

Terreno Realty Corporation

Q4 2015 Update

February 10, 2016



Forward Looking Statements

This presentation contains forward-looking statements within the meaning of the federal securities laws. All statements other than statements of historical fact are forward-looking statements and, in some cases, can be identified by the use of the words “anticipate”, “believe”, “estimate”, “expect”, “intend”, “may”, “might”, “plan”, “project”, “result”, “should”, “will”, “opportunity” and similar expressions. These statements are subject to risks, uncertainties, and assumptions and are not guarantees of future performance, which may be affected by known and unknown risks, trends, uncertainties, and factors that are beyond our control. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated, or projected.

We caution investors that forward-looking statements are based on management’s beliefs and on assumptions made by, and information currently available to, management. Factors that may cause actual results, performance or achievements to differ materially from those expressed or implied by forward-looking statements include, but are not limited to: (i) our ability to identify and acquire industrial properties on terms favorable to us; (ii) general volatility of the capital markets and the market price of our stock; (iii) adverse economic or real estate conditions or developments in the industrial real estate sector and/or in the markets in which we acquire properties; (iv) our dependence on key personnel and our reliance on third parties to property manage the majority of our industrial properties; (v) our dependence upon tenants; (vi) our ability to comply with the laws, rules and regulations applicable to companies, and in particular, public companies; (vii) our ability to manage our growth effectively; (viii) tenant bankruptcies and defaults on or non-renewal of leases by tenants; (ix) decreased rental rates or increased vacancy rates; (x) increased interest rates and operating costs; (xi) declining real estate valuations and impairment charges; (xii) our expected leverage, our failure to obtain necessary outside financing, and future debt obligations; (xiii) our ability to make distributions to our stockholders; (xiv) our failure to successfully hedge against interest rate increases; (xv) our failure to successfully operate acquired properties; (xvi) our failure to maintain our status as a real estate investment trust (“REIT”) and possible adverse changes to tax laws; (xvii) uninsured or underinsured losses relating to our properties; (xviii) environmental uncertainties and risks related to natural disasters; (xix) financial market fluctuations; and (xx) changes in real estate and zoning laws and increases in real property tax rates. Other factors that could materially affect results can be found in the Company’s Annual Report on Form 10-K for the year ended December 31, 2015, including those set forth under the sections titled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” in the Company’s preliminary prospectus supplement relating to the offering under the section titled “Risk Factors”, and in our other public filings.

We expressly disclaim any responsibility to update our forward-looking statements, whether as a result of new information, future events, or otherwise. Accordingly, investors should use caution in relying on past forward-looking statements, which are based on results and trends at the time they are made, to anticipate future results or trends.

Investment Strategy

Unique and Highly Selective Market Approach

- Acquire, own and operate industrial real estate in six major coastal U.S. markets. Exclusively.
 - Mix of core and value-add investments
 - No ground up development
 - No complex joint ventures
- Superior market fundamentals, including lower availability and higher rent growth
 - Strong demand generators (high population densities, near high volume distribution points)
 - Physical and regulatory constraints to new supply
 - Shrinking supply in certain submarkets

Focus on Functional Assets in Infill Locations

- Broad product opportunity set⁽¹⁾⁽²⁾
 - Warehouse / distribution (92.2%)
 - Flex (including light industrial and R&D) (6.3%)
 - Trans-shipment (1.5%)
- Functional and flexible assets
 - Generally suitable for multiple tenants
 - In proximity to transportation infrastructure
 - Caters to sub-market tenant demands
- Multiple value creation opportunities
 - Emphasis on discount to replacement cost to provide for margin of safety
 - Opportunity for higher and better use over time

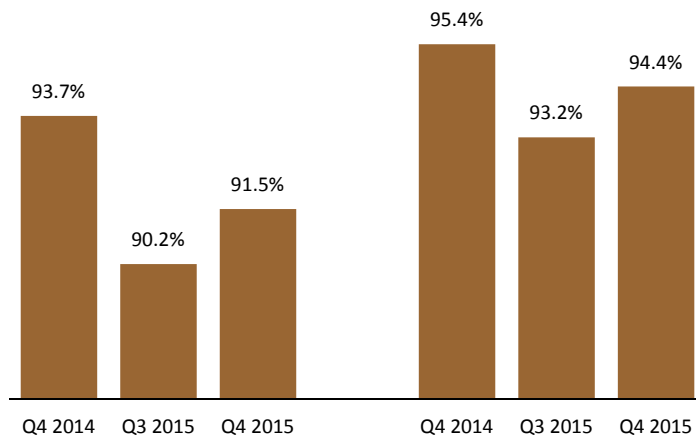
(1) Reflects Terreno portfolio composition based on square footage at December 31, 2015.

(2) Terreno also owns two improved land parcels totaling approximately 3.5 acres that are leased to two tenants. Such land is used for truck, trailer and container storage and/or car parking.

Recent Highlights

Occupancy

Portfolio



Same Store

Investment Activities

- During the fourth quarter of 2015, closed approximately \$73.0 million of acquisitions comprising approximately 0.6 million square feet. For the full year 2015, closed approximately \$268.5 million of acquisitions comprising approximately 2.3 million square feet with a weighted average stabilized cap rate of approximately 5.8%
- As of February 9, 2016, \$33.7 million of acquisitions were under contract, \$6.4 million were under letter of intent and two asset were held for sale with a sales price of \$16.4 million⁽¹⁾.
- During the three months ended December 31, 2015, sold one industrial property for \$11.2 million generating an unleveraged IRR of approximately 21.5%. For the full year 2015, sold two properties for \$24.6 million generating an unleveraged IRR of approximately 16.9%

Operating and Capital Markets Highlights

- Cash-basis same store NOI growth was 6.9% and 3.1% for the three and twelve months ended December 31, 2015, respectively
- Cash rent changes on approximately 1.8 million square feet of new and renewed leases increased approximately +9.0% for the twelve months ended December 31, 2015⁽²⁾
- During the fourth quarter of 2015, closed the previously announced private placement of \$50 million 12-year senior unsecured notes that bear interest at a fixed annual rate of 4.65%

(1) There is no assurance that we will acquire or dispose of the properties under contract or letter of intent because the proposed acquisitions and dispositions are subject to the completion of satisfactory due diligence and various closing conditions and, in the case of properties under letter of intent, purchase and sale agreements.

(2) Cash rent change is calculated as the difference, weighted by square feet, of the net base rent due the first month of the new lease term and the net base rent due the last month of the former lease term. If free rent is given, then the first positive full rent value is used. Rental amounts exclude base stop amounts and holdover rent. The calculation excludes month-to-month, former or current lease terms of less than 12 months and circumstances where there is no prior lease for comparison.

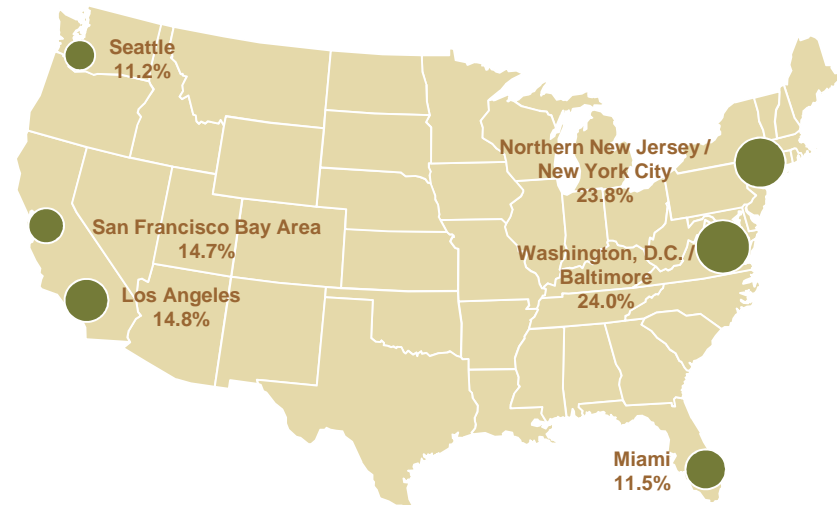


Current Portfolio Overview

Key Metrics⁽¹⁾

Square Feet	11.1 million
Number of Buildings	148
Total Investments in Properties	\$1.2 billion
Average Acquisition Size	\$12.9 million
Weighted Average Occupancy at Acquisition	81.5%
Occupancy as of December 31, 2015	91.5%

Current Portfolio by Geography ⁽²⁾



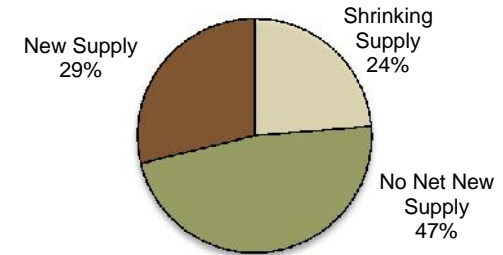
(1) Properties owned as of December 31, 2015

(2) Based on purchase price by market aggregating approximately 11.1 million square feet owned at December 31, 2015, including approximately \$21.3 million in purchase price related to the South Main asset undergoing redevelopment

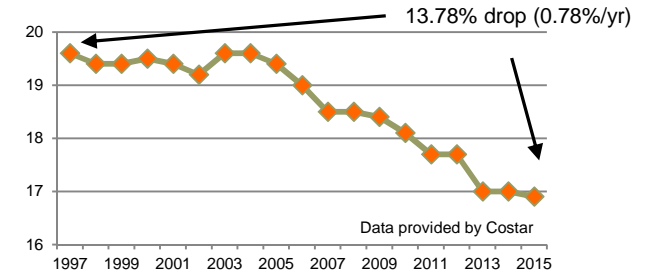
Terreno's Submarket Focus

Market	Shrinking Supply (1)	No Net New Supply (2)	New Supply (3)
Los Angeles	LAX West of 405	South Bay Commerce/Vernon Mid-Counties San Fernando Valley Orange County	Inland Empire West Inland Empire East
New York City/Northern New Jersey	Secaucus Bayonne Jersey City Teterboro	Meadowlands Newark/Elizabeth Fairfield Exit 12 JFK	Exit 8A Exit 10 / I 287
San Francisco Bay Area	Silicon Valley South SF	East Bay	Livermore
Miami	Central Dade	Airport/Doral Hialeah	Medley Airport North North Dade Miami Lakes
Seattle	South Seattle Tukwila	Kent SeaTac Renton	Auburn Sumner Fife Pullayup
Washington D.C./Baltimore	D.C. Inside the D.C. Beltway	Corridor Close in PG County Close in NOVA	Dulles

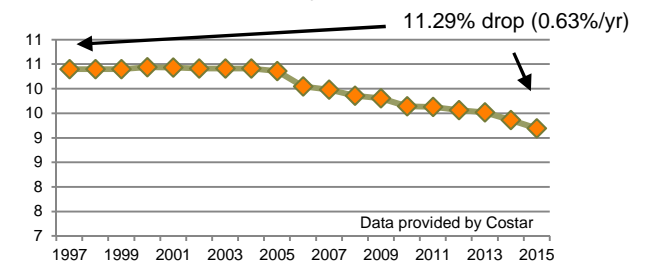
Terreno Portfolio (4)



South San Francisco Industrial Inventory (million of SF)



Washington, D.C. Industrial Inventory (million of SF)



- (1) *Shrinking Supply*: Characterized by shrinking industrial supply and opportunities to convert existing industrial buildings into a higher and better use.
- (2) *No Net New Supply*: Characterized by older existing B & C product industrial buildings with opportunities to redevelop into modern, more functional industrial buildings with very little land available for industrial development. Some change of use evident.
- (3) *New Supply*: Characterized by industrial buildings that will remain in their current state for the foreseeable future with land available for industrial development.
- (4) Reflects Terreno portfolio composition based on geography and purchase price.



Selected Recent Acquisitions

202nd Ave

Kent, WA
December 14, 2015

- Purchase Price: \$14.9 million
- Estimated Stabilized Cap Rate: 6.0%
- Size: One cross-dock industrial distribution building containing approximately 158,000 square feet
- Occupancy: 100% leased to one tenant on a short-term basis at acquisition
- Location: Northern Kent submarket 4 miles from SeaTac International Airport, 14 miles from Seattle, and 16 miles from the Port of Tacoma



Central Pacific Business Park II

Union City, CA
December 29, 2015

- Purchase Price: \$37.3 million
- Estimated Stabilized Cap Rate: 5.5%
- Size: Four recently constructed rear-load industrial distribution buildings containing approximately 301,000 square feet on 16.4 acres
- Occupancy: 64.4% leased to three tenants at acquisition
- Location: East Bay of San Francisco adjacent to Interstate 880 between California Highways 92 and 84



4930 3rd Avenue South

Seattle, WA
January 25, 2016

- Purchase Price: \$6.5 million
- Estimated Stabilized Cap Rate: 6.3%
- Size: One industrial distribution building containing approximately 35,000 square feet on approximately 1.7 acres
- Occupancy: 100% leased to one tenant
- Location: Adjacent to Seattle's Port and SoDo district



Selected Examples of Value Creation

- In addition to the acquisition and operation of core properties, Terreno has successfully stabilized 33 of 48 value-added investments to date. Since its IPO, approximately half of Terreno's acquisitions have been value-add investments

Strategy	Examples
Repositioning/ Redeveloping of Vacant Properties	<ul style="list-style-type: none"> South Main: The property consists currently of three industrial buildings acquired in 2012 containing approximately 186,000 square feet and one office building acquired in 2014 containing approximately 34,000 square feet on approximately 14.3 total acres. The three industrial buildings have been demolished and will be replaced by a single new front-load industrial distribution building containing approximately 210,000 square feet and the office building is being renovated. The expected redevelopment cost is approximately \$16.4 million. The estimated stabilized cap rate of the redeveloped property is approximately 6.1% with a total expected investment of approximately \$38.0 million.
Vacant and Near Term Lease Expirations	<ul style="list-style-type: none"> V Street: The District of Columbia property was purchased 87% occupied with near-term lease roll in January 2015 and was 93.6% leased as of December 31, 2015. Kent Corporate Park: This approximately 138,000 square foot industrial property in Kent, WA was acquired in July 2015 and was 94% leased with near-term lease roll. Approximately 57,000 square feet of new and renewal leasing was completed and this property was 100% leased as of December 31, 2015.
Value Realized	<ul style="list-style-type: none"> Sweitzer: Terreno acquired a 100% leased but unoccupied property in October 2012 for approximately \$7.0 million. Terreno recognized a 21.5% unleveraged IRR by selling the property to an adjacent user that needed to expand its trailer and employee parking. The sale price was approximately \$11.2 million and the capital was recycled into new acquisitions. Warm Springs: Terreno acquired two 50% leased Fremont, CA distribution buildings in March 2010 for approximately \$7.3 million. Terreno recognized a 15.1% unleveraged IRR by leasing the vacancy and selling the property for approximately \$13.4 million and recycled the capital into new acquisitions.



Value Creation – Capital Recycling



- **Property:** Sweitzer
- **Location:** Laurel, MD
- **Size:** One building, 85,000 SF on 6.9 acres
- **Acquisition Price:** \$7.0 million, \$82 PSF (\$23 per land SF) in October 2012
- **Sale Price:** \$11.2 million, \$132 PSF (\$37 per land SF)
- **Occupancy:** 100% leased but unoccupied at acquisition
- **Disposition:** Sold to adjacent user to expand trailer and employee parking
- **Unleveraged IRR:** 21.5%

Value Creation – Disposed of building in November 2015 for a sale price of \$11.2 million generating an estimated unleveraged internal rate of return of 21.5%



Value Creation – Redevelopment

BEFORE



AFTER



- **Property:** South Main
- **Location:** Carson, CA
- **Acquisition size and price:** Three industrial buildings totaling 186,000 SF and one 34,000 SF office building on 14.3 acres acquired for \$21.3 million (\$34.53 per SF of land)
- **Occupancy:** Industrial buildings were purchased at a 0.3% in-place cap rate and subject to a ground lease until June 30, 2015 and the adjacent 34,000 square foot office building was 100% occupied.
- **Redevelopment:** Demolish existing industrial buildings and construct a front-load industrial distribution building containing approximately 210,000 square feet and renovate the existing office building. The incremental development cost is approximately \$16.4 million for a total expected investment of \$38.0 million. The property was approximately 74% pre-leased as of December 31, 2015.

Value Creation – Total expected investment of approximately \$38.0 million expected to generate an estimated stabilized cap rate of 6.1%



Market Leading Corporate Structure

Management Alignment

- Executive Team's long-term incentive compensation fully aligned with stockholders; tied solely to three-year total stockholder return exceeding the MSCI U.S. REIT Index and FTSE NAREIT Equity Industrial Index
 - No annual cash bonus plan for CEO and President with their long-term incentive compensation paid solely in stock
- No stock options, SARs, dividend equivalent units or UPREIT units
- Significant senior management and board investment in common shares (approximately 3% of outstanding shares)

Corporate Governance

- Majority independent directors with diverse expertise serving annual terms
- Adopted a majority voting standard in non-contested director elections
- Opted out of two Maryland anti-takeover provisions (no opt in without stockholder approval)
- Ownership limits designed to protect REIT status and not for the purpose of serving as an anti-takeover device
- No stockholder rights plan intended unless approved in advance by stockholders or if adopted, subject to termination if not ratified by stockholders within 12 months

Key Takeaways

- Focused strategy
 - Six major coastal US markets exclusively
 - Flexible and functional assets in infill locations
- Acquisition opportunities across our target markets at discounts to replacement cost
 - Ability to convert value-add investments into stabilized assets and realize value
 - Higher and better use opportunities over time
- Strong balance sheet
- Aligned management team and market leading corporate governance
 - CEO and President incentive compensation based solely on total shareholder return outperformance and CFO and other senior officers' long-term incentive compensation based on total shareholder return performance
 - Executive management invested approximately \$11 million in common shares through the company's public offerings and open market purchases



Appendix

Appendix: Statements Of Operations

CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Three Months Ended December 31,		For the Year Ended December 31,	
	2015	2014	2015	2014
REVENUES				
Rental revenues	\$ 19,311	\$ 14,860	\$ 75,899	\$ 54,128
Tenant expense reimbursements	4,889	3,887	19,996	14,747
Total revenues	<u>24,200</u>	<u>18,747</u>	<u>95,895</u>	<u>68,875</u>
COSTS AND EXPENSES				
Property operating expenses	6,923	5,172	26,655	19,161
Depreciation and amortization	12,065	5,123	36,026	19,170
General and administrative ⁽¹⁾	4,747	1,842	14,846	9,496
Acquisition costs	1,062	1,968	4,713	3,740
Total costs and expenses	<u>24,797</u>	<u>14,105</u>	<u>82,240</u>	<u>51,567</u>
OTHER INCOME (EXPENSE)				
Interest and other income	4	1	18	1
Interest expense, including amortization	(3,095)	(1,869)	(9,639)	(6,591)
Gain on sales of real estate investments	4,248	-	10,567	-
Total other income and expenses	<u>1,157</u>	<u>(1,868)</u>	<u>946</u>	<u>(6,590)</u>
Net income	560	2,774	14,601	10,718
Preferred stock dividends	(891)	(891)	(3,565)	(3,565)
Net (loss) income, net of preferred stock dividends	(331)	1,883	11,036	7,153
Allocation to participating securities	(12)	(3)	(78)	(27)
Net (loss) income available to common stockholders, net of preferred stock dividends	<u>\$ (343)</u>	<u>\$ 1,880</u>	<u>\$ 10,958</u>	<u>\$ 7,126</u>
EARNINGS PER COMMON SHARE - BASIC AND DILUTED:				
Net (loss) income available to common stockholders, net of preferred stock dividends	<u>\$ (0.01)</u>	<u>\$ 0.05</u>	<u>\$ 0.26</u>	<u>\$ 0.23</u>
BASIC AND DILUTED WEIGHTED AVERAGE COMMON SHARES OUTSTANDING				
	<u>42,906,538</u>	<u>35,381,477</u>	<u>42,861,276</u>	<u>30,433,017</u>

(1) Includes non-cash compensation associated with the Company's Performance Share Awards. The Company estimates the fair value of the Performance Share Awards using a Monte Carlo simulation model on the date of grant and at each reporting period. The Performance Share Awards are recognized as compensation expense over the requisite performance period based on the fair value of the Performance Share Awards at the balance sheet date. Compensation expense related to the Performance Share awards was as follows:

	For the Three Months Ended December 31,		For the Year Ended December 31,	
	2015	2014	2015	2014
Performance share award expense	\$ 2,025	\$ (525)	\$ 4,481	\$ 682



Appendix: Supplemental Components of NAV

COMPONENTS OF NET OPERATING INCOME	For the Three Months Ended December 31, 2015
Total revenues	\$ 24,200
Less straight-line rents	(761)
Less amortization of lease intangibles	(339)
Less property operating expenses	(6,923)
Net operating income	\$ 16,177
CONTRACTUAL RENT ABATEMENTS ⁽¹⁾	\$ 590
ADJUSTMENTS TO STABILIZE PORTFOLIO	
BALANCE SHEET ITEMS	
Other assets and liabilities	
Cash and cash equivalents	\$ 22,450
Restricted cash	2,658
Construction in progress	24,919
Other assets, net	18,926
Less straight-line rents	(12,891)
Security deposits	(7,508)
Dividends payable	(7,796)
Accounts payable and other liabilities	(18,424)
Total other assets and liabilities	\$ 22,334
DEBT AND PREFERRED STOCK	
Credit facility	\$ -
Term loans payable	(198,943)
Senior unsecured notes	(99,023)
Mortgage loans payable	(83,509)
Total debt	\$ (381,475)
Preferred stock	(46,000)
Total debt and preferred stock	\$ (427,475)
Total shares outstanding	43,310,272

(1) Represents contractual free rent given to tenants

(2) Excludes the South Main properties that are being redeveloped and are expected to generate an estimated stabilized cap rate of approximately 6.1% with a total expected investment of approximately \$38.0 million. The incremental development cost of the redevelopment is approximately \$16.4 million and is approximately 74% pre-leased as of December 31, 2015.

Q4 2015 Acquisitions

Property Name	Date	Purchase Price (in thousands)	Estimated Stabilized Cap Rate	Leased % at Acquisition
180 Manor	October 15, 2015	\$ 9,338	6.1%	100%
4225 2nd Avenue	October 26, 2015	8,285	5.8%	100%
22 Madison	November 20, 2015	3,200	5.8%	100%
Kent 202	December 14, 2015	14,875	6.0%	100%
Central Pacific Business Park II	December 29, 2015	37,300	5.5%	64%
Total/Weighted Average		\$ 72,998	5.7%	82%

SUMMARY MARKET INFORMATION (Investments in Real Estate)

Market	Rentable Square Feet	Occupancy Percentage as of December 31, 2015	Annualized Base Rent ('000's)	Annualized Base Rent Per Occupied Square Foot
Los Angeles ⁽²⁾	1,348,802	99.0%	\$ 10,574	\$ 7.92
Northern New Jersey/New York City	2,733,068	81.3%	18,536	8.34
San Francisco Bay Area	1,268,799	91.5%	11,591	9.98
Seattle	1,398,710	99.2%	7,411	5.34
Miami	1,683,978	92.8%	11,583	7.41
Washington, D.C./Baltimore	2,647,017	93.2%	18,308	7.42
Total/Weighted Average	11,080,374	91.5%	\$ 78,003	\$ 7.70

SUMMARY MARKET INFORMATION (Improved Land)

Market	Number of Parcels	Acreage	Occupancy Percentage as of December 31, 2015	Annualized Base Rent ('000's)
Los Angeles	1	1.2	100.0%	\$ 146
Northern New Jersey/New York City	-	-	-	-
San Francisco Bay Area	-	-	-	-
Seattle	-	-	-	-
Miami	1	2.3	100.0%	202
Washington, D.C./Baltimore	-	-	-	-
Total/Weighted Average	2	3.5	100.0%	348



Appendix: Net Income, FFO and Adjusted FFO

NET INCOME, FFO AND ADJUSTED FFO	For the Three Months Ended December 31,		For the Year Ended December 31,	
	2015	2014	2015	2014
Total revenues	\$ 24,200	\$ 18,747	\$ 95,895	\$ 68,875
Property operating expenses	(6,923)	(5,172)	(26,655)	(19,161)
Depreciation and amortization	(12,065)	(5,123)	(36,026)	(19,170)
General and administrative	(4,747)	(1,842)	(14,846)	(9,496)
Acquisition costs	(1,062)	(1,968)	(4,713)	(3,740)
Interest and other income	4	1	18	1
Interest expense, including amortization	(3,095)	(1,869)	(9,639)	(6,591)
Gain on sales of real estate investments	4,248	-	10,567	-
Net income	560	2,774	14,601	10,718
Preferred stock dividends	(891)	(891)	(3,565)	(3,565)
Net (loss) income, net of preferred stock dividends	\$ (331)	\$ 1,883	\$ 11,036	\$ 7,153
Allocation to participating securities	(12)	(3)	(78)	(27)
Net (loss) income available to common stockholders, net of preferred stock dividends	\$ (343)	\$ 1,880	\$ 10,958	\$ 7,126
Net (loss) income available to common stockholders per common share, net of preferred stock dividends	\$ (0.01)	\$ 0.05	\$ 0.26	\$ 0.23
Adjustments to arrive at Funds from Operations:				
Gain on sales of real estate investments	(4,248)	-	(10,567)	-
Depreciation and amortization related to real estate	12,042	5,095	35,924	19,069
Allocation to participating securities	(70)	(25)	(221)	(125)
Funds from operations⁽¹⁾	\$ 7,393	\$ 6,953	\$ 36,172	\$ 26,097
Funds from operations per common share (basic and diluted)	\$ 0.17	\$ 0.20	\$ 0.84	\$ 0.86
Adjustments to arrive at Adjusted Funds From Operations:				
Acquisition costs	1,062	1,968	4,713	3,740
Stock-based compensation	2,510	(247)	6,081	2,060
Straight-line rents	(761)	(673)	(3,889)	(2,744)
Amortization of lease intangibles	(339)	(317)	(1,925)	(1,099)
Total capital expenditures	(8,696)	(5,209)	(23,315)	(20,581)
Capital expenditures related to stabilization ⁽²⁾	5,320	2,845	12,564	14,911
Adjusted funds from operations	\$ 6,489	\$ 5,320	\$ 30,401	\$ 22,384
Common stock dividends paid	\$ 6,930	\$ 4,634	\$ 27,545	\$ 15,770
Weighted average basic and diluted common shares	42,906,538	35,381,477	42,861,276	30,433,017

(1) Includes expensed acquisition costs of approximately \$1.1 million and \$2.0 million for the three months ended December 31, 2015 and 2014, respectively and \$4.7 million and \$3.7 million for the years ended December 31, 2015 and 2014, respectively

(2) Capital expenditures related to stabilization includes costs incurred related to leasing acquired vacancy and renovation projects



Appendix: Same Store and Disposition Results

SAME STORE GROWTH ⁽¹⁾	For the Three Months Ended December 31,				For the Year Ended December 31,			
	2015	2014	\$ Change	% Change	2015	2014	\$ Change	% Change
Net income	\$ 560	\$ 2,774	\$ (2,214)	(79.8)%	\$ 14,601	\$ 10,718	\$ 3,883	36.2%
Depreciation and amortization from continuing operations	12,065	5,123	6,942	135.5%	36,026	19,170	16,856	87.9%
General and administrative	4,747	1,842	2,905	157.7%	14,846	9,496	5,350	56.3%
Acquisition costs	1,062	1,968	(906)	(46.0)%	4,713	3,740	973	26.0%
Total other income and expenses	(1,157)	1,868	(3,025)	n/a	(946)	6,590	(7,536)	n/a
Net operating income	17,277	13,575	3,702	27.3%	69,240	49,714	19,526	39.3%
Less non-same store NOI	(6,326)	(3,236)	(3,090)	95.5%	(26,140)	(8,110)	(18,030)	222.3%
Same store NOI	\$ 10,951	\$ 10,339	\$ 612	5.9%	\$ 43,100	\$ 41,604	\$ 1,496	3.6%
Less straight-line rents and amortization of lease intangibles	(468)	(536)	68	(12.7)%	(2,842)	(2,568)	(274)	10.7%
Cash-basis same store NOI	\$ 10,483	\$ 9,803	\$ 680	6.9%	\$ 40,258	\$ 39,036	\$ 1,222	3.1%

HISTORICAL SAME STORE RESULTS ^{(1) (2)}

	Full Year 2012	Full Year 2013	Full Year 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Full Year 2015
Same store square feet	2,235,500	3,091,365	4,792,329	6,570,157	6,570,157	6,384,157	6,312,641	6,312,641
Occupancy %	93.0%	96.8%	97.1%	94.1%	96.9%	93.3%	94.4%	94.4%
Cash-basis same store NOI growth %	11.9%	18.1%	12.9%	-4.1%	5.0%	4.5%	6.9%	3.1%

Average cash-basis same store growth since IPO: 13.5%

HISTORICAL DISPOSITIONS

Property	Acquisition Date	Disposition Date	Acquisition Price	Disposition Price	Unleveraged IRR
Rialto	September 2010	November 2012	\$ 12,110	\$ 16,962	20.9%
Maltese	September 2010	December 2013	16,500	19,000	11.8%
Warm Springs	March 2010	June 2015	7,264	13,400	15.1%
Sweitzer	October 2012	November 2015	6,950	11,200	21.5%
Total			\$ 42,824	\$ 60,562	15.8%

(1) Same Store NOI is computed as rental revenues, including tenant expense reimbursements, less property operating expenses on a same store basis. The same store pool includes all properties that were owned as of December 31, 2015 and since January 2014 and excludes properties that were disposed of or held for sale to a third party or are under redevelopment

(2) Historical Same Store Results include cash-basis same store NOI growth %'s as reported in the Company's Form 10-Q and 10K's. Previously reported cash-basis same store NOI growth has not been adjusted for properties that were subsequently disposed or are held for sale to a third party