

GRAMERCY
PROPERTY TRUST

14th Annual CJS Securities Investor Conference
January 2014

Forward-Looking Information/NOI and Cap Rate Disclaimers

Cautionary Note Regarding Forward-Looking Information

This investment presentation contains "forward-looking statements" based upon the Company's current best judgment and expectations. You can identify forward-looking statements by the use of forward-looking expressions such as "may," "will," "should," "expect," "believe," "anticipate," "estimate," "intend," "plan," "project," "continue," or any negative or other variations on such expressions. Forward-looking statements include information concerning possible or assumed future results of the Company's operations, including any forecasts, projections, plans and objectives for future operations. Although the Company believes that its plans, intentions and expectations as reflected in or suggested by those forward-looking statements are reasonable, the Company can give no assurance that the plans, intentions or expectations will be achieved. The Company has listed below some important risks, uncertainties and contingencies which could cause its actual results, performance or achievements to be materially different from the forward-looking statements it makes in this presentation. These risks, uncertainties and contingencies include, but are not limited to, the following: the success or failure of the Company's efforts to implement its Company's current business strategy; the Company's ability to identify and complete additional property acquisitions and risks of real estate acquisitions; availability of investment opportunities on real estate assets; the performance and financial condition of tenants and corporate customers; the adequacy of the Company's cash reserves, working capital and other forms of liquidity; the availability, terms and deployment of short-term and long-term capital; demand for industrial and office space; the actions of the Company's competitors and ability to respond to those actions; the timing of cash flows from the Company's investments; the cost and availability of the Company's financings, which depends in part on the Company's asset quality, the nature of the Company's relationships with its lenders and other capital providers, the Company's business prospects and outlook and general market conditions; the continuity of the management agreement for the KBS portfolio; economic conditions generally and in the real estate markets and the capital markets specifically; unanticipated increases in financing and other costs, including a rise in interest rates; the Company's ability to maintain its current relationships with financial institutions and to establish new relationships with additional financial institutions; the Company's ability to profitably dispose of non-core assets; availability of, and ability to retain, qualified personnel and directors; changes to the Company's management and board of directors; changes in governmental regulations, tax rates and similar matters; legislative and regulatory changes (including changes to laws governing the taxation of REITs or the exemptions from registration as an investment company); environmental and/or safety requirements; the Company's ability to satisfy complex rules in order for it to qualify as a REIT for federal income tax purposes, the Company's operating partnership's ability to satisfy the rules in order for it to qualify as a partnership for federal income tax purposes, and the ability of certain of the Company's subsidiaries to qualify as REITs and certain of the Company's subsidiaries to qualify as TRSs for federal income tax purposes, and the Company's ability and the ability of its subsidiaries to operate effectively within the limitations imposed by these rules; the continuing threat of terrorist attacks on the national, regional and local economies; and other factors discussed under Item 1A, "Risk Factors" of the Company's Annual Report on Form 10-K for the year ended December 31, 2012.

The Company assumes no obligation to update any forward-looking statements, whether as a result of new information, future events, or otherwise. In evaluating forward-looking statements, you should consider these risks and uncertainties, together with the other risks described from time-to-time in the Company's reports and documents which are filed with the SEC, and you should not place undue reliance on those statements. The risks included here are not exhaustive. Other sections of this report may include additional factors that could adversely affect the Company's business and financial performance. Moreover, the Company operates in a very competitive and rapidly changing environment. New risk factors emerge from time to time and it is not possible for management to predict all such risk factors, nor can it assess the impact of all such risk factors on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results.

NOI and Cap Rate Disclaimer

Net operating income is a non-GAAP financial measure that represents property revenues on a straight-lined basis minus property expenses before interest and capital reserves/expenditures.

Capitalization rate is a rate of return on a real estate investment property based on the expected, straight-lined income that the property will generate. Capitalization rate is used to estimate the Company's potential return on its investment. This is done by dividing the income the property is expected to generate (before debt service and depreciation and after fixed costs and variable costs) by the acquisition price of the property.

The NOI and Cap Rate assumptions included in this presentation reflects the Company's assumptions and expectations and are not guarantees of its future performance. The Company's actual NOI and Cap Rates may vary materially from the assumptions presented in this presentation. The results that an investor in the Company will actually receive will depend, to a significant degree, on the actual performance of the Company's assets, which may be impacted by material economic and market risk factors.

Gramercy Property Trust

Gramercy Property Trust is a NYSE self-managed REIT which has two business lines:

1. Acquisition of industrial and office properties primarily in 25 major markets across the United States. Properties will generally be single-tenanted and have long-leases that will provide steady, durable cash-flow. In addition, Gramercy seeks properties that have a low-rent basis with the opportunity to increase rents at the end of the lease term.
2. Asset Management of approximately \$1.5 billion of commercial real estate primarily leased to financial institutions.

	<u>Buildings</u>	<u>NOI (GAAP)</u>	<u>%</u>	<u>Occupancy</u>
Industrial	27	\$26.7 million	53%	100%
Office/Banking Center	76	\$17.1 million	34%	99%
Specialty	3	\$ 6.8 million	13%	100%
Total	106	\$50.6 million	100%	99%

- Total square feet:

Industrial	4,182,414 sq. ft. ²
Office/Banking Center	1,758,684 sq. ft.
Specialty	255,738 sq. ft.
Truck Terminals	655 doors

- Average lease term:

12 years

- % of Investment Grade:

50%

- % of lease rollover in 2014-2017

0%

¹ Includes existing portfolio and pipeline transactions.

² Excludes square footage from all cross-dock truck terminals.

Asset management business is a steady income producer

(Amount in thousands)

	1Q 13	2Q 13	3Q 13	YTD
Revenue				
Total Expense Reimbursements ⁽¹⁾	8,028	7,918	7,282	23,228
TOTAL REVENUES	\$ 8,028	\$ 7,918	\$ 7,282	\$ 23,228
Expenses				
Total Expenses	(6,662)	(5,971)	(5,846)	(18,479)
TOTAL EXPENSES	\$ (6,662)	\$ (5,971)	\$ (5,846)	\$ (18,479)
Contribution - Pre-Income Taxes	1,366	1,947	1,436	4,749

⁽¹⁾ Excludes accrued incentive fee.

- Gramercy extended its primary asset management agreement through 2016
- Gramercy received a \$12.0 million “promote” payment in Q4 2013

AFFO 2013

Upward trending FFO and AFFO

	Q1 2013 A	Q2 2013 A	Q3 2013 A
<u>NOI</u>			
Owned Portfolio NOI	5,125	6,273	8,296
TOTAL NOI	5,125	6,273	8,296
<u>INTEREST EXPENSE</u>			
Current Mortgage Interest Expense	(1,215)	(1,280)	(1,730)
TOTAL INTEREST EXPENSE	(1,215)	(1,280)	(1,730)
<u>ASSET MANAGEMENT</u>			
Asset Management Revenue	8,315	13,618	8,341
Asset Management Expense	(6,662)	(5,971)	(5,846)
Provision for Taxes	(405)	(4,441)	(744)
TOTAL ASSET MANAGEMENT	1,248	3,206	1,751
MG&A	(4,468)	(4,016)	(3,905)
BOA JV Defeasance & Other Income/Expense	(1,914)	(3,140)	591
Preferred Dividend	(1,790)	(1,790)	(1,790)
CONTINUING OPERATIONS - FFO	\$ (3,013)	\$ (747)	\$ 3,214
Less: Straight-Line Rent	(133)	(518)	(915)
Less: KBS Incentive Fee, Net of Taxes	(160)	(3,166)	(573)
Add: Property Acquisition Costs	551	698	238
Add: AFFO Adjustments for JVs	1,523	3,121	(390)
Add: Non-Cash Stock-Based Compensation	412	577	583
AFFO	\$ (820)	\$ (35)	\$ 2,157
Weighted Average Shares Outstanding	58,678	58,605	58,903
CONTINUING OPERATIONS - FFO / Share	\$ (0.05)	\$ (0.01)	\$ 0.05
AFFO / Share	\$ (0.01)	\$ (0.00)	\$ 0.04

Capacity Analysis

(Amounts in thousands)

Acquisition Capacity (as of 1/9/14)

Cash	\$	33,000
Borrowing Capacity (Today)	\$	30,000
Borrowing Capacity - Preferred Freezer BTS (Q2 2014)	\$	15,000
CDO Advances	\$	9,000
Asset Sales	\$	1,000
	\$	88,000
Preferred Accrued Dividends	\$	-
Preferred Freezer BTS	\$	(16,000)
Net Equity Acquisition Capacity	\$	72,000

Sources/Uses Acquisitions

Sources

Cash	\$	33,000
Asset Sales, CDO Advances	\$	10,000
Borrowing Capacity - Existing Portfolio	\$	45,000
Borrowing Capacity - Pipeline	\$	18,000
	\$	106,000

Uses

Pipeline	\$	(31,000)
Preferred Freezer BTS	\$	(16,000)
Preferred Accrued Dividends	\$	-
	\$	(47,000)

Equity Capacity After Pipeline Purchases \$ 59,000

Liquidity Reserve \$ (10,000)

Net Equity Capacity \$ **49,000**

- NOI with pipeline \$50.6 million

Capitalization

Capitalization, as of 1/9/14:

(\$ in thousands)

		<u>Rate</u>	<u>Maturity</u>
Fixed-Rate Mortgage Debt			
Philips	\$10,250		9/11/2015
Indianapolis Portfolio	14,357		6/15/2018
KAR/Adesa	25,865		6/1/2029
Earthbound/WhiteWave	12,572		12/6/2023
First Beverage - Lawrence	22,483		1/1/2020
AHP/Domtar	16,030		12/19/2020
<u>Amcor</u>	<u>24,100</u>		12/31/2023
Total	\$125,657	5.057%	Fixed-Rate Wtd. Avg Maturity of 8.5 years
Floating-Rate Mortgage Debt			
Bank of America JV	\$100,000	4.360%	12/9/2014
Floating-Rate Credit Facility			
	\$68,000	L+190	9/4/2015
TOTAL DEBT	\$293,657		
Preferred Stock			
	\$88,100	8.125%	
Common Stock (as of 1/9/14)			
	\$408,540		
TOTAL SHAREHOLDERS' EQUITY	\$496,640		
CAPITALIZATION	\$790,297		
Total Debt / Capitalization	37%		

Turnaround Completed

- New Management brought in to turnaround Gramercy. All experienced former W.P. Carey & Co. executives, including former W.P. Carey & Co. CEO Gordon F. DuGan.
- Team has over \$5 billion of net lease investing experience.
- Turnaround of Gramercy from real estate finance business (legacy Gramercy Capital Corp.) to net lease property owner occurred during 2013 through the sale of almost every legacy asset.
- Turnaround and rebranding of Gramercy into **Gramercy Property Trust** has provided significant shareholder returns.

Top 25 Equity REIT Stocks

U.S. REIT Stocks: Total Return Analysis for 2013

	Price App.	Div.	Total Return
1. Gramercy Property Trust Inc	95.6%	0.0%	95.6%
2. FelCor Lodging Trust Inc	74.7%	0.0%	74.7%
3. CapLease Inc	53.1%	5.3%	58.5%
4. CommonWealth REIT	47.2%	7.1%	54.3%
5. Strategic Hotels & Resorts Inc	47.7%	0.0%	47.7%
6. Parkway Properties Inc/Md	37.9%	5.1%	43.0%
7. Pebblebrook Hotel Trust	33.2%	3.1%	36.3%
8. DiamondRock Hospitality Co	28.3%	4.4%	32.8%
9. Inland Real Estate Corp	25.5%	7.2%	32.7%
10. Omega Healthcare Investors Inc	24.9%	7.7%	32.7%
11. RLJ Lodging Trust	25.6%	4.7%	30.2%
12. Sabra Health Care REIT Inc	20.3%	6.2%	26.6%
13. First Industrial Realty Trust Inc	23.9%	2.6%	26.5%
14. Sunstone Hotel Investors Inc	25.1%	1.0%	26.1%
15. LaSalle Hotel Properties	21.5%	4.3%	25.9%
16. Cousins Properties Inc	23.4%	2.2%	25.6%
17. WP Carey Inc	17.6%	6.4%	24.1%
18. Ramco-Gershenson Properties Trust	18.3%	5.4%	23.7%
19. Hospitality Properties Trust	15.4%	8.1%	23.5%
20. Ashford Hospitality Trust Inc	17.4%	5.3%	22.7%
21. SL Green Realty Corp	20.5%	2.0%	22.5%
22. PS Business Parks Inc	17.6%	2.8%	20.4%
23. Extra Space Storage Inc	15.8%	4.1%	19.9%
24. CubeSmart	9.4%	3.1%	12.5%
25. Sovran Self Storage Inc	4.9%	3.2%	8.1%
Average	29.8%	4.1%	33.9%
Indices	Price App.	Div.	Total Return
FTSE NAREIT Equity REITs Index	-1.3%	3.9%	2.5%
FTSE NAREIT Mortgage REITS Index	-12.5%	10.9%	-1.6%
S&P 500 Index	29.6%	2.8%	32.4%

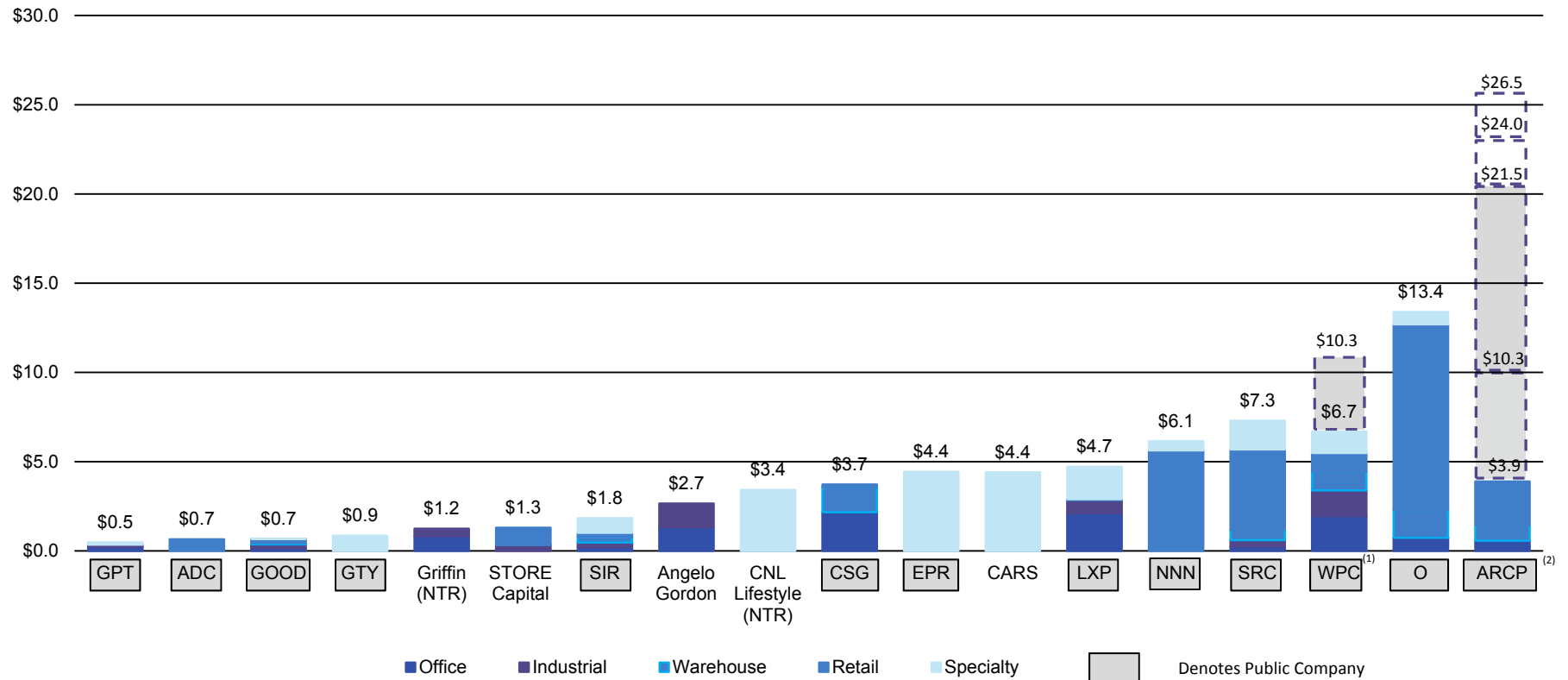
GPT was the #1 performing REIT of 2013

**Total return includes share price appreciation, plus dividends

Sources: Bloomberg, Dow Jones Mortgage REIT Index

Net Lease REITs by Property Type

Enterprise Value (\$ in billions)



Sources: Barclays estimates, company filings and FactSet as of 11/4/2013.

1. Shaded dotted-line box represents announced CPA:16 acquisition.
2. Shaded dotted-line boxes represent ARCP's announced transactions including the CapLease merger, the ARCT IV merger, the acquisitions of the Inland and Fortress portfolios and other pipeline properties and the Cole merger. Non-shaded dotted-line boxes represent potential rollups of both ARCT V and CCPT IV.

Net Lease Segments

<u>Retail</u>	<u>Industrial/ Office</u>	<u>Diversified/ Specialty</u>	<u>Private REIT Sponsors / Diversified</u>
NNN	GPT	EPR	ARCP
O	LXP	GTY	WPC
ADC	SIR	CARS*	
STORE Capital*	GOOD	CNL Lifestyle*	
SRC's	CSG		
	Angelo Gordon*		
	Griffin*		

* Private companies.

Gramercy in 2014



Targets for 2014

- Common Dividend
- Accelerating GPT Growth
 - \$361 million in 2013 acquisitions
 - Scalability
- Capital for growth
- Actively grow the Asset Management business profitability

Risks



- Rising interest rate environment for net lease
- Capital raising

RMZ Performance

Gramercy Property Trust

EXECUTIVE SUMMARY

REITs Massively Underperformed the Market in 2013

Interest Rates Seen As Key Factor

• “[2013] represented the widest gap between the performance of real estate stocks and the broader market since 1998. REITs trailed the broader stock market for a simple reason: rising interest rates. The jump, which began in mid May, prompted a selloff that sent REIT stocks into a tailspin...REITs have barely recovered from their shocks in the spring”

Wall Street Journal, January 7, 2014

Best and Worst Performing Sectors

2013 Performance (Total Return, %)

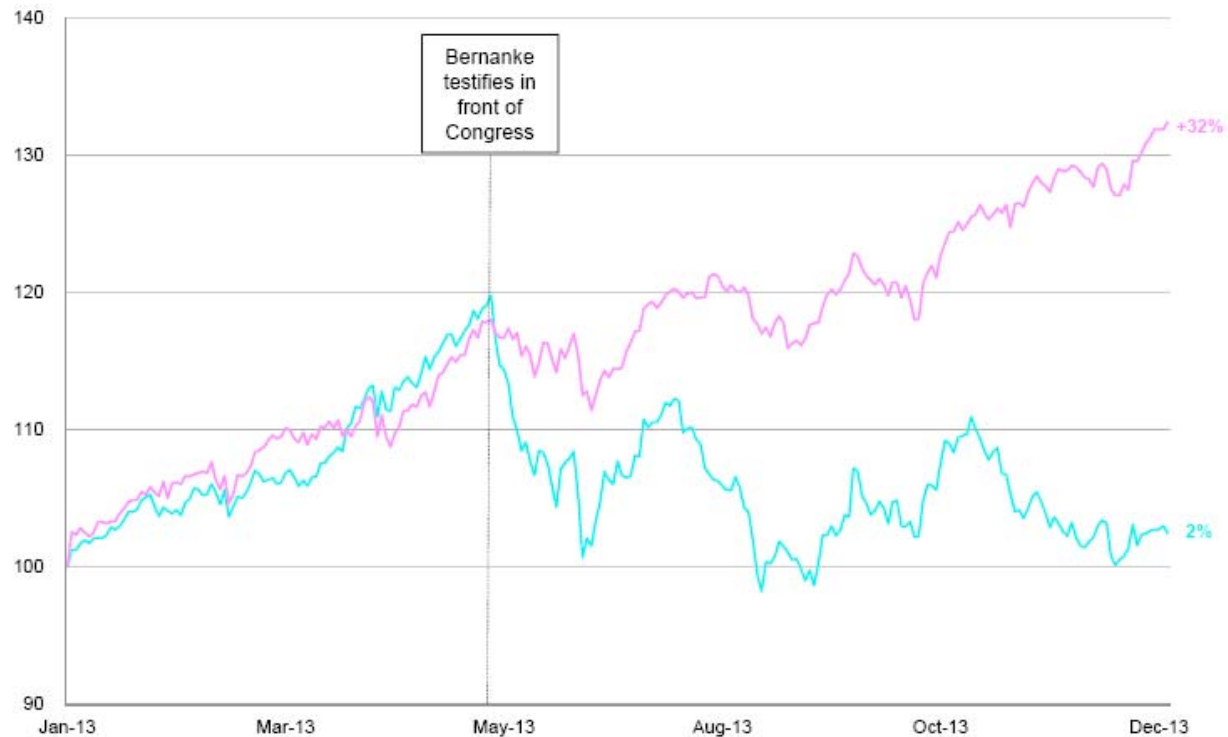


Source: Wall Street Journal, SNL Financial

RMZ vs. S&P 500

2013 Performance (Total Return)

Index Value



	YE 2012	2Q13	Current
REIT NTM FFOx	17.5x	17.2x	15.9x
S&P 500 NTM P/E	12.7x	13.7x	15.3x
Spread	4.8x	3.6x	0.6x

Source: SNL Financial, Thomson Reuters

Note

1. Includes ARCP, EPR, GTY, NNN, O, SIR, SRC and WPC

Source Morgan Stanley

Management Compensation/Alignment

- GPT new executive management team compensation directly tied to stock price of GPT
 - Gordon F. DuGan owns 2,050,000 shares and Benjamin P. Harris own 676,000 shares¹ = approximately 3.8% of company.
 - Gordon bought one million shares at market price upon joining Gramercy
 - Long-term incentive plan tied to stock price.
 - \$20 million payout to three new executives at \$9.00 per share

¹ Beneficial ownership including unvested RSU/PSUs.