

GRAMERCY
PROPERTY TRUST

NAREIT REITWorld Presentation
November 2014

Forward-Looking Information/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, 2013.

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.

Disclaimers

Non-GAAP Financial Measures

The Company has used non-GAAP financial measures as defined by SEC Regulation G in this press release. A reconciliation of each non-GAAP financial measure and the comparable GAAP financial measure can be found on page 15 of this presentation.

Fund from operations ("FFO"): The revised White Paper on FFO approved by the Board of Governors of the National Association of Real Estate Investment Trusts, or NAREIT, defines FFO as net income (loss) (determined in accordance with GAAP), excluding impairment write-downs of investments in depreciable real estate and investments in in-substance real estate investments, gains or losses from debt restructurings and sales of depreciable operating properties, plus real estate-related depreciation and amortization (excluding amortization of deferred financing costs), less distributions to non-controlling interests and gains/losses from discontinued operations and after adjustments for unconsolidated partnerships and joint ventures.

Core FFO and adjusted funds from operations ("AFFO"): Core FFO and AFFO are non-GAAP financial measures that are presented excluding property acquisition costs, discontinued operations, other-than-temporary impairments on retained bonds, and other one-time charges. AFFO of the Company also excludes non-cash stock-based compensation expense, amortization of above and below market leases, amortization of deferred financing costs, amortization of lease inducement costs, non-real estate depreciation and amortization, amortization of free rent received at property acquisition, and straight-line rent. The Company believes that Core FFO and AFFO are useful supplemental measures regarding the Company's operating performances as they provide a more meaningful and consistent comparison of the Company's operating performance and allows investors to more easily compare the Company's operating results.

Run-rate FFO: Run-rate FFO is a non-GAAP financial measure that presents property revenues and expenses for a quarterly or other period as if all properties were owned for the entire period. Run-rate FFO excludes acquisition expenses and one-time charges, but includes the dilutive effect of shares issued during the period as if they were issued on the first day of the period.

Net operating income is a non-GAAP financial measure that represents property revenues on a straight-line 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 Core FFO, AFFO, Run-rate FFO, 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 results 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 leading net lease REIT with a total market capitalization of \$1.3 billion which has two business lines:

- Acquisition of high-quality industrial and office properties primarily in target markets across the United States. Properties will generally be single-tenanted and have long-term leases that will provide steady, stable 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.
- Asset Management of approximately \$900 million of commercial real estate owned by third parties.
- Gramercy Property Trust has been one of the fastest growing REITs over the past two years.



Douglas Steel – Vernon, CA



Albert's Organics – Logan Township, NJ

3Q 2014 Highlights

- Acquired 12 properties in 10 separate transactions for a total purchase price of approximately \$174.0 million (initial cap rate 8.0% and annualized straight-line cap rate 8.1%) with an average weighted lease term of 7.3 years.
- In July, issued 3.8 million limited partnership units (“OP Units”) of GPT Property Trust LP, the Company’s operating partnership priced at \$6.19 per share, in connection with the acquisition of a portfolio of three industrial properties located in: Ames, IA; Buford, GA and Wilson, NC.
- In August, raised \$87.5 million of gross proceeds through a public offering of 3,500,000 shares of 7.125% Series B Cumulative Redeemable Preferred Stock, and redeemed all of the outstanding 8.125% Series A Cumulative Redeemable Preferred Stock.
- In September, established an at-the-market (“ATM”) equity sales program under which the Company may from time to time issue up to \$100.0 million of its common stock. As of September 30, 2014, the Company issued 539,139 shares at an average price of \$5.90 per share for net proceeds of approximately \$3.1 million.
- In October, closed the acquisition of 188,000 square foot industrial warehouse for approximately \$10.1 million (initial cap rate 7.7% and annualized straight-line cap rate 8.4%) with a lease term of approximately 7.0 years.

Portfolio Overview



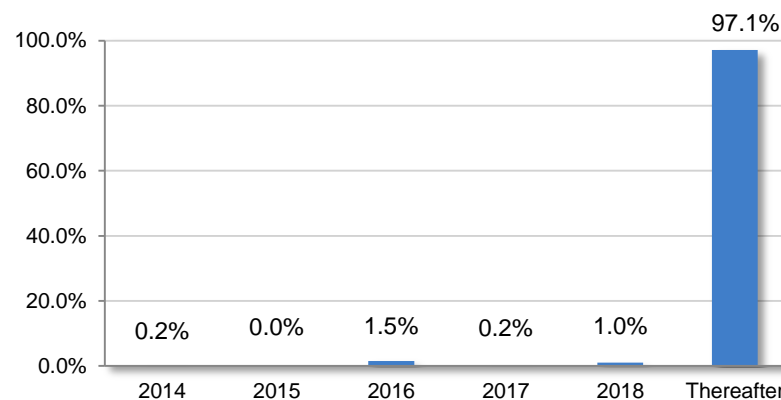
High Quality Net Lease Portfolio¹ ...

	Properties	% of Gross Purchase Price	Occupancy	Total Square Feet	Annualized Straight-Line NOI
Industrial	38	46%	100%	7.5 million	\$41.4 million
Office/Banking Center	75	44% ²	98%	3.7 million	\$34.8 million
Specialty ³	7	10%	100%	225 acres	\$ 9.4 million
Total	120	100%	99%	11.5 million	\$85.6 million

Key Portfolio Statistics

- Average Occupancy: 99%
- Weighted average remaining lease term⁴: 10.1 years
- % of Investment Grade Tenants⁵: 53%
- % of Portfolio in Major Markets⁶: 84%

Lease Expiration Schedule⁷



1. Current portfolio as of October 31, 2014.

2. Gross purchase price is prorated for Gramercy's 25% interest in the JV that owns the Philips Headquarters property.

3. Includes KAR/Adesa Auto Auction Facility, Chicago Bus Depot and Enterprise Rental Car Maintenance Facility.

4. Weighted by contractual base rent.

5. Includes investment grade tenants, investment grade guarantors and subsidiaries of non-guarantor investment grade parent companies. Weighted by contractual base rent as of October 31, 2014.

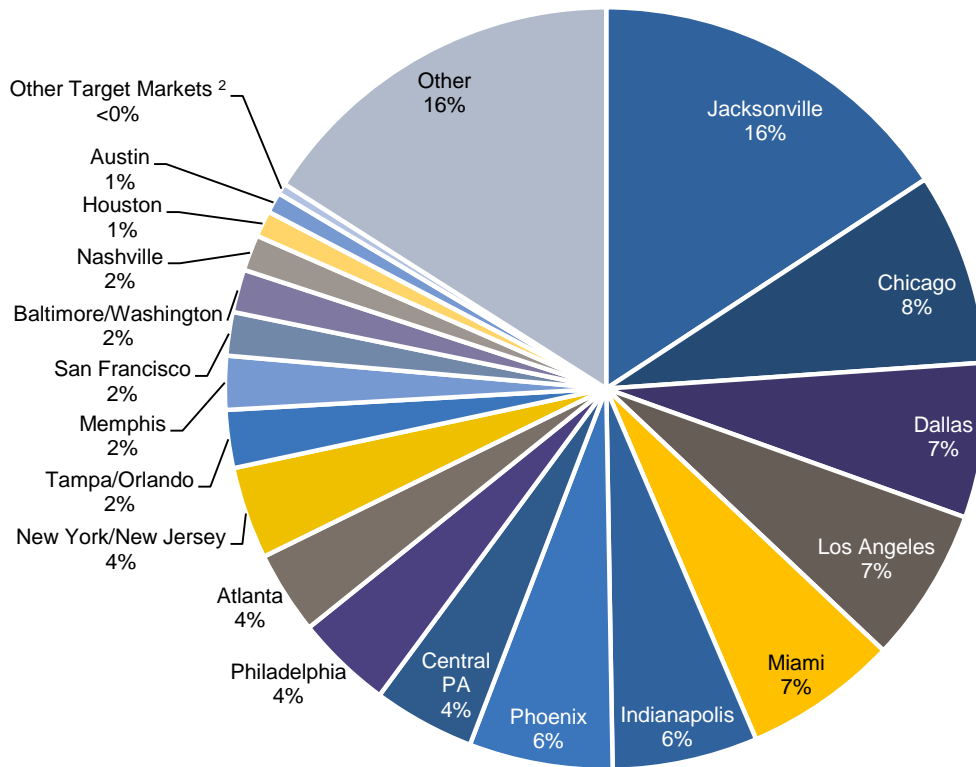
6. Based on gross purchase price for each property in our portfolio as of October 31, 2014.

7. Percentage of expiring contract rental income as of October 31, 2014.

... With 84% in Major Markets and a Strong Credit Tenant Roster

Portfolio Breakdown by Geography

By % of Gross Purchase Price¹



Top 10 Tenant List

By % of Contractual Base Rent as of October 31, 2014

Rank	Tenant(s)	% of Total
1	Bank of America, N.A. ⁴	32.8
2	Adesa Texas, Inc. (KAR Holdings Inc.)	6.2
3	AMCOR Rigid Plastics USA, Inc. (Amcor Limited) ⁵	4.5
4	EF Transit, Inc. (Monarch Beverage Company, Inc.)	3.6
5	Office Depot, Inc.	3.4
6	Preferred Freezer Services of Hialeah LLC (Preferred Freezer Services, LLC and Preferred Freezer Services Operating, LLC)	2.6
7	Associated Hygienic Products, LLC (Domtar Corporation)	2.6
8	Fujirebio Diagnostics, Inc.	2.5
9	Enterprise Rent-A-Car & Subsidiaries (Vanguard Car Rental USA, LLC)	2.4
10	Cott Beverages Inc. (Cott Corporation) ⁶	2.4
Subtotal		62.8

Note: Lease guarantor denoted in parentheses.

1. Based on gross purchase price for each property in our portfolio at October 31, 2014.
2. Includes properties located in Kansas City, MO and Savannah, GA.
3. Includes properties located in Waco, TX, Yuma, AZ, St. Louis, MO, Northern California, Central Florida, Central Illinois and other markets.
4. Lessee is Bank of America N.A. with a guaranty from Bank of America Corporation.
5. Amcor Limited is only the Guarantor of the Allentown industrial facility lease.
6. Cott Corporation is only the Guarantor of the Wilson, NC industrial facility lease.

Gramercy Owned Portfolio

As of October 31, 2014

(Dollar Amount in Thousands)

Acq. Date	Investment	Location	MSA	Major Tenants	Property Type	Sq. Ft.	Purchase Price	Occ.	Lease Exp.	Cash NOI	S/L NOI
Office/Banking Center Portfolio											
9/30/2014	Parsippany	Parsippany, NJ	New York/New Jersey	Solix Inc.	Class B Office	56,230	\$ 9,370	100%	5/2021	\$ 772	\$ 830
6/30/2014	Malvern	Malvern, PA	Philadelphia	Fujirebio Diagnostics, Inc.	Office/R&D	190,597	28,400	100%	3/2030	2,118	2,434
6/9/2014	California Portfolio	Various	California	Bank of America, N.A.	Bank Branch	648,467	75,904	95%	6/2023	5,275	5,485
6/9/2014	Florida Portfolio	Various	Florida	Bank of America, N.A.	Bank Branch	251,217	33,676	99%	6/2023	2,340	2,427
6/9/2014	Western Portfolio	Various	AZ, NM, TX, WA	Bank of America, N.A.	Bank Branch	256,066	28,649	95%	6/2023	1,991	2,075
6/9/2014	Other Portfolio	Various	MD, MO, GA, KS	Bank of America, N.A.	Bank Branch	121,284	12,712	89%	6/2023	884	921
6/9/2014	Jacksonville Ops Center	Jacksonville, FL	Jacksonville	Bank of America, N.A.	Class A Office	1,237,719	171,386	100%	6/2023	11,911	12,339
6/9/2014	Phoenix Ops Center	Phoenix, AZ	Phoenix	Bank of America, N.A.	Class A Office	539,849	72,896	100%	6/2023	5,066	5,253
5/20/2014	Nashville	Nashville, TN	Nashville	Aramark Corporation	Class B Office	88,958	16,475	100%	6/2029	1,189	1,304
5/15/2014	St. Louis	St. Louis, MO	St. Louis	Bank of America, N.A.	Bank Branch/Office	25,061	2,153	100%	12/2017	214	222
8/1/2013	Morristown	Morristown, NJ	New York/New Jersey	Wells Fargo/U.S. Bank	Bank Branch	41,861	4,900	70%	3/2020	352	368
6/6/2013	Emmaus	Emmaus, PA	Allentown	Sovereign Bank	Bank Branch	4,800	1,610	100%	2/2019	153	165
6/6/2013	Calabash	Calabash, NC	Myrtle Beach	PNC Bank	Bank Branch	2,048	610	100%	12/2018	75	79
9/6/2005	Philips Electronics (25%) ¹	Somerset, NJ	New York/New Jersey	Philips Holdings USA	Class A Office	199,900	12,563	100%	12/2021	825	931
						3,664,057	\$ 471,304	98.1%		\$ 33,166	\$ 34,833
Industrial Portfolio											
10/24/2014	Miami	Miami, FL	Miami	International Data Depository, Inc.	Class B Industrial	187,749	\$ 10,060	100%	10/2021	\$ 773	\$ 846
9/24/2014	Worcester	Worcester, MA	Greater Boston	Polar Corp.	Class B Industrial	285,437	21,400 ²	100%	3/2024	1,618	1,761
9/24/2014	Chicago Portfolio ³	Bloomington, IL / Kenosha, WI	Chicago	Compass Group / Emerson Electric	Class B Industrial	270,363	17,816 ²	100%	7/2024 & 9/2024	1,229	1,320
8/19/2014	Arlington Heights	Arlington Heights, IL	Chicago	European Imports, Ltd	Freezer/Cooler	186,954	19,100	100%	5/2019	1,543	1,600
7/31/2014	Ames	Ames, IA	Greater Des Moines	Amcor Rigid Plastics USA, Inc.	Class B Industrial	576,876	26,250	100%	2/2019	2,203	2,226
7/31/2014	Buford	Buford, GA	Atlanta	Office Depot	Class B Industrial	550,000	26,040	100%	4/2020	2,794	2,513
7/31/2014	Wilson	Wilson, NC	Greater Raleigh	Cott Beverages Inc.	Class B Industrial	328,000	16,700	100%	5/2026	1,193	1,311
5/29/2014	Tampa	Tampa, FL	Tampa	Cott Beverages Inc.	Class B Industrial	175,920	9,500	100%	1/2020	725	778
5/20/2014	Elk Grove Village	Elk Grove Village, IL	Chicago	Hearthside Food Solutions	Class B Industrial	309,284	20,985	100%	12/2023	1,427	1,569
5/1/2014	Harrisburg	Harrisburg, PA	Central PA	Cummins Power Systems	Class B Industrial	183,200	8,329 ²	100%	2/2025	595	646
4/23/2014	Elgin	Elgin, IL	Chicago	Dynacast, LLC	Class B Industrial	112,325	10,350	100%	8/2028	795	915
2/18/2014	Des Plaines	Des Plaines, IL	Chicago	Filtran LLC	Class B Industrial	115,472	6,300	100%	10/2025	479	533
12/30/2013	Vernon ³	Vernon, CA	Los Angeles	Douglas Steel Supply Company	Class A Industrial	120,506	14,750	100%	12/2028	922	1,186
12/23/2013	Allentown	Allentown, PA	Central PA	Amcor Rigid Plastics USA, Inc.	Class A Industrial	480,000	36,830	100%	12/2028	2,496	2,825
11/21/2013	Waco	Waco, TX	Waco	Associated Hygienic Products LLC (AHP)	Class A Industrial	303,000	24,400	100%	7/2029	1,963	2,289
11/15/2013	Beverage Distribution Portfolio ⁴	Various - IN, IL	Various	Monarch/Euclid Beverage	Class B Industrial	665,569	47,802	100%	1/2024	3,394	3,883
10/22/2013	Austin	Austin, TX	Austin	Angelica Corp.	Class B Industrial	120,347	9,490	100%	10/2028	717	791
10/1/2013	Yuma	Yuma, AZ	Yuma	Earthbound Farm Organic	Freezer/Cooler	216,727	17,850	100%	9/2033	1,428	1,651
9/5/2013	Manassas ³	Manassas Park, VA	Baltimore/Washington	Retrievex Acquisition Corp.	Class B Industrial	83,065	8,794	100%	12/2024	611	647
8/22/2013	Atlanta	Atlanta, GA	Atlanta	KapStone Corp.	Class B Industrial	133,317	4,000	100%	4/2023	322	354
6/28/2013	Logan Township	Logan Township, NJ	Philadelphia	Albert's Organics	Freezer/Cooler	70,000	11,725	100%	5/2028	732	832
6/26/2013	Orlando	Orlando, FL	Orlando	YRC Freight	Industrial - Truck Terminal	46,458	5,036	100%	1/2019	383	383
6/26/2013	Houston	Houston, TX	Houston	YRC Freight	Industrial - Truck Terminal	101,940	6,914	100%	5/2019	557	557
6/19/2013	Elkridge	Elkridge, MD	Baltimore/Washington	New Penn Motor Express	Industrial - Truck Terminal	33,572	5,900	100%	5/2019	490	510
6/18/2013	Deer Park	Deer Park, NY	New York/New Jersey	YRC Freight	Industrial - Truck Terminal	18,396	3,900	100%	12/2019	299	299
5/30/2013	Hialeah	Hialeah Gardens, FL	Miami	Preferred Freezer	Freezer/Cooler	117,591	26,300	100%	6/2039	2,104	2,469
5/30/2013	Bellmawr	Bellmawr, NJ	Philadelphia	FedEx Corp.	Class B Industrial	62,230	4,175	100%	10/2022	292	312
5/6/2013	Atlanta	Atlanta, GA	Atlanta	FedEx Freight, Inc.	Industrial - Truck Terminal	129,535	7,850	100%	5/2020	600	671
3/28/2013	East Brunswick	East Brunswick, NJ	New York/New Jersey	Con-Way Truck Freight, Inc.	Industrial - Truck Terminal	33,664	11,650	100%	1/2019	940	940
3/19/2013	Garland	Garland, TX	Dallas/Ft. Worth	Apex Tools	Class B Industrial	341,840	10,700	100%	10/2032	762	841
3/11/2013	Olive Branch	Olive Branch, MS	Memphis	Five Below, Inc.	Class A Industrial	605,427	24,650	100%	12/2022	1,726	1,706
11/20/2012	Indianapolis ³	Greenwood, IN / Mt. Comfort, IN	Indianapolis	Nestle Waters / Stanley Tools	Class A Industrial	539,429	27,125	100%	3/2021	1,987	2,219
						7,504,193	\$ 502,671	100%		\$ 38,099	\$ 41,383
Specialty Assets											
9/11/2014	Santa Clara Auto Rental	Santa Clara, CA	San Francisco	Enterprise Rent-A-Car Co. of San Francisco	Auto Rental	5,066	\$ 20,000	100%	3/2021	\$ 1,329	\$ 1,329
8/27/2014	Medley Salvage Yards ⁵	Medley, FL	Miami	LKQ Crystal River, Inc.	Auto Parts Recycling	27,680	17,300	100%	7/2022	1,278	1,278
11/22/2013	Chicago Bus Depot	Chicago, IL	Chicago	N. America Central School Bus	Bus Depot	36,500	5,750	100%	10/2022	474	518
11/21/2013	Franklin Park Auto Rental	Franklin Park, IL	Chicago	Enterprise Leasing Company of Chicago	Auto Rental	22,872	8,000	100%	4/2021	601	601
6/27/2013	Hutchins Auto Auction Facility	Hutchins, TX	Dallas/Ft. Worth	Adesa Texas, Inc.	Auto Auction	196,366	58,500	100%	7/2029	4,924	5,656
						288,484	\$ 109,550	100%		\$ 8,606	\$ 9,382

¹ Gramercy's 25% interest in the JV that owns the Philips Headquarters property.

² Worcester: net of seller credits of \$99,800 / Chicago Portfolio: Net of seller credits of \$84,000 / Harrisburg: Net of \$284,460 of free rent and operating expense credit.

³ Includes two separate properties.

⁴ Beverage Distribution Portfolio is comprised of three properties located in: Lawrence, IN, Peru, IL and Galesburg, IL.

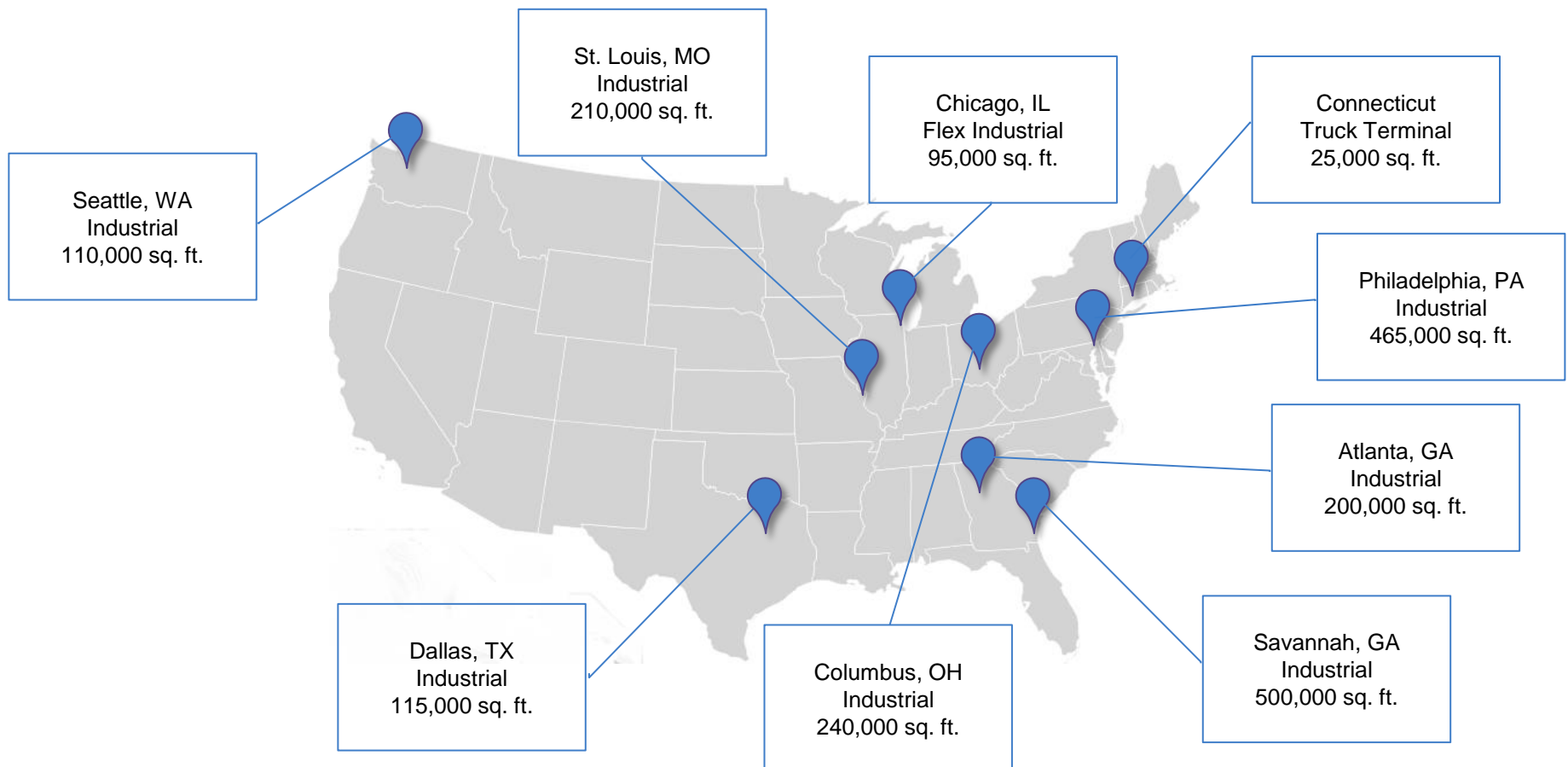
⁵ Includes three separate properties.

Total Straight-Line (S/L) NOI: \$ 85,598

Pipeline Snapshot

The current pipeline, which largely consists of industrial assets in major MSAs, is comprised of \$106.6 million in aggregate purchase price of transactions under contract or under a signed LOI.

Transactions Under Contract / Signed LOI - \$106.6 MM



Acquisition Timing and Volume

Acquisition Activity

	Volume (\$MM)
1Q14	6.3
2Q14	293.8
3Q14	174.0
4Q14 (To Date) ¹	10.1
Total	\$484.1
2014 Target	\$600.0

- Transactions under contract or signed LOI – \$106.6 million
- YTD acquisitions – \$484.1 million¹
 - (initial cap rate of 7.4% and annualized straight-line cap rate of 7.8% with weighted average lease term of 9.0 years)
- Excluding Garrison BofA JV Buyout, acquired \$286.5 million in 19 property transactions YTD¹
 - (initial cap rate of 7.8% and annualized straight-line cap rate of 8.2% with weighted average lease term of 9.1 years)

1. As of October 31, 2014.

Q3 2014 Results

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Q1, Q2 and Q3 2014 Results

<i>(Amounts in thousands, except share and per share data)</i>	Q1 2014	Q2 2014	Q3 2014
	Actual	Actual	Actual
Revenues:			
Investment income	\$ 376	\$ 525	\$ 492
Management fees	6,965	7,054	4,848
Rental revenue	7,494	10,276	19,921
Operating expense reimbursements	681	2,697	8,960
Other income	68	76	80
Total revenues	15,584	20,628	34,301
Expenses:			
Property operating expenses:			
Property management expenses	5,244	4,981	3,293
Property operating expenses	822	2,858	9,238
Total property operating expenses	6,066	7,839	12,531
Other-than-temporary impairment	-	-	743
Interest expense	2,345	3,791	4,934
Realized loss (gain) on derivative instruments	(115)	3,415	-
Depreciation and amortization	3,385	6,760	12,306
Management, general and administrative	4,342	4,497	4,819
Acquisition costs	235	1,688	1,323
Total expenses	16,258	27,990	36,656
Equity in net income from joint venture	628	1,125	103
Gain on remeasurement of previously held joint venture	-	72,345	-
Loss on extinguishment of debt	-	(1,925)	-
Provision for taxes	(369)	(437)	(165)
Net income (loss) from discontinued operations	(86)	(395)	(41)
Net income (loss)	(501)	63,351	(2,458)
Net loss attributable to non-controlling interest	-	-	104
Preferred stock redemption costs	-	-	(2,912)
Accrued preferred stock dividends	(1,790)	(1,791)	(2,192)
Net income (loss) available to common stockholders	\$ (2,291)	\$ 61,560	\$ (7,458)
Diluted EPS	\$ (0.03)	\$ 0.65	\$ (0.06)
<i>Diluted Weighted Average Shares</i>	<i>70,763,959</i>	<i>95,085,817</i>	<i>117,926,151</i>

Q3 2014 FFO and AFFO

(Amounts in thousands, except per share data)

	Q1 2014	Q2 2014	Q3 2014
Net income (loss) available to common shareholders	\$ (2,291)	\$ 61,560	\$ (7,458)
Add:			
Depreciation and amortization	3,385	6,760	12,306
FFO adjustments for unconsolidated joint ventures	2,291	1,661	67
Net income attributed to noncontrolling interest	-	-	(104)
Loss from discontinued operations	86	395	41
Non-cash impairment of real estate investments	-	-	-
Less:			
Non-real estate depreciation and amortization	(156)	(220)	(204)
Gain on remeasurement of previously held joint venture	-	(72,345)	-
Funds from operations	\$ 3,315	\$ (2,189)	\$ 4,648
Add:			
Acquisition costs	235	1,688	1,323
Other-than-temporary impairments on retained bonds	-	-	743
Loss on extinguishment of debt	-	1,925	-
Loss (gain) on derivative instruments	(115)	3,415	-
Preferred stock redemption costs	-	-	2,912
Change in preferred stock dividends	-	-	564
Core funds from operations, before discontinued operations	\$ 3,435	\$ 4,839	\$ 10,190
Add:			
Non-cash stock-based compensation expense	622	612	864
Amortization of above market lease assets	239	360	374
Amortization of deferred financing costs	330	925	763
Amortization of lease inducement costs	44	44	44
Return on construction advances	185	173	-
Non-real estate depreciation and amortization	156	220	204
Amortization of free rent received at property acquisition	-	223	146
Less:			
AFFO adjustments for joint ventures	(453)	(321)	(21)
Straight-lined rent	(816)	(916)	(1,100)
Change in preferred stock dividends	-	-	(564)
Amortization of below market lease liabilities	(160)	(514)	(1,662)
Adjusted Funds from Operations	\$ 3,582	\$ 5,646	\$ 9,239
CORE FFO / Diluted Share	\$ 0.06	\$ 0.05	\$ 0.08
AFFO / Diluted Share	\$ 0.06	\$ 0.06	\$ 0.08

Q3 FFO

(Amounts in thousands, except per share data)

	Three Months Ended September 30, 2014	
Funds from operations	\$	4,648
Add:		
Acquisition costs		1,323
Other-than-temporary impairments on retained bonds		743
Loss on extinguishment of debt		-
Loss on derivative instruments		-
Preferred stock redemption costs		2,912
Change in preferred stock dividends		564
Core funds from operations, before discontinued operations	\$	<u>10,190</u>
Core funds from operations per share - diluted	\$	<u>0.08</u>

Market Capitalization and Liquidity Snapshot

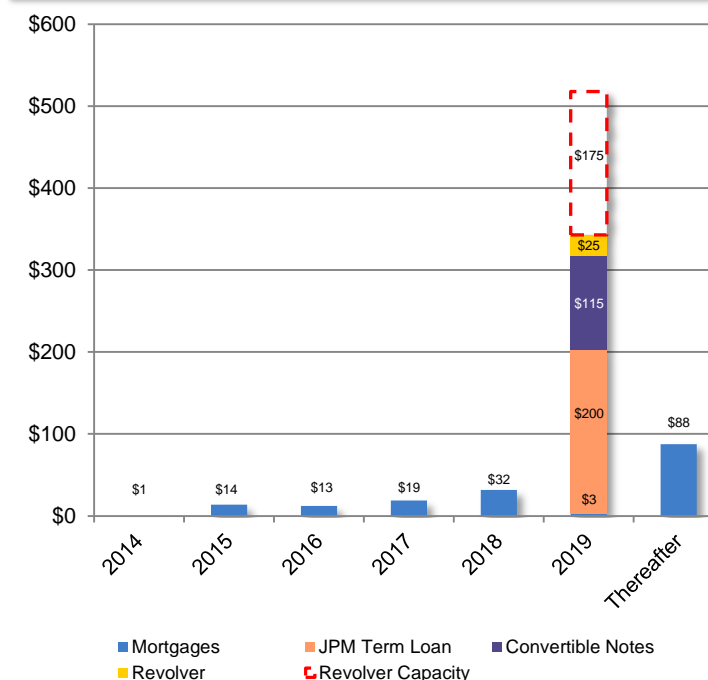
Total Enterprise Value (TEV) (\$mm)

	10/31/2014	Rate	Maturity
Secured Debt			
Fixed Rate Mortgages	\$169	5.30%	6.6 years
Total Secured Debt	\$169		
Unsecured Debt			
Unsecured Term Loan	\$200	3.42%	4.6 years
Unsecured Revolver	25	L+165bps	4.6 years ¹
Convertible Debt	115	3.75%	4.4 years
Total Unsecured Debt	\$340		
Total Debt	\$509		
Series B Preferred Equity	\$88	7.125%	
Common Equity (@ \$6.25/share)	\$792		
Total Equity	\$880		
Total Market Capitalization	\$1,389		
Less: Cash and Cash Equivalents	(\$27)		
Total Enterprise Value (TEV)	\$1,362		
<hr/>			
Net Debt / TEV	35%		
Net Debt + Preferred / TEV	42%		
Secured Debt / TEV	12%		

Liquidity (\$mm)

Cash and Cash Equivalents	\$27
Revolver Capacity	175
Total Liquidity	\$202

Debt Maturity Schedule (\$mm)²



1. Includes one-year extension option.
2. Includes regularly scheduled principal amortization of fixed rate mortgages.

Guidance Update

➤ Reaffirming previous FFO guidance

	Q3 2014	Q4 2014
Estimated Run-Rate FFO	\$0.09 - \$0.11	\$0.09 - \$0.11

- Run-rate FFO defined as FFO for the quarter as if all revenues and expenses related to assets acquired during the quarter were in place for the entire quarter, before acquisitions expenses, losses from discontinued operations and one-time charges.

<i>(Amounts in thousands, except per share data)</i>	Three Months Ended September 30, 2014
Funds from operations	\$ 4,648
Add:	
Property acquisition costs	1,323
Loss on redemption of preferred stock	2,912
Change in preferred stock dividends	633
Other-than-temporary impairment on retained CDO bonds	743
Pro forma NOI adjustment	2,220
Less:	
Change in interest expense	(342)
Run-Rate FFO⁽¹⁾	\$ 12,137
<i>Run-Rate FFO per share - diluted</i>	<i>0.10</i>
<i>Diluted Shares Outstanding⁽²⁾</i>	<i>122,200,683</i>

1) Reflects assets acquired on or before 9/30/2014.

2) Reflects shares outstanding as of 9/30/2014 to show the dilutive effect of shares issued during the quarter as if they were issued on the first day of the quarter. Also assumes all outstanding OP units have been converted to common shares as of the first day of the quarter.

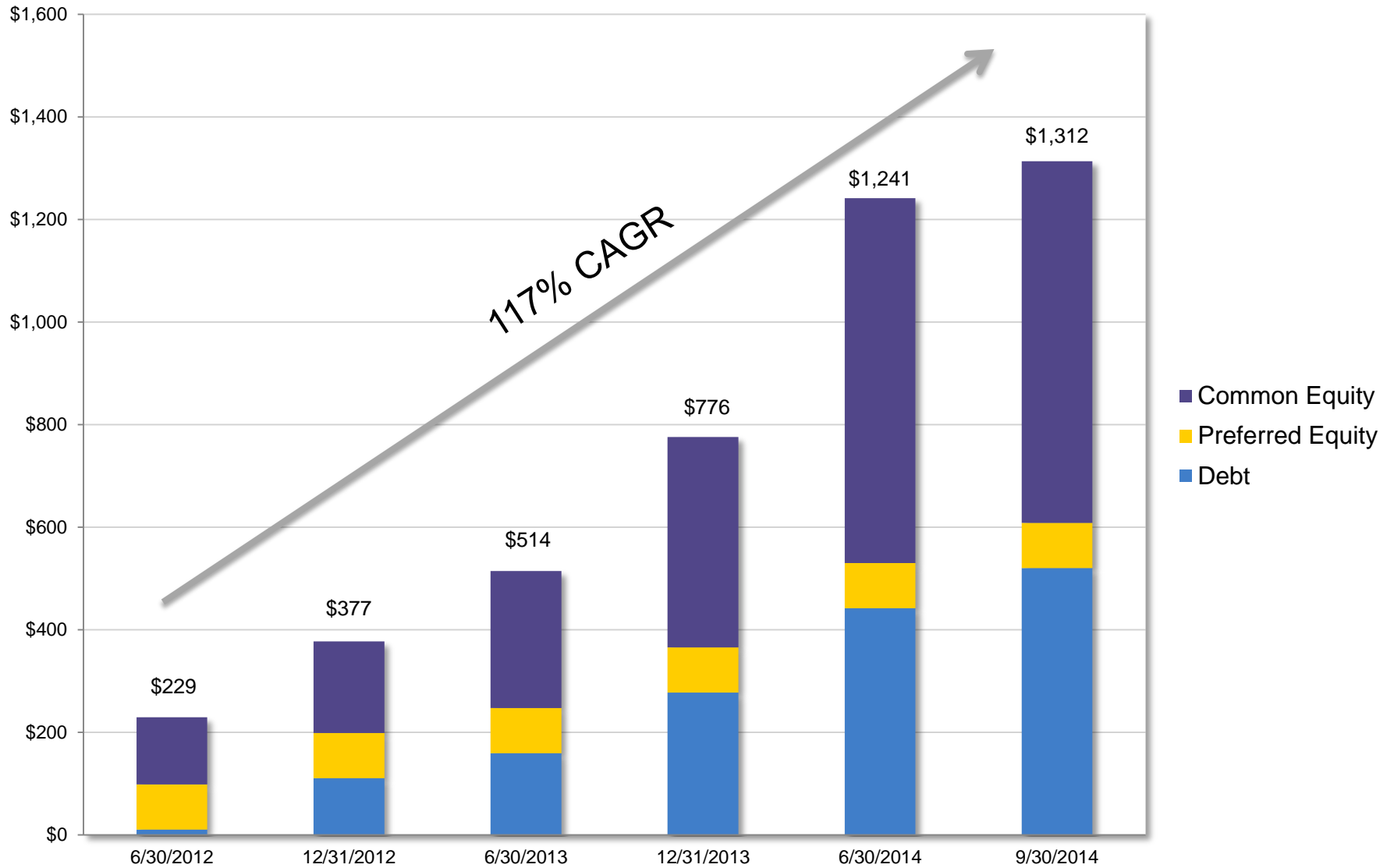
Note: Run-rate FFO is not a GAAP financial measure and may vary significantly from the Company's actual FFO for the quarter during which asset acquisitions occur.

Gramercy Business Growth Initiatives



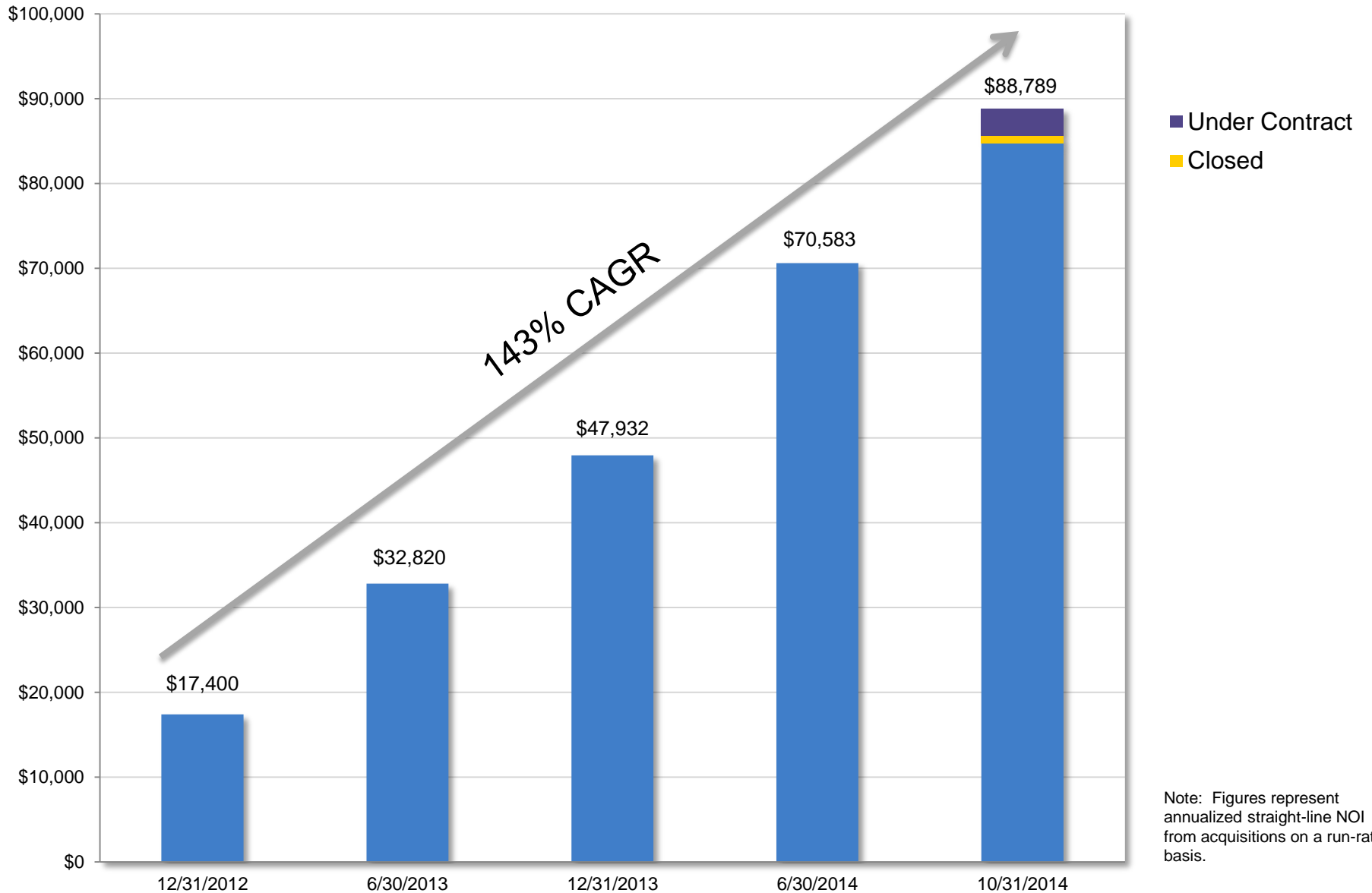
Total Market Capitalization

Dollar amount in millions



Straight-Line NOI Growth

Dollar amount in thousands



Note: Figures represent annualized straight-line NOI from acquisitions on a run-rate basis.

Growth Opportunities

- Portfolio acquisitions – For cash or stock, stock deals allow Gramercy to differentiate itself
 - Create scale for Gramercy
- Investment management – Management has deep experience
 - Europe
 - Institutional JVs
 - Managed Funds
- Continued consolidation in net lease – More interest and focus on net lease by investors

Gramercy Next Stage of Growth



- Gramercy has achieved inflection point for future growth
- Significant growth opportunities exist for Gramercy
- Gramercy has substantially changed its cost of capital and balance sheet flexibility