sup>(2)</sup>
Debt / Total assets (gross book)	37.5%	32.9%	32.6%	33.2%	30.2%	34.5%
Debt + preferred / Total assets (gross book)	44.3%	44.9%	43.3%	42.9%	43.9%	44.0%
Debt / EBITDA (last quarter annualized)	5.1	4.3	4.2	4.4	4.0	4.6
Debt / EBITDA (last four quarters)	5.3	4.5	4.5	4.6	4.3	4.9
Debt + Pref Stock / EBITDA	6.3	6.1	6.0	5.9	6.2	6.2
EBITDA / Interest expense (cash)	3.7	4.1	4.4	4.6	4.8	
EBITDA / Fixed charges (cash)	3.0	3.1	3.1	3.3	3.4	

<sup>(1)</sup> Debt amounts used in calculation are net of cash balances.

<sup>(2)</sup> Pro forma credit metrics reflect redemption of Series D Preferred shares in February 2017 using \$287.5 million of cash balances available on December 31, 2016

## CREDIT FACILITY AND NOTES COVENANTS

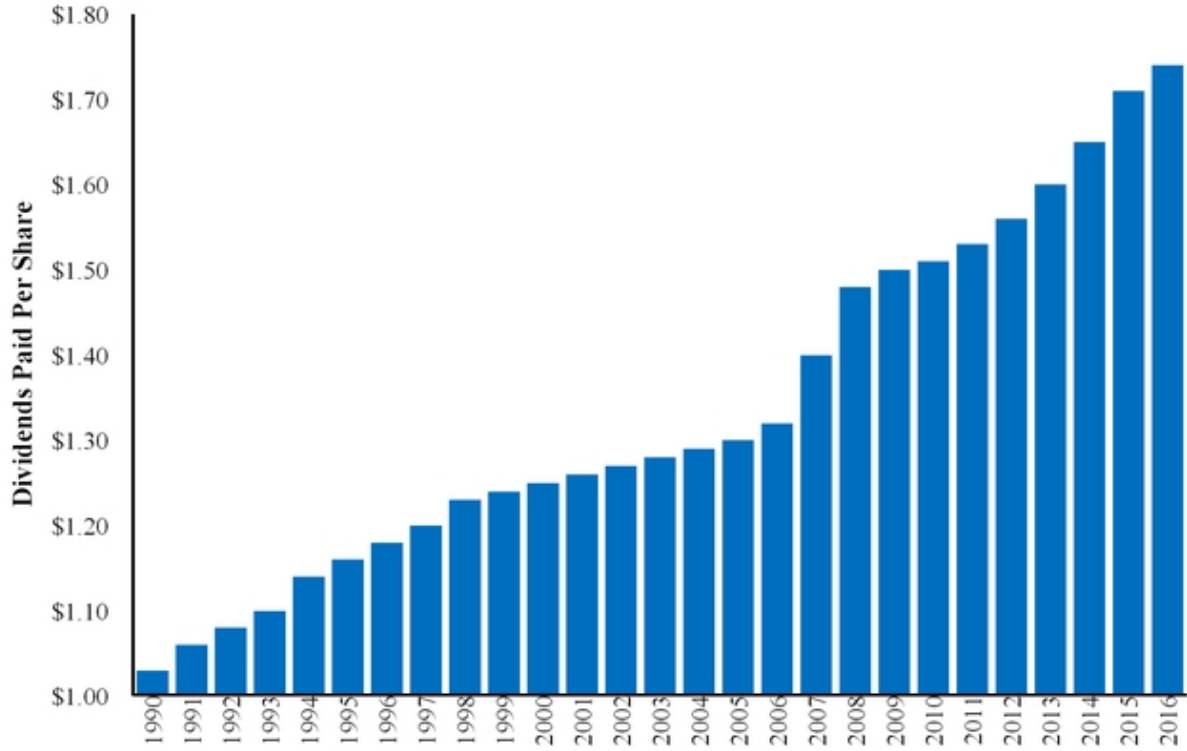
The following is a summary of key financial covenants for the company's unsecured credit facility and notes, as defined and calculated per the terms of the facility's credit agreement and the notes' governing documents, respectively, which are included in the company's filings with the Commission. These calculations, which are not based on U.S. GAAP measurements, are presented to investors to show that as of December 31, 2016, the company believes it is in compliance with the covenants.

Unsecured Credit Facility Key Covenants	Required	December 31, 2016
Maximum leverage ratio	< 0.60	0.32
Minimum fixed charge coverage ratio	> 1.50	3.44
Maximum secured indebtedness ratio	< 0.40	0.002
Unencumbered asset value ratio	> 1.67	3.15
Unencumbered interest ratio	> 1.75	5.37

Unsecured Notes Key Covenants	Required	December 31, 2016
Limitation on incurrence of total debt	≤ 60%	32.6%
Limitation on incurrence of secured debt	≤ 40%	0.2%
Debt service coverage ratio	≥ 1.50	4.82
Maintenance of total unencumbered assets	≥ 150%	307.2%

***LONG-TERM DIVIDEND HISTORY***

**27 Consecutive Years of Dividend Increases**



## ***PROPERTY ACQUISITIONS***

(dollars in thousands)

	Year Ended December 31,	
	2016	2015
Total dollars invested	\$ 846,906	\$ 726,303
Number of Properties	313	221
Gross leasable area (square feet)	2,734,000	2,706,000
Cash cap rate	6.9%	7.2%

## ***PROPERTY DISPOSITIONS***

(dollars in thousands)

	Year Ended December 31,					
	2016			2015		
	Occupied	Vacant	Total	Occupied	Vacant	Total
Number of properties	33	5 <sup>(1)</sup>	38	11	8 <sup>(1)</sup>	19
Gross leasable area (square feet)	419,000	71,000	490,000	106,000	126,000	232,000
Acquisition costs	\$ 91,203	\$ 7,787	\$ 98,990	\$ 28,092	\$ 11,264	\$ 39,356
Net book value	\$ 73,041	\$ 2,992	\$ 76,033	\$ 24,535	\$ 3,892	\$ 28,427
Net sale proceeds	\$ 99,954	\$ 3,261	\$ 103,215	\$ 35,030	\$ 4,086	\$ 39,116
Cash cap rate	6.8%	—	6.8%	5.9%	—	5.9%

<sup>(1)</sup> Includes two excess land parcels

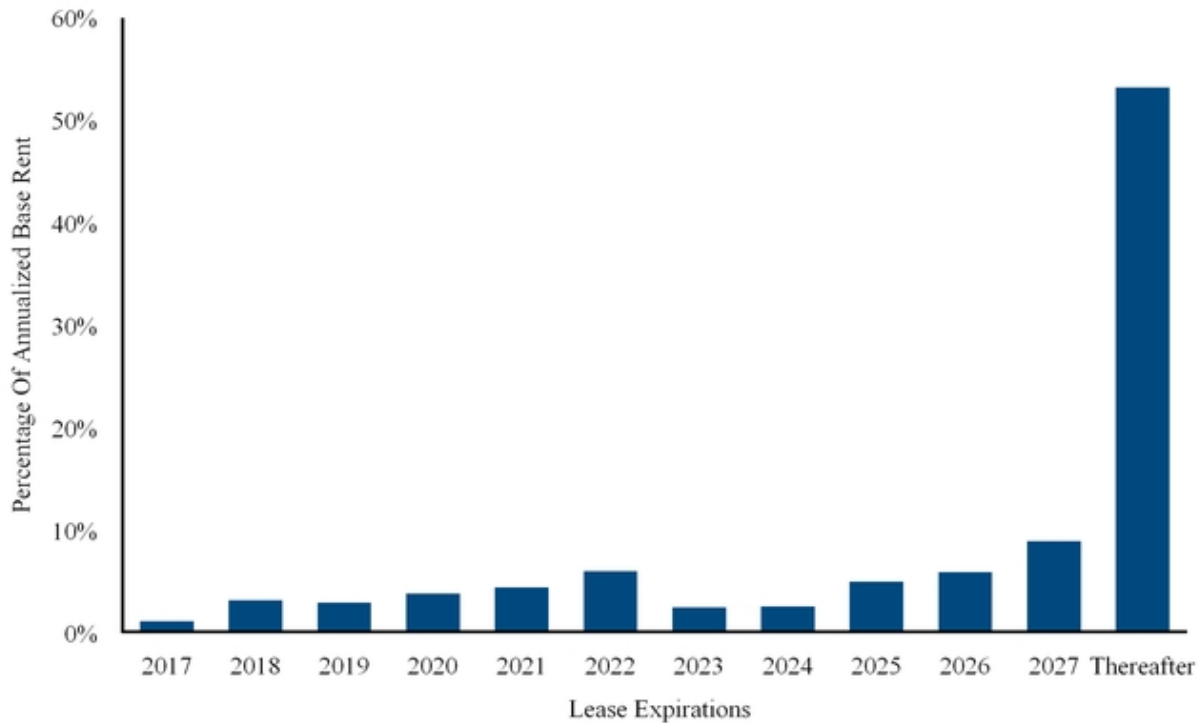
## LEASE EXPIRATIONS

	% of Total <sup>(1)</sup>	# of Properties	Gross Leasable Area <sup>(2)</sup>		% of Total <sup>(1)</sup>	# of Properties	Gross Leasable Area <sup>(2)</sup>
2017	1.2%	27	502,000	2023	2.5%	85	1,014,000
2018	3.2%	90	1,153,000	2024	2.6%	50	883,000
2019	3.0%	76	1,122,000	2025	5.0%	132	1,116,000
2020	3.8%	132	1,571,000	2026	6.0%	181	1,830,000
2021	4.4%	122	1,320,000	2027	9.0%	190	2,842,000
2022	6.1%	111	1,456,000	Thereafter	53.2%	1,305	11,891,000

<sup>(1)</sup> Based on the annual base rent of \$543,446,000, which is the annualized base rent for all leases in place as of December 31, 2016.

<sup>(2)</sup> Square feet.

### - Lease Expirations as a Percentage of Annualized Base Rent - (weighted average remaining lease term is 11.6 years)



## TOP 20 LINES OF TRADE

Line of Trade	As of December 31, 2016		As of December 31, 2015	
	% of Total <sup>(1)</sup>	Properties	% of Total <sup>(2)</sup>	Properties
1. Convenience stores	16.9%	502	16.7%	448
2. Restaurants - full service	11.8%	414	11.0%	294
3. Restaurants - limited service	7.5%	347	7.2%	297
4. Automotive service	6.6%	201	7.0%	197
5. Family entertainment centers	5.8%	88	5.6%	80
6. Health and fitness	5.7%	35	3.8%	28
7. Theaters	4.9%	30	5.2%	30
8. Automotive parts	3.9%	182	4.2%	183
9. Recreational vehicle dealers, parts and accessories	3.4%	32	3.6%	32
10. Banks	3.1%	124	3.4%	124
11. Sporting goods	2.5%	15	3.3%	21
12. Medical service providers	2.4%	76	2.2%	60
13. Wholesale clubs	2.4%	8	2.6%	7
14. Drug stores	2.1%	39	2.3%	39
15. Consumer electronics	2.0%	20	2.2%	20
16. Travel plazas	1.9%	28	2.1%	29
17. Furniture	1.9%	42	1.1%	24
18. General merchandise	1.8%	58	1.9%	60
19. Home improvement	1.8%	23	1.8%	21
20. Home furnishings	1.7%	18	1.9%	18
Other	9.9%	253	10.9%	245
<b>Total</b>	<b>100.0%</b>	<b>2,535</b>	<b>100.0%</b>	<b>2,257</b>

<sup>(1)</sup> Based on the annualized base rent for all leases in place as of December 31, 2016.

<sup>(2)</sup> Based on the annualized base rent for all leases in place as of December 31, 2015.

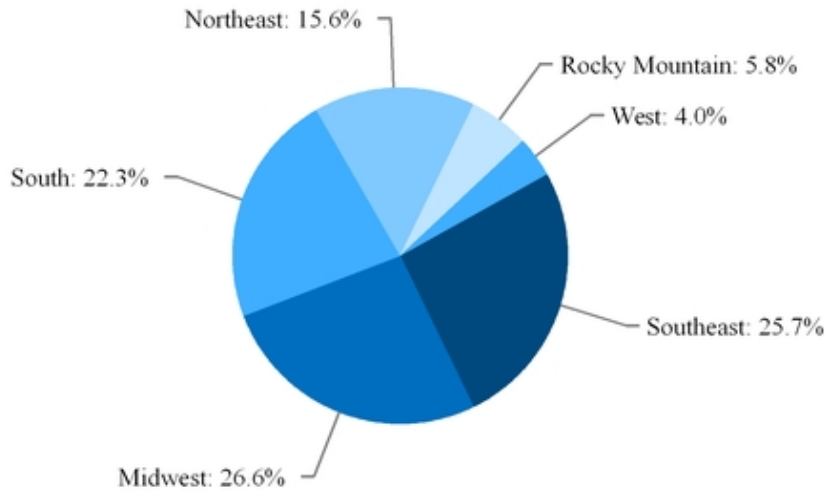
## TOP 10 STATES

State	% of Total <sup>(1)</sup>	Properties	State	Properties	% of Total <sup>(1)</sup>
1. Texas	18.4%	448	6. Georgia	118	4.3%
2. Florida	9.1%	197	7. Indiana	118	4.2%
3. Illinois	5.7%	132	8. Virginia	88	3.5%
4. Ohio	5.7%	165	9. Alabama	101	3.0%
5. North Carolina	4.7%	134	10. Tennessee	77	2.8%

<sup>(1)</sup> Based on the annualized base rent for all leases in place as of December 31, 2016.

## PORTFOLIO BY REGION

As a percentage of annual base rent - December 31, 2016



## TOP TENANTS

### Creditworthy Retailers

- 20% of annual base rent is from tenants with investment grade rated debt
- 65% of annual base rent is from tenants that are publicly traded and/or have rated debt
- Top 25 tenants (59% of annual base rent) operate an average of over 1,000 stores each

Top Tenants (>2.0%)	Properties	% of Total <sup>(1)</sup>
Sunoco	125	5.4%
Mister Car Wash	90	4.0%
LA Fitness	29	3.8%
AMC Theatres	20	3.5%
Camping World	32	3.4%
Couche-Tard (Pantry)	86	3.3%
7-Eleven	77	3.3%
SunTrust	121	3.0%
Bell American (Taco Bell)	115	2.8%
Chuck E. Cheese's	53	2.5%
BJ's Wholesale Club	8	2.4%
Frisch's Restaurant	74	2.2%
Gander Mountain	12	2.2%
Bob Evans	117	2.0%

	Rent Coverage (With Corp. Overhead)	Fixed Charge Coverage
Range	1.1x - 7.4x	0.9x - 4.9x
Average	3.6x	2.5x
Weighted average	3.8x	2.5x

<sup>(1)</sup> Based on the annual base rent of \$543,446,000, which is the annualized base rent for all leases in place as of December 31, 2016.



## ***SAME STORE RENTAL INCOME***

(dollars in thousands)

Same Store Rental Income (Cash Basis) <sup>(1)</sup>	
Number of leases	1,972
Year ended December 31, 2016	\$ 424,920
Year ended December 31, 2015	\$ 421,497
Increase (in dollars)	\$ 3,423
Increase (percent)	0.8%

<sup>(1)</sup> Includes all properties owned for current and prior year period excluding any vacant properties or properties under development or re-development.

## ***LEASING DATA***

(dollars in thousands)

Year Ended December 31, 2016	Renewals With Same Tenant <sup>(1)</sup>			Vacancy Re-lease To New Tenant	Re-leasing Totals
	SunTrust	Other	Total		
Number of leases	90	49	139	16	155
Prior cash rents	\$ 12,527	\$ 9,537	\$ 22,064	\$ 2,726	\$ 24,790
New cash rents	\$ 12,715	\$ 9,627	\$ 22,342	\$ 2,266	\$ 24,608 <sup>(2)</sup>
Re-leasing spread	101.5%	100.9%	101.3%	83.1%	99.3%
Tenant improvements	\$ —	\$ 102	\$ 102	\$ 3,925	\$ 4,027

<sup>(1)</sup> Renewal rate for past five years (2011-2016) was 88%

<sup>(2)</sup> Represents 4.5% of total annualized base rent as of December 31, 2016

## OTHER PROPERTY PORTFOLIO DATA

As of December 31, 2016

### Tenant Financials

	# of Properties	% of Annual Base Rent
Property Level Financial Information	2,058	79%
Tenant Corporate Financials	1,871	76%

### Rent Increases

	% of Annual Base Rent			
	Annual	Five Year	Other	Total
CPI – Based	33%	40%	2%	75%
Fixed Rate	4%	13%	3%	20%
No increases	—	—	5%	5%
	37%	53%	10%	100%

### Lease Structure

- 90% of the company's annual base rent is from NNN leases
- 94% of the company's annual base rent is from NNN leases and NN leases (with roof warranty)

## EARNINGS GUIDANCE

Core FFO guidance for 2017 is \$2.42 to \$2.48 per share. The 2017 AFFO is estimated to be \$2.46 to \$2.52 per share. The FFO guidance equates to net earnings of \$1.37 to \$1.43 per share, plus \$1.05 per share of expected real estate depreciation and amortization and excludes any gains from the sale of real estate and any charges for impairments, severance costs, or preferred stock redemption charges. 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.

	2017 Guidance
Net earnings per common share excluding any gains on sale of real estate, impairment charges, severance charges or charges in connection with preferred stock redemption	\$1.37 - \$1.43 per share
Real estate depreciation and amortization per share	\$1.05 per share
Core FFO per share	\$2.42 - \$2.48 per share
AFFO per share	\$2.46 - \$2.52 per share
G&A expenses (excluding severance charges)	\$34 - \$35 Million
Real estate expenses, net of tenant reimbursements	\$6.0 - \$6.5 Million
Acquisition volume	\$500 - \$600 Million
Disposition volume	\$80 - \$120 Million

## Section 4: EX-99.1 (EXHIBIT 99.1)

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## **Section 5: EX-99.2 (EXHIBIT 99.2)**

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