GRAMERCY
PROPERTY TRUST

# 2017 GUIDANCE: DECEMBER 20, 2016

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# FORWARD-LOOKING INFORMATION

**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 current business strategy, including the Company’s ability to timely and profitably dispose of non-core assets; the Company’s ability to accomplish its office asset disposition plan subject to the REIT prohibited transaction tax limitations; 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 the Company’s 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; economic conditions generally and in the real estate markets and the capital markets specifically; the Company’s international operations, including unfavorable foreign currency rate fluctuations, enactment or changes in laws relating to foreign ownership of property, and local economic or political conditions that could adversely affect the Company’s earnings and cash flows; unanticipated increases in financing and other costs, including a rise in interest rates; 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, 2015.

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.

# 2017 GUIDANCE

**2017 Guidance:**
*$2.10 - $2.25 of Core FFO and $1.95 - $2.10 of AFFO*

| | Low | High |
|---|---|---|
| **Core FFO (Split Adjusted)** | $2.10 | $2.25 |
| **Core FFO (Old Basis)** | $0.70 | $0.75 |
| **AFFO (Split Adjusted)** | $1.95 | $2.10 |
| **AFFO (Old Basis)** | $0.65 | $0.70 |

## 2017 Guidance Assumptions

- **Acquisition Volume**
  - $400 million to $1.0 billion (7.75% GAAP cap rate/ 7.25% cash cap rate)
- **Disposition Volume**
  - $200 to $400 million (6.5% to 7.5% average exit cap rate)
- **$0 to $400 Million in Equity Offerings**
- **G&A Expenses**
  - MG&A – $33.0 to $35.0 million
  - PG&A – breakeven after asset management and property management fees
- **No Capital Event for Europe**
- **Common Dividends**
  - $0.125 per share / quarter ($0.375 per share / quarter post share split)
- **Same Store NOI**
  - 1.0% to 2.0% growth
- **Leverage of Approximately 6.0x Net Debt to EBITDA[1]**
- **KBS Rolls off in March 2017 – Promote Income Recognized in 2016**

*GPT can meet its guidance range for 2017 without the issuance of additional equity*

1. EBITDA has straight-line rent adjustments and amortization of above and below market lease intangibles added back. EBITDA is projected as of Q4'16, annualized and assumes a full quarter of North American Logistics Portfolio NOI, Q4'16 acquisitions and dispositions. Net debt figures excludes JV debt where GPT owns 25.0% interest or less.

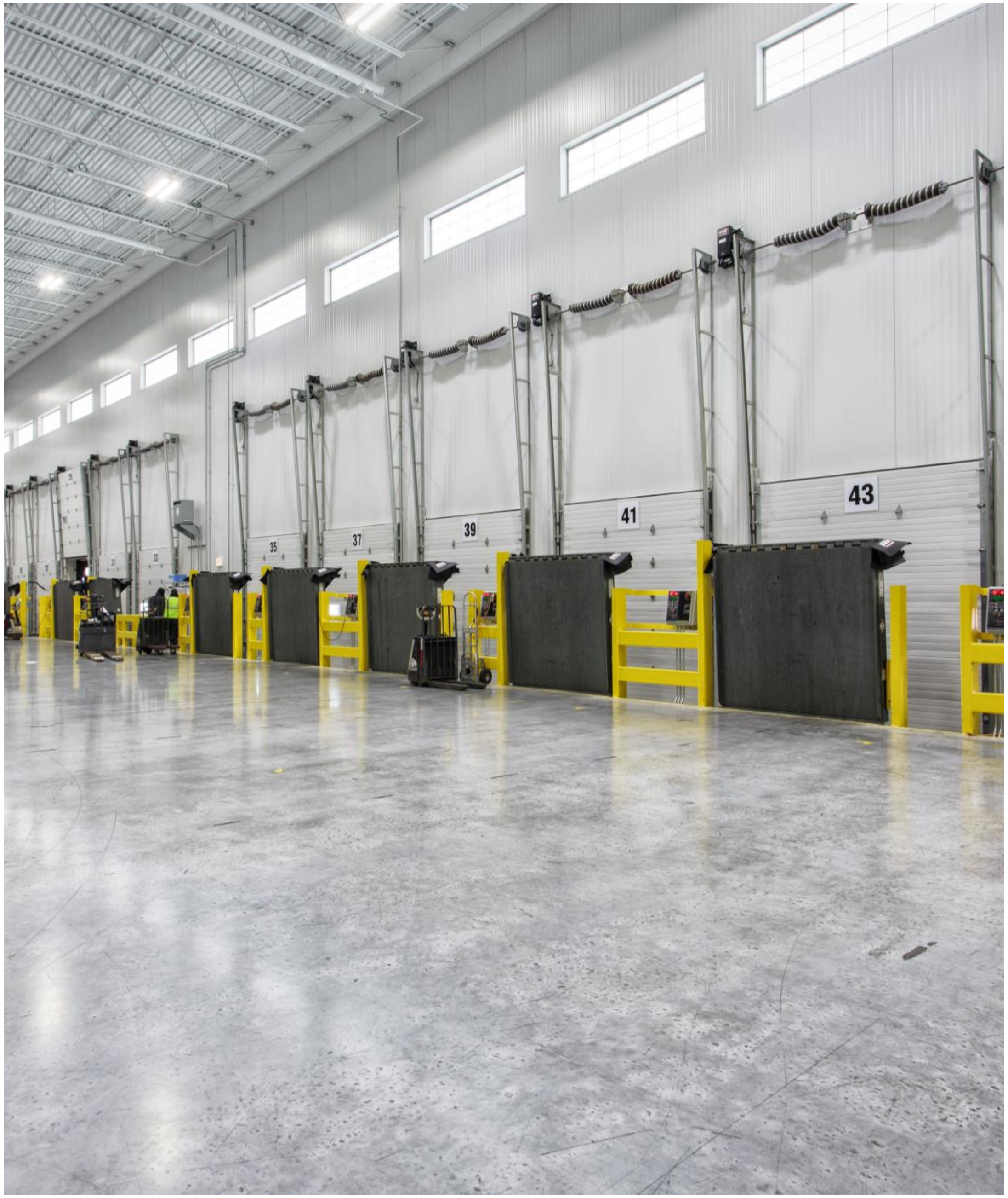
# UPSIDE & DOWNSIDE TO GUIDANCE

## Upside

- Monetization of Gramercy Europe
- Favorable External Growth
- Capital Recycling / Leasing Wins
- Higher Acquisition Cap Rates

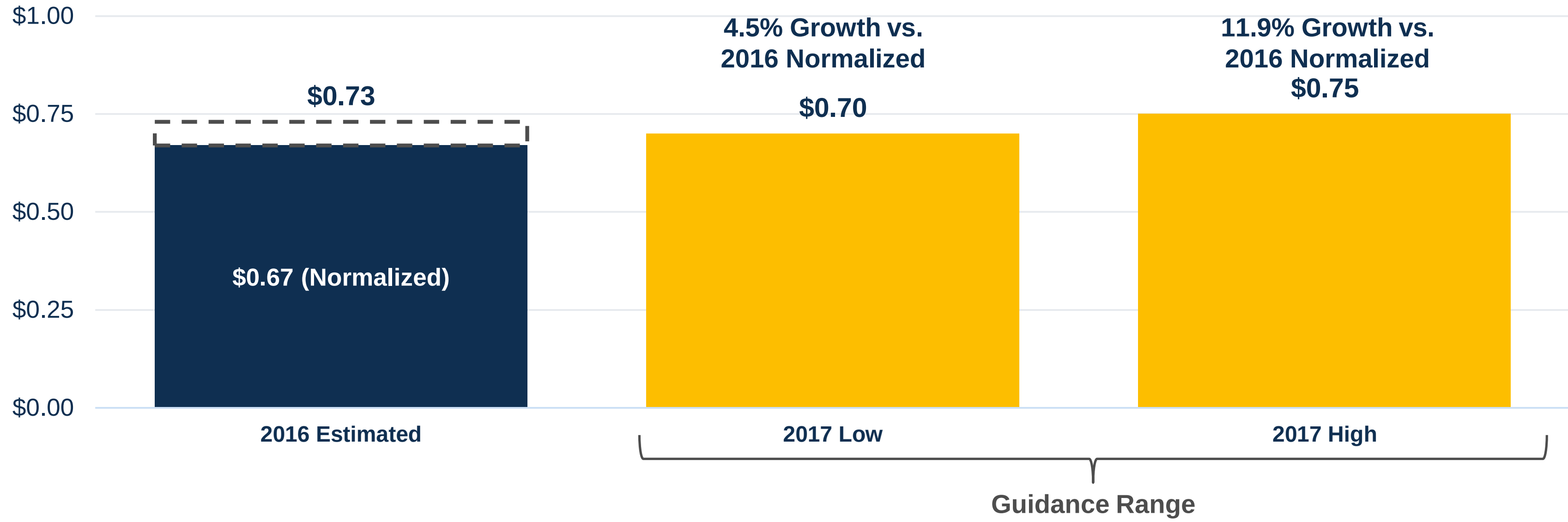
## Downside

- Tenant Defaults
- Lower than Target Leverage
- Lower Same Store Sales
- Higher Disposition Cap Rates
- Higher Operating Expenses



# FULL YEAR 2016 VS 2017

## Core FFO Growth

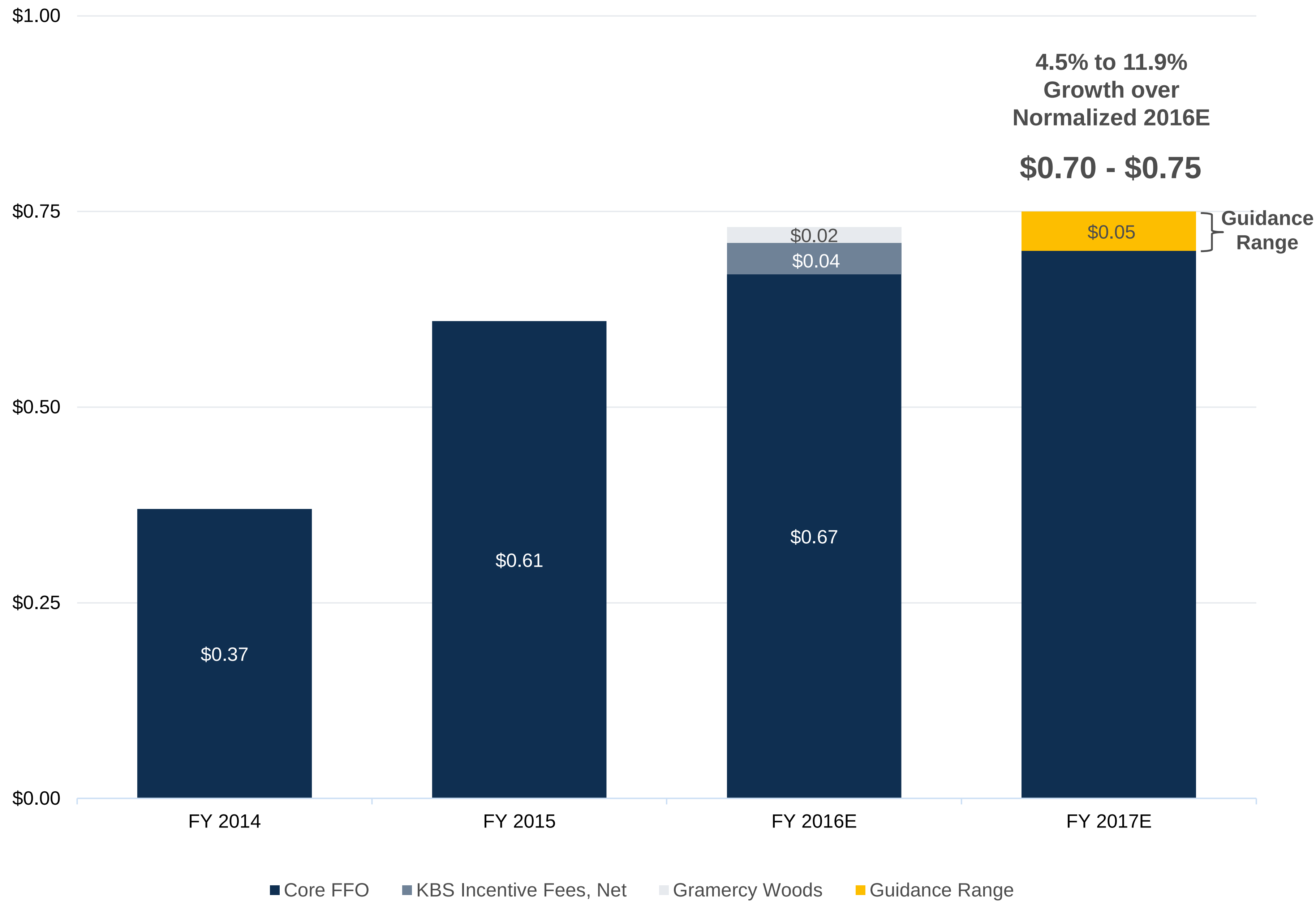



## AFFO Growth


Note: Normalized Core FFO excludes KBS Incentive Fees, net and impact of Gramercy Woods. Normalized AFFO excludes KBS Incentive Fees, net.

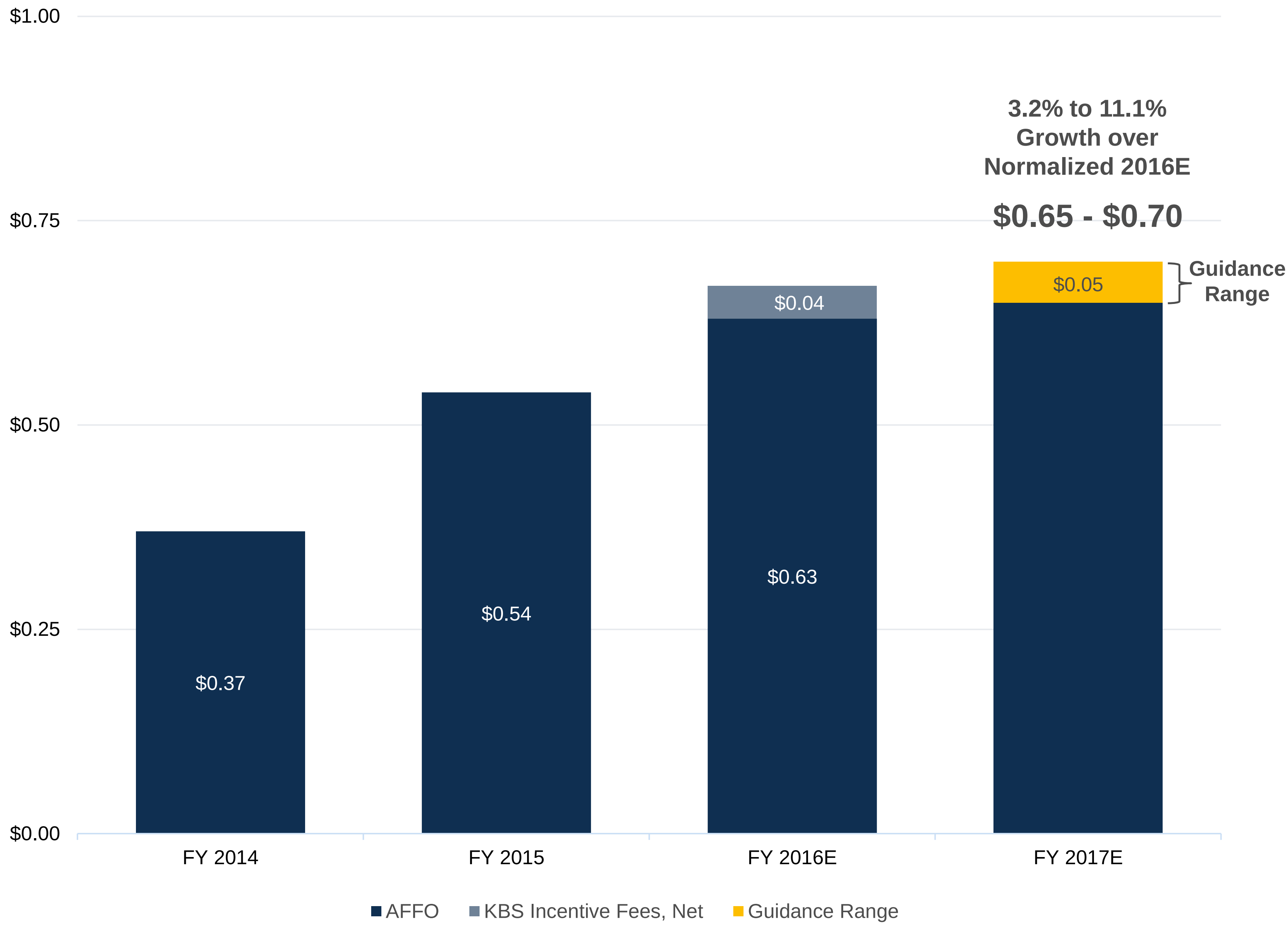
- Realization of KBS promote in 2016; roll off of business in 2017
- Rationalized platform post-KBS
- Full year impact of full investment and repositioned portfolio
- Impact of fixed-rate debt from December 2016 bond offering
- Contribution of full investment in Gramercy Europe

# HISTORICAL CORE FFO GROWTH




Note: 2016E reflects midpoint of Q4 2016 guidance range.

# HISTORICAL AFFO GROWTH




Note: 2016E reflects midpoint of Q4 2016 guidance range.

# CAPITAL EXPENDITURE RESERVE COMPONENTS

## Green Street Reserve Method

| Property Type | Green Street Reserve % | % of GPT NTM NOI as of 12/31/2015 | % of GPT NTM NOI as of 12/31/2016E[1] | % of GPT NTM NOI as of 12/31/2017E[2] |
|---|---|---|---|---|
| **Industrial** | 3.5% | 47.0% | 69.8% | 75.0% |
| **Specialty Retail** | 2.0% | 4.6% | 5.5% | 4.5% |
| **Single Tenant Office** | 5.0% | 40.7% | 23.2% | 19.0% |
| **Multi-Tenant Office** | 15.0% | 7.6% | 1.5% | 1.5% |

Note: Owned portfolio only; excludes all JVs.

1. NTM NOI as of 11/30/2016, pro forma for acquisitions and dispositions closed as of December 19, 2016 and those expected to close through 12/31/2016.
2. Assumes $1.0 billion in new industrial acquisitions at an average cap rate of 7.25% as well as additional property dispositions anticipated to occur in 2017.

# MARKET CAPITALIZATION AND LIQUIDITY SNAPSHOT – 12/31/16 (PROJECTED)

## Total Enterprise Value (TEV) ($mm)

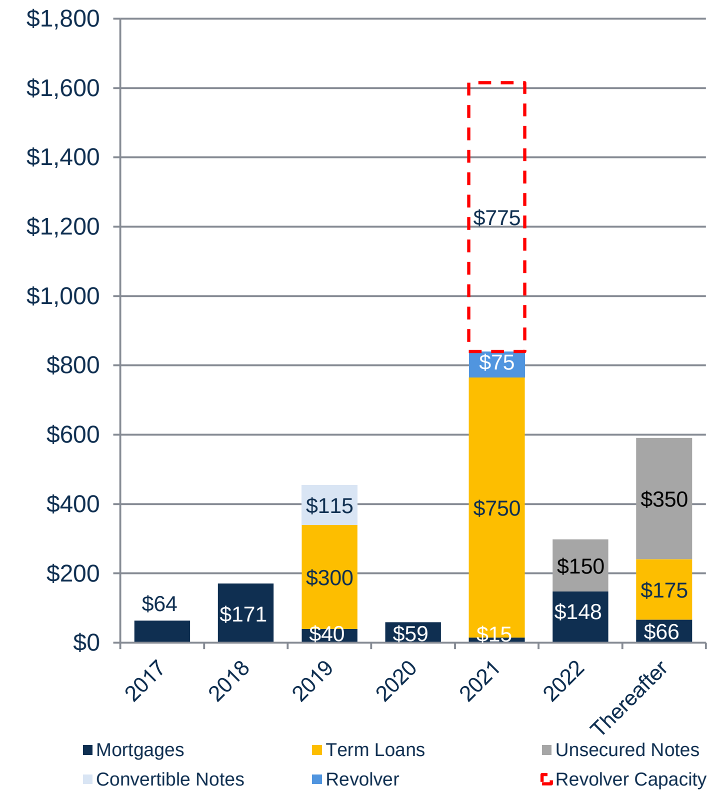
| | Projected 12/31/2016 | Rate | Maturity |
|---|---|---|---|
| **Secured Debt** | | | |
| Fixed Rate Mortgages[1] | $559 | 4.77% | 3.9 years |
| **Total Secured Debt** | **$559** | | |
| **Unsecured Debt** | | | |
| 3-Year Unsecured Term Loan *(swapped to fixed)* | $300 | 2.33% | 2.0 years |
| 5-Year Unsecured Term Loan *(swapped to fixed)* | 750 | 2.70% | 4.0 years |
| 7-Year Unsecured Term Loan *(swapped to fixed)* | 175 | 3.34% | 6.0 years |
| Unsecured Revolver | 75 | L + 95 bps | 4.0 years[2] |
| Unsecured Notes | 500 | 4.37% | 8.0 years |
| Convertible Debt | 115 | 3.75% | 2.2 years |
| **Total Unsecured Debt** | **$1,915** | | |
| **Total Debt** | **$2,474** | **3.33%** | **4.6 years** |
| Series A Preferred Equity | $88 | 7.125% | |
| Common Equity *(@ $8.90/share as of 12/19)* | $3,764 | | |
| **Total Equity** | **$3,852** | | |
| **Total Market Capitalization** | **$6,326** | | |
| Less: Cash and Cash Equivalents[3] | ($50) | | |
| **Total Enterprise Value (TEV)** | **$6,276** | | |

| | |
|---|---|
| Net Debt / TEV | 39% |
| Net Debt + Preferred / TEV | 40% |
| Secured Debt / TEV | 9% |
| Net Debt / EBITDA[4] | 5.9x |
| Percentage of Floating Rate Debt | 3% |

## Liquidity ($mm)

| | |
|---|---|
| Cash and Cash Equivalents[3] | $50 |
| Revolver Capacity[5] | 775 |
| **Total Liquidity** | **$825** |

## Debt Maturity Schedule ($mm)[6]




Note: Projected as of December 31, 2016.
1. Excludes all JV debt.
2. Includes two six month extension options.
3. Includes $0 proceeds from 1031 asset sales classified as restricted cash on balance sheet.
4. EBITDA has straight-line rent adjustments and amortization of above and below market lease intangibles added back. EBITDA is projected as of Q4'16, annualized and assumes a full quarter of North American Logistics Portfolio NOI, Q4'16 acquisitions and dispositions.
5. Up to $100mm of the capacity can be allocated for strictly foreign currency borrowings. Approximately $75.0 million has been drawn down.
6. Includes regularly scheduled principal amortization of fixed rate mortgages.

# NAV COMPONENTS – 12/31/2016 ESTIMATED

## NTM Cash NOI ($mm)[1]

| | Wholly Owned | Unconsolidated Entities (at pro rata share) |
|---|---|---|
| Warehouse/Distribution | $180.7 | $ — |
| Manufacturing | 33.3 | — |
| Cold Storage | 15.9 | — |
| HQ / Flex | 12.1 | — |
| Specialty Industrial (Covered Land) | 9.1 | — |
| Truck Terminals | 6.9 | — |
| Data Centers | 4.9 | — |
| **Total Industrial** | **$263.0** | **$ —** |
| | | |
| Single Tenant | $67.9 | $4.5[2] |
| Multi-Tenant | 5.7 | 0.1 |
| BofA Portfolio | 19.4 | — |
| **Total Office** | **$92.9** | **$4.6** |
| | | |
| LTF Portfolio | $16.5 | $ — |
| Retail Bank Branches | 3.7 | — |
| Rental Car Facility | 0.6 | — |
| **Total Specialty** | **$20.9** | **$ —** |
| | | |
| **U.S. & Canada Subtotal** | **$376.8** | **$4.6** |
| | | |
| Europe Industrial | $ — | $8.3 |
| Europe Retail | — | 1.3 |
| Europe Office | — | 0.5 |
| **Total Europe** | **$ —** | **$10.1** |
| | | |
| **NTM Cash NOI** | **$376.8** | **$14.7** |

## 12/31/2016 Estimated Balance Sheet Components ($mm)

| Assets ($mm) | |
|---|---|
| Cash and Cash Equivalents | $50.0 |
| Restricted Cash | 15.0 |
| Retained CDO Bonds (9/30/16 Value) | 8.4 |
| CBRE Strategic Partners Asia (9/30/16 Value) | 4.6 |
| In Process Build-to-Suits (Full Budget)[3] | 123.5 |
| **Total Assets** | **$201.5** |

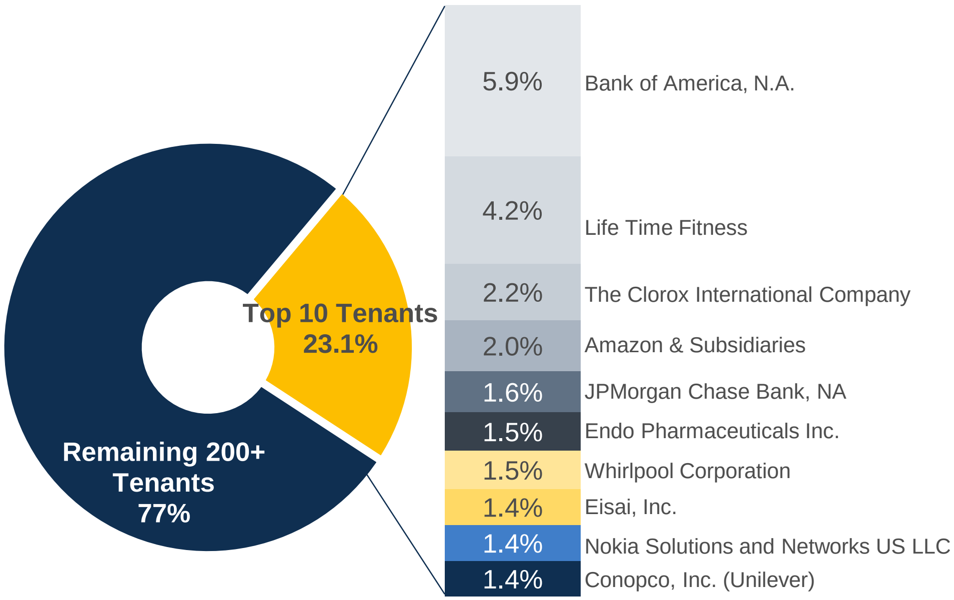
| Liabilities ($mm) | |
|---|---|
| Revolver Balance | $75.0 |
| Unsecured Term Loans | 1,225.0 |
| Unsecured Convertible Debt | 115.0 |
| Unsecured Notes | 500.0 |
| Secured Mortgages[4] | 559.4 |
| Preferred Stock | 87.5 |
| Common Dividends Payable | 53.5 |
| Remaining Obligation of Build-to-Suits[5] | 88.2 |
| **Total Liabilities** | **$2,703.6** |
| **Pro Rata Share of Secured Debt from Unconsolidated Properties** | **$94.0** |

| | |
|---|---|
| **Common Shares Outstanding + OP Units & Vested LTIPs** | **422,772,797** |
| **Diluted Weighted Avg. Shares Outstanding** | **428,216,209** |

Note: Assumes an exchange rate of 1.1235 U.S. Dollars per Euro, 1.2972 U.S. Dollars per GBP and 0.7618 U.S. Dollars per Canadian Dollar.
1. GPT owned portfolio of November 30, 2016, pro forma for acquisitions and dispositions closed through December 19, 2016 as well as expected to close by year end. European NTM NOI as of 9/30/2016.
2. Excludes Philips JV in Somerset, NJ.
3. Includes forward commitment to acquire an industrial facility in Chicago, in addition to build-to-suits in Round Rock, TX and Summerville, SC.
4. Includes only mortgages on wholly owned assets.
5. Remaining obligation of build-to-suits includes additional draw downs anticipated by 12/31/2016.

# PORTFOLIO SNAPSHOT

## Top 10 Tenants Contribute 23% of ABR




## Top 15 Markets Account for 67% of ABR

| Rank | Markets | % of ABR |
|---|---|---|
| 1 | Chicago | 8% |
| 2 | Dallas | 7% |
| 3 | Los Angeles | 6% |
| 4 | Baltimore/Washington | 5% |
| 5 | New York/New Jersey | 5% |
| 6 | Indianapolis | 5% |
| 7 | South Florida | 4% |
| 8 | Jacksonville | 4% |
| 9 | Philadelphia | 3% |
| 10 | Phoenix | 3% |
| 11 | Central PA | 3% |
| 12 | Atlanta | 3% |
| 13 | Columbus | 3% |
| 14 | Memphis | 3% |
| 15 | Houston | 3% |
| | **Top 15 Subtotal** | **67%** |
| | Other Target Markets | 20% |
| | Other | 13% |

## Top 10 Industries by % of ABR

| Rank | Industry | % of ABR |
|---|---|---|
| 1 | Food & Beverage | 14% |
| 2 | Consumer Goods | 13% |
| 3 | Financial Services | 12% |
| 4 | Healthcare | 7% |
| 5 | Automotives | 6% |
| 6 | Paper, Plastics & Glass | 5% |
| 7 | Industrial Manufacturing | 5% |
| 8 | Logistics, Transportation & Trucking | 5% |
| 9 | Technology, Media & Telecom | 5% |
| 10 | Business Services | 5% |
| | **Top 10 Subtotal** | **78%** |
| | Other Industries | 22% |

## Portfolio Highlights

**Size**
- 321 assets
- 65.6 million square feet

**Tenants**
- 34.7% Investment Grade

**WALT**
- 7.6 Years

**Occupancy**
- 98.7%

**% of NOI by Property Type**
- 69.8% Industrial / 24.7% Office / 5.5% Specialty

Note: Portfolio data as of November 30, 2016, pro forma for acquisitions and dispositions closed through December 19, 2016 as well as expected to close by year end. Excludes all JV assets.