Business Update

Monday, March 2, 2015 | 8:30 a.m. ET

American Realty
Capital Properties

Forward-Looking Statements

Information set forth herein (including information included or incorporated by reference herein) contains "forward-looking statements" (as defined in Section 21E of the Securities Exchange Act of 1934, as amended), which reflect American Realty Capital Properties, Inc.'s ("ARCP", the "Company," "us," "our" and "we") expectations regarding future events. The forward-looking statements involve a number of assumptions, risks, uncertainties and other factors that could cause actual results to differ materially from those contained in the forward-looking statements. Generally, the words "expects," "anticipates," "targets," "goals," "projects," "intends," "plans," "believes," "seeks," "estimates," variations of such words and similar expressions identify forward-looking statements, and any statements regarding ARCP's future financial condition, results of operations and business are also forward-looking statements. These forward-looking statements are subject to a number of risks, uncertainties and assumptions, most of which are difficult to predict and many of which are beyond ARCP's control.

The following additional factors, among others, could cause actual results to differ from those set forth in the forward-looking statements: ARCP's plans, market and other expectations, objectives, intentions and other statements that are not historical facts; the developments disclosed herein; negative reactions from ARCP's creditors, stockholders, or business partners to the findings of the investigation by the Audit Committee or the refiling of ARCP's financial statements; the results of the reevaluation of ARCP's internal control over financial reporting and disclosure controls and procedures and the timing and expense of the remediation of control deficiencies; the impact and outcome of litigation and regulatory investigations related to the matters disclosed in ARCP's Current Report on Form 8-K that was filed on October 29, 2014; ARCP's ability to comply with the requirements of the NASDAQ Stock Market; the impact of ARCP's debt documents on ARCP's overall borrowing flexibility; ARCP's inability to reestablish the financial network which supports Cole Capital®; ARCP's inability to regain the prior transaction and capital raising volume of Cole Capital prior to the filing of ARCP's Current Report on Form 8-K that was filed on October 29, 2014; ARCP's inability to pay a dividend at the same rate and frequency as ARCP previously had paid; ARCP's inability to regain its investment-grade credit rating; ARCP's inability to file its Annual Report on Form 10-K for the fiscal year ended December 31, 2014 timely in light of its obligations under its debt documents; the unpredictability of the business plans of ARCP's tenants; the inability to retain or hire key personnel; and continuation or deterioration of current market conditions. Additional factors that may affect future results are contained in ARCP's filings with the SEC, which are available at the SEC's website at www.sec.gov.

The forward-looking statements contained herein reflect ARCP's beliefs, assumptions and expectations regarding ARCP's future performance, taking into account all information currently available to it. These beliefs, assumptions and expectations are subject to risks and uncertainties and can change as a result of many possible events or factors, not all of which are known to ARCP. If a change occurs, ARCP's business, financial condition, liquidity and results of operations may vary materially from those expressed in its forward-looking statements. ARCP disclaims any obligation to publicly update or revise any forward-looking statements to reflect changes in underlying assumptions or factors, new information, future events or other changes, except as required by law.

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American Realty Capital Properties

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Expected Timetable of Key Events

BUSINESS UPDATE

ARCP is dedicated to providing regular updates on the development of its business

ARCP Key Events	**Expected Completion**
Restated and filed amendments to its 2013 Annual Report on Form 10-K and first and second quarter 2014 Quarterly Reports on Form 10-Q	Complete
Filed its third quarter 2014 Quarterly Report on Form 10-Q	Complete
Company to report fourth quarter and full-year 2014 results (Form 10-K) and host investor webcast	On or before March 31, 2015
Anticipate announcing a new CEO and non-executive Chairman	In the near term
Company to report first quarter 2015 results (Form 10-Q) and host investor webcast, returning the Company to a normal financial reporting schedule	May 2015
As soon as practicable after the appointment of the new CEO and the development of a business plan, Company to host an Investor Day at which it will present its updated vision and strategy of the new CEO and management team	Later in 2015

Board and Management Actions

BUSINESS UPDATE

Since September 2014, when accounting concerns were first reported to the Audit Committee, the Board and management have been actively engaged in the following activities:

- The Audit Committee conducted a thorough and independent investigation of accounting concerns and other matters with the assistance of independent counsel and independent forensic accountants (Weil, Gotshal & Manges LLP and Ernst & Young LLP)
- Conducted a comprehensive review and restatement of the Company's financial statements
- Senior leadership team was changed as a result of the resignations of the former Executive Chairman, CEO and Director, President and COO, CFO and CAO; In connection with such resignations they collectively forfeited approximately 3.0 million shares[1] and 12.7 million LTIP units granted under the 2014 OPP (representing all LTIP units issued thereunder).
- Ended all direct relationships with the former Executive Chairman and have taken significant steps to unwind relationships with entities in which the former Executive Chairman maintains an executive or director-level role or is a significant stockholder
- Realigned the Board's committee chairmanships, committee compositions and roles, and instituted a management transition plan by naming Bill Stanley interim Chairman and CEO
- Conducting the search for a new Chief Executive Officer and non-executive Chairman of the Board
- Retained Morgan Stanley & Co. LLC to provide advice regarding capital and debt structure, business strategy, real estate assets and capital allocation
- Concluded a review of the Company's real estate portfolio to confirm ARCP's property ownership status and that the respective tenants occupying these properties are subject to valid leases
- Obtained consents and waivers from the lenders under the Company's credit facility and an agreement with an ad hoc group of senior noteholders for extensions and an agreement not to issue a notice of default related to delivery of required financial statements and other financial deliverables
- Completed an extensive investigation into the Company's business practices and policies
- Evaluating and managing the legal landscape, including government investigations and private civil actions
- Reviewed and are taking steps to materially enhance the Company's corporate governance and financial controls as outlined in Slide 11

1) Includes fully vested shares, restricted stock awards, and performance stock units.

Audit Committee Investigation

BUSINESS UPDATE

Background on the investigation

On October 29, 2014, the Company filed a Current Report on Form 8-K reporting that the Audit Committee had concluded that the Company's previously issued financial statements included in its Annual Report on Form 10-K for the year ended December 31, 2013 and its Quarterly Reports on Form 10-Q for the quarters ended March 31, 2014 and June 30, 2014, as well as the Company's earnings releases and other financial communications for these periods, could no longer be relied upon.

The Audit Committee, with assistance from independent counsel and independent forensic accountants, has conducted a thorough and independent investigation into concerns regarding certain accounting practices and other matters brought to its attention in September 2014. The Audit Committee expanded the scope of the investigation beyond the initial concerns brought to its attention.

See restated and filed amendments to the Company's 2013 Annual Report on Form 10-K and first and second quarter 2014 Quarterly Reports on Form 10-Q (collectively, "the Restated Financial Statements") for additional information.

The investigation did not identify any material changes relating to ARCP's real estate ownership, rental revenue or fundamental business operations.

The investigation did not identify any changes to the financial statements or operations of the Cole Capital® sponsored non-traded REITs.

Audit Committee Investigation

Summary of key findings

- **Financial Statement and AFFO Errors –** Net loss was understated for 2013 (including each quarter of 2013) and the second quarter of 2014. Net loss was overstated for the first quarter of 2014. AFFO was overstated for 2011, 2012, 2013 (including each fiscal quarter of 2013) and the first two quarters of 2014. *See Financial Adjustment Summary on Page 10 and the Restated Financial Statements for additional information.*

  ACTION: The Company has restated the previously issued 2012 and 2013 financial statements contained in its 2013 Annual Report on Form 10-K and the financial statements contained in its first and second quarter 2014 Quarterly Reports on Form 10-Q, and filed its Quarterly Report on Form 10-Q for the third quarter of 2014 (which includes restated third quarter 2013 financial statements). Additionally, ARC Properties Operating Partnership, L.P. (the "Operating Partnership") has restated its previously issued financial statements and filed its Quarterly Report on Form 10-Q for the third quarter of 2014.

- **Related Party Transactions –** The Audit Committee's investigation identified certain payments made by the Company to ARC Properties Advisors, LLC and certain of its affiliates that were not sufficiently documented or otherwise warrant scrutiny. The Company has recovered consideration valued at approximately $8.5 million in respect of certain such payments that the Company concluded were inappropriate. *See the Restated Financial Statements for additional information.*

  ACTION: The Company is considering whether it has a right to seek recovery for any other such payments and, if so, its alternatives for seeking recovery.

Audit Committee Investigation (cont.)

BUSINESS UPDATE

Summary of key findings

- **Equity Awards Made to Former Executives –** The investigation found that equity awards made to two former executives in connection with the Company's transition to self-management contained provisions that, as drafted, were more favorable to such executives than the Compensation Committee of the Company's Board of Directors had approved. *See the Restated Financial Statements for additional information.*

> **ACTION:** One former executive has relinquished all of his equity awards. The other former executive agreed with the Company that the terms of his awards should have been consistent with the Compensation Committee's approval. This former executive has relinquished all of his equity awards other than 1,000,000 restricted shares, which were accelerated. These restricted shares are subject to clawback by the Company if, in any proceeding, after all appeals, he is found to have breached his fiduciary duty of loyalty or is found to have committed or admits fraud or misconduct in connection with his responsibilities as a director or officer of the Company.

- **Internal Control Weaknesses –** The investigation found material weaknesses in the Company's internal controls over financial reporting and its disclosure controls and procedures. *See the Restated Financial Statements for additional information.*

> **ACTION:** The Company has commenced the remediation of these material weaknesses under the oversight of the Audit Committee.

American Realty Capital Properties

Financial Adjustment Summary[1,2]

BUSINESS UPDATE

($ in thousands, except per share data)	Year Ended December 31, 2013				Three Months Ended March 31, 2014 (Unaudited)				Three Months Ended June 30, 2014 (Unaudited)			
	As Previously Reported[3]	*As Restated*	*Change Fav/(Unfav)*	*% Change*	*As Previously Reported[3]*	*As Restated*	*Change Fav/(Unfav)*	*% Change*	*As Previously Reported*	*As Restated*	*Change Fav/(Unfav)*	*% Change*
Selected Balance Sheet Amounts												
Total assets	$ 7,807,979	$7,809,083	$1,104	0.01%	$20,480,300	$20,488,095	$7,795	0.04%	$21,315,487	$21,310,496	$(4,991)	-0.02%
Total liabilities	5,285,446	5,310,556	(25,110)	-0.48%	10,950,414	10,974,377	(23,963)	-0.22%	10,451,698	10,485,022	(33,324)	-0.32%
Total equity	2,253,234	2,229,228	(24,006)	-1.07%	9,260,587	9,244,419	(16,168)	-0.17%	10,594,490	10,556,175	(38,315)	-0.36%
Selected Statement of Operations Amounts												
Total revenues	329,878	329,323	(555)	-0.17%	320,614	321,154	540	0.17%	381,981	382,178	197	0.05%
Total operating expenses	640,704	665,228	(24,524)	-3.83%	512,851	482,128	30,723	5.99%	355,573	353,284	2,289	0.64%
Other expenses, net	(169,610)	(171,876)	(2,266)	-1.34%	(128,418)	(144,866)	(16,448)	-12.81%	(69,673)	(85,492)	(15,819)	-22.70%
Net loss attributable to the Company	(474,740)	(491,499)	(16,759)	-3.53%	(308,681)	(291,444)	17,237	5.58%	(40,328)	(54,720)	(14,392)	-35.69%
Net loss attributable to stockholders per share diluted	$(2.33)	$(2.41)	$(0.08)	-3.43%	$(0.61)	$(0.58)	$0.03	4.92%	$(0.08)	$(0.10)	$(0.02)	-25.00%
Selected Statement of Cash Flows Amounts												
Net cash provided by (used in) operating activities	12,769	11,918	(851)	-6.66%	(106,126)	(122,828)	(16,702)	-15.74%	139,911	154,021	14,110	10.08%
Net cash used in investing activities	(4,542,759)	(4,541,718)	1,041	0.02%	(1,212,122)	(1,174,407)	37,715	3.11%	(734,300)	(777,649)	(43,349)	-5.90%
Net cash provided by financing activities	4,290,140	4,289,950	(190)	0.00%	1,348,590	1,327,726	(20,864)	-1.55%	705,012	735,941	30,929	4.39%
Net change in cash and cash equivalents	(239,850)	(239,850)	-	0.00%	30,342	30,491	149	0.49%	110,623	112,313	1,690	1.53%
Funds From Operations and Adjusted Funds From Operations Amounts[4]	**Net Method**				**Net Method**				**Gross Method**			
Funds from operations	(263,382)	(285,076)	(21,694)	-8.24%	(183,791)	(137,960)	45,831	24.94%	174,661	156,967	(17,694)	-10.13%
Adjusted funds from operations	236,374	192,416	(43,958)	-18.60%	147,389	108,892	(38,497)	-26.12%	205,278	185,934	(19,344)	-9.42%
AFFO per share	$1.07	$0.87	(0.20)	-18.69%	$0.26	$0.19	$(0.07)	-26.92%	$0.24	$0.21	$(0.03)	-12.50%

1) The selected financial statement amounts and per share amounts "As Previously Reported" and "As Restated" were derived from the Restated Financial Statements. 2) The restatement of the 2012 financial statements reduced Net Income by $284,000, and the correction of AFFO amounts in 2011 and 2012 reduced AFFO by $164,000 and $1.3 million, respectively, and are included within the Company's 2013 Annual Report. 3) The amounts in this column reflect the recasting of the Company's historical financial statements to present the effects of the Company's acquisition of ARCT IV, an entity previously deemed to be under common control with the Company, as if it had been completed at the beginning of the period presented, as previously disclosed in the Company's Current Report on Form 8-K, dated May 20, 2014. 4) The Company calculated its AFFO on a Net Basis in 2013 and Q1 2014 and a Gross Basis in Q2 2014. As such, the effects of the restatements are shown as compared to the original method used. The Company has also shown the Restated AFFO for all periods using the Gross Method in its Restated Financial Statements.

Corporate Governance and Compliance Practices

BUSINESS UPDATE

The Board is committed to enhancing ARCP's Corporate Governance and Compliance practices

» Committed to establishing a culture of compliance, integrity and transparency by emphasizing an organizational structure with an inclusive management approach, a proper "tone at the top," checks and balances, and "speaking up" across the organization

» Retained a premier international business advisory firm to work with management to improve internal controls, practices and procedures

» Adopted a related party transaction policy to guide the review and approval of related party transactions, to be administered by the Nominating and Corporate Governance Committee

» Establishing a chartered Disclosure Committee, composed of senior level attorneys, accounting personnel and executives, along with heads of other pertinent firm-wide disciplines, which will be required to approve periodic SEC filings, as applicable

» Implementing new processes for authorization, documentation and accounting for equity-based compensation

» Documented and began standardizing all critical accounting policies; completed preliminary design of and began documenting and standardizing the Company's internal accounting close process

» Enhancing information technology controls for access, authentication and the systems environment

Enhancing governance and compliance policies to meet best-in-class standards

CEO and Non-Executive Chairman Search Update

BUSINESS UPDATE

The Board of Directors retained Korn Ferry to conduct an extensive search to identify both a highly respected CEO and an independent, non-executive Chairman of the Board

Anticipate announcing a new CEO and non-executive Chairman in the near term

- Under the leadership of interim Lead Independent Director Tom Andruskevich, the Board retained Korn Ferry to identify highly respected CEO and non-executive Chairman candidates
- In advanced discussions with candidates who collectively possess a broad range of real estate, finance and public company experience, as well as impressive track records of creating value for shareholders
- Bill Stanley will remain interim Chairman and CEO until the new CEO and non-executive Chairman take office
  - Mr. Stanley is supported by ARCP's capable and experienced senior management team

Dividend Policy

Dividend expected to resume at a payout ratio in line with net lease peers

The Board of Directors will announce the Company's new dividend policy later in 2015

» Per the waivers and consents from the Company's lenders, the Board cannot declare or pay a dividend on the Company's common stock until the Company has delivered its required quarterly and annual financial statements and related officer's and compliance certificates, all of which the Company expects to deliver on or before March 31, 2015

» The Board, working with the new CEO and management, will establish a common stock dividend, which is expected to be in line with net lease peers

» When the dividend is reinstated, it is expected to be paid on a quarterly basis

Legal Landscape

Managing and evaluating the legal landscape is an important priority for the Company

Pending investigations and private civil actions

- Investigations commenced by the SEC, DOJ and the Commonwealth of Massachusetts
  - *The Company and the Audit Committee are cooperating fully with these investigations*
- 1 consolidated securities class action currently pending in New York Federal Court, 1 securities class action currently pending in Maryland Federal Court, and 2 securities actions on behalf of individual investors currently pending in New York Federal Court
  - *The Company intends to defend these actions vigorously*
- 1 consolidated derivative action pending in New York Federal Court, 2 derivative actions pending in Maryland State Court, and 1 derivative action pending in New York State Court
  - *The Company intends to defend these actions vigorously*

BUSINESS UPDATE

Third Quarter 2014 Results

2014 Third Quarter Highlights

Operating Results

All prior year amounts are restated, and FFO and AFFO are shown using the gross method

- Reported consolidated revenue of $457.1 million, an increase of $361.9 million over prior year period, which includes $59.8 million of revenue from the Cole Capital segment
- Reported a net loss of $(280.4) million, which includes a $256.9 million loss primarily due to the multi-tenant portfolio held for sale at September 30, 2014, compared to a net loss of $(80.2) million in the prior year period
- Reported consolidated FFO of $0.21 per diluted share and AFFO of $0.26 per diluted share, compared to FFO of $(0.07) per diluted share and AFFO of $0.28 per diluted share in the prior year period
- Acquired $2.3 billion of real estate in the quarter with a cash cap rate of 7.7%, including the $1.7 billion Red Lobster® sale-leaseback transaction[1]
- With proceeds from the line of credit, repaid $199.1 million of debt, with an average maturity of 5.9 years and a weighted average interest rate of 6.5%, and $316.1 million of Series D Preferred
- Raised $260.8 million of capital on behalf of the Cole Capital® managed REITs, bringing the year-to-date-total as of September 30, 2014, to approximately $1.3 billion
- Invested $1.1 billion in 228 properties on behalf of the Cole Capital managed REITs

Data as of 9/30/14 unless otherwise noted. Data and comparisons reflect restated financials. 1) The overall sale-leaseback transaction consisted of 522 Red Lobster restaurants and 20 other branded restaurant properties.

Key Subsequent Events

SUBSEQUENT EVENTS

- On October 17, 2014, the Company completed the previously announced sale of its multi-tenant portfolio for approximately $1.9 billion to a Blackstone-DDR joint venture and entered into an LOI to sell five additional properties for $52.8 million, for total sale proceeds of $2.0 billion, with approximately $1.2 billion of net proceeds used to reduce leverage by paying down the Company's line of credit
- Acquired $27.4 million of real estate assets for ARCP from 10/1/14 through 12/31/14
- Approximately $3.2 billion outstanding under the Company's credit facility as of 12/31/14
- On December 4, 2014, issued a press release announcing that the Company had entered into a settlement agreement with RCS Capital Corporation ("RCS Capital") that resolved the dispute over the sale of Cole Capital to RCS Capital in which the Company received $60.0 million from RCS Capital to terminate the Equity Purchase Agreement and all related agreements and documents
- On January 29, 2015, the Company announced that Cole Corporate Income Trust, Inc. ("CCIT") had successfully closed its previously announced merger with and into a wholly-owned subsidiary of Select Income REIT ("SIR")

Summary Financial Results[1]

Q3 2014 FINANCIAL RESULTS

($ in thousands, except share and per share data)	Three Months Ended 3/31/2014 (As Restated)	Three Months Ended 6/30/2014 (As Restated)	Three Months Ended 9/30/2014	Nine Months Ended 9/30/2014
Revenues				
Real estate revenue	$ 266,897	$ 344,956	$ 397,321	$ 1,009,174
Cole Capital revenue	54,257	37,222	59,797	151,276
Total revenues	$ 321,154	$ 382,178	$ 457,118	$ 1,160,450
Net loss attributable to the Company	$ (291,444)	$ (54,720)	$ (280,398)	$ (626,562)
Net loss attributable to common stockholders per share – diluted	$ (0.58)	$ (0.10)	$ (0.35)	$ (0.94)
Weighted average shares outstanding - basic	547,470,457	815,406,408	902,096,102	756,289,984
Funds from Operations (FFO) - Gross Method[2]				
Total Company	$ (144,804)	$ 156,967	$ 195,798	$ 207,961
FFO per common share - diluted	$ (0.24)	$ 0.18	$ 0.21	$ 0.26
Real estate segment	$ (135,182)	$ 167,441	$ 194,712	$ 226,971
FFO per common share - diluted	$ (0.23)	$ 0.19	$ 0.21	$ 0.28
Cole Capital segment	$ (9,622)	$ (10,474)	$ 1,086	$ (19,010)
FFO per common share - diluted	$ (0.02)	$ (0.01)	$ 0.00	$ (0.02)
Adjusted Funds From Operations (AFFO) - Gross Method[2]				
Total Company	$ 114,772	$ 185,934	$ 244,549	$ 545,255
AFFO per common share - diluted	$ 0.19	$ 0.21	$ 0.26	$ 0.68
Real estate segment	$ 108,664	$ 168,188	$ 214,991	$ 491,843
AFFO per common share - diluted	$ 0.18	$ 0.19	$ 0.23	$ 0.61
Cole Capital segment	$ 6,108	$ 17,746	$ 29,558	$ 53,412
AFFO per common share - diluted	$ 0.01	$ 0.02	$ 0.03	$ 0.07
Weighted average shares outstanding – Gross Method - diluted	598,622,385	868,019,525	947,066,357	805,845,774
EBITDA[2]	$ (17,291)	$ 290,547	$ 79,877	$ 353,133
Normalized EBITDA[2]	$ 195,603	$ 312,131	$ 363,942	$ 871,676

1) The Summary Financial Results amounts and per share amounts are derived from the Company's Quarterly Report on Form 10-Q for the period ended 9/30/2014 and Quarterly Report on Form 10-Q/A for the period ended 6/30/2014. 2) FFO, AFFO, EBITDA and Normalized EBITDA are non-GAAP financial measures. See "About the Data" for a description of our non-GAAP financial measures and accompanying Supplemental Financial Information for GAAP reconciliations.

2014 Financial Considerations

» The Company previously announced on October 29, 2014 that all of its financial statements and all financial communications for the year ended December 31, 2013 and quarters ended March 31, 2014 and June 30, 2014 could no longer be relied upon.

» Financial statement users should consider the following items related to 2014:

- *Subsequent to September 30, 2014, the Company sold its $1.9 billion multi-tenant portfolio and has experienced a significant decrease in Cole Capital equity raise levels, acquired $27.4 million of real estate in Q4 2014 and will own the $2.3 billion of properties acquired in Q3 2014 for the full Q4 2014.*
- *Furthermore, as the Company completes its procedures related to its financial statements for the year ended December 31, 2014, it is evaluating the carrying value of its intangible assets related to Cole Capital, the carrying value of certain real estate assets, and potential legal reserves, which may result in impairment charges or reserves. In accordance with the Company's FFO and AFFO calculation methodology (see About the Data on Pages 32-33), any such charges would be deducted from FFO, but may be added back for AFFO.*

Key Information as of 12/31/2014 (unaudited):	
Shares outstanding - diluted *(in thousands)*	929,282
Revolving line of credit balance	$2.2 Billion
2014 acquisitions on balance sheet[2]	$4.0 Billion
Estimated Cole Capital AUM	$8.6 Billion

Cash NOI (unaudited):	
Q3 2014 real estate Cash NOI[1] *(in thousands)*	$332,779

1) Cash NOI is a non-GAAP financial measure. See "About the Data" for additional information and a reconciliation of Cash NOI for Q3 2014.
2) Excluding Cole Real Estate Investments merger.

BUSINESS UPDATE

ARCP is a Strong, Well-Capitalized Leader in the Net Lease Industry

ARCP Is a Strong, Well-Capitalized Net Lease REIT

ARCP is a leading net lease REIT:

- Total enterprise value of $20.1 billion[1]
- Established hybrid business model with Cole Capital®
- Stable, predictable real estate cash flows
- Experienced real estate professionals and leadership team
- 4,714 properties, with 1,222 tenants in 42 industries located across 49 states[2]
- 44.8% of the tenants are investment-grade rated[3]
- Weighted average remaining lease term of 11.5 years
- Weighted average debt maturity of 5.1 years, with a weighted average interest rate of 3.2%

All data as of 9/30/14, inclusive of multi-tenant portfolio, unless otherwise noted for the ARCP balance sheet. 1) Pro forma for the multi-tenant portfolio sold to a Blackstone-DDR JV on 10/17/2014. See Page 26 for a calculation of total enterprise value. 2) The Company's properties are also located in the District of Columbia, Puerto Rico and Canada. 3) Tenants are considered investment-grade rated based on ratings of the major credit ratings agencies and may reflect the credit rating of the parent company or a guarantor.

Established Hybrid Business Model

COMPANY OVERVIEW

Single-Tenant Retail

- » 2,080 Properties
- » 31,950,429 SF
- » 49 States

Restaurants

- » 2,181 Properties
- » 11,106,650 SF
- » 47 States[4]

Office & Industrial

- » 330 Properties
- » 57,103,292 SF
- » 43 States

Multi-Tenant Retail[5]

- » 85 Properties
- » 12,925,924 SF
- » 26 States

***$7.7B in Assets**[2]*

Open Funds

Income NAV | CCPT V | CCIT II

Closed Funds

CCIT[3] | CCPT IV | TICs and DSTs

All data as of 9/30/14, inclusive of multi-tenant portfolio, unless otherwise noted.

1) Pro forma for the multi-tenant portfolio sold to a Blackstone-DDR JV on 10/17/2014. See Page 26 for a calculation of total enterprise value. 2) Based on the aggregate gross book value of real estate assets owned within each of the Cole Capital sponsored non-traded REITs and programs as of 9/30/2014, excluding unconsolidated joint ventures. 3) Sold to Select Income REIT on 1/29/2015 and owned $2.6B of assets (net of amortization and depreciation) as of 9/30/2014. 4) Additional properties in the District of Columbia, Puerto Rico and Canada. 5) Sold 73 properties on 10/17/14 to Blackstone-DDR joint venture.

ARCP-Owned Real Estate Portfolio

PORTFOLIO OVERVIEW

Market-leading net lease REIT

	As of 09/30/2014	Pro Forma Excluding Multi-Tenant Portfolio[1]
Properties	4,714	4,641
Total Square Feet	113.8 million	102.5 million
Annualized Base Rent[2]	$1.52 billion	$1.37 billion
Occupancy[3]	99.2%	99.5%
Average Remaining Lease Term (by Rent)	11.5 years	12 years
Investment Grade (by Rent)[4]	45%	46%
Number of Tenants	1,222	799
Number of Industries	42	42
Number of States[5]	49	49
Top 10 Tenant Concentration (by Rent)	30%	33%

1) Amounts are as of 9/30/2014 as adjusted to remove the effect of the multi-tenant portfolio sold to a Blackstone-DDR JV on 10/17/2014. 2) Annualized base rent represents the average annual base rental income over the respective lease term, including adjustments for rent concessions or abatements, if any. 3) Occupancy is based on square feet. 4) Tenants are considered investment-grade rated based on ratings of the major credit ratings agencies and may reflect the credit rating of the parent company or a guarantor. 5) The Company's properties are also located in the District of Columbia, Puerto Rico and Canada.

Portfolio Diversification

Highly diversified by property type, industry, credit and tenant

Property Type

- 13.7% Industrial/ Distribution[1]
- 21% Office[1]

Industry	% SLR
Casual Dining Restaurants	17.3%
Quick Service Restaurants	8.5%
Manufacturing	8.4%
Pharmacy	7.4%
Discount Retail	7.1%
Grocery/Supermarket	4.7%
Banking/Finance	4.6%
Home & Garden Retail	4.1%
Professional Services	3.9%
Insurance	2.7%
Top 10 Industries	**68.7%**

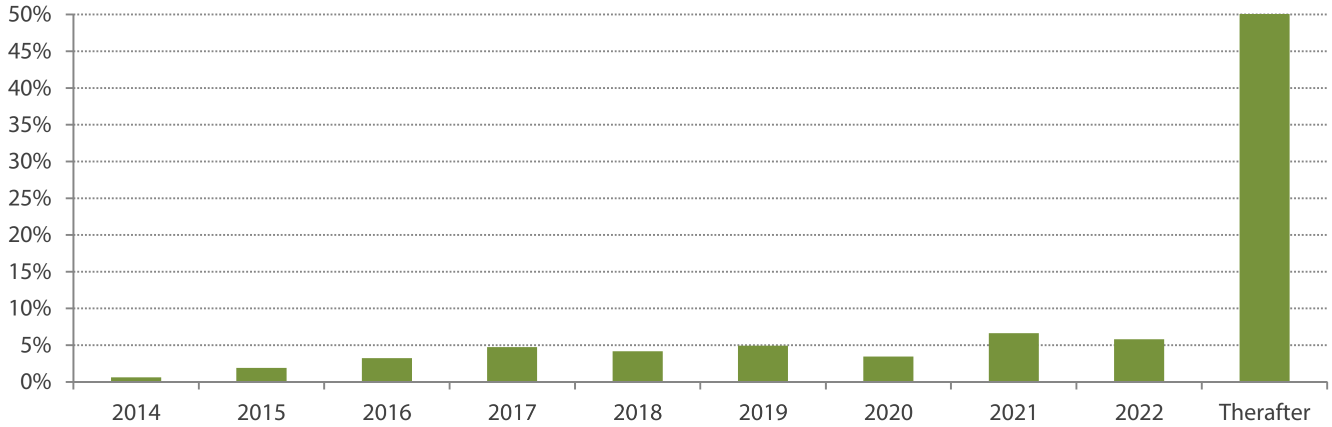
Tenant	% SLR	S&P Rating
Red Lobster	10.5%	B-
CVS pharmacy	3.5%	BBB+
Walgreens	3.0%	BBB
Dollar General	2.3%	BBB-
Family Dollar	2.2%	BBB-
FedEx	2.1%	BBB
Albertson's	1.6%	B
PetSmart	1.6%	BB+
AT&T	1.6%	A-
GSA	1.6%	AA+
Top 10 Tenants	**30.0%**	

Data as of 09/30/2014 (inclusive of multi-tenant portfolio). 1) Based on straight line rent (SLR)

Lease Expirations and Portfolio Occupancy

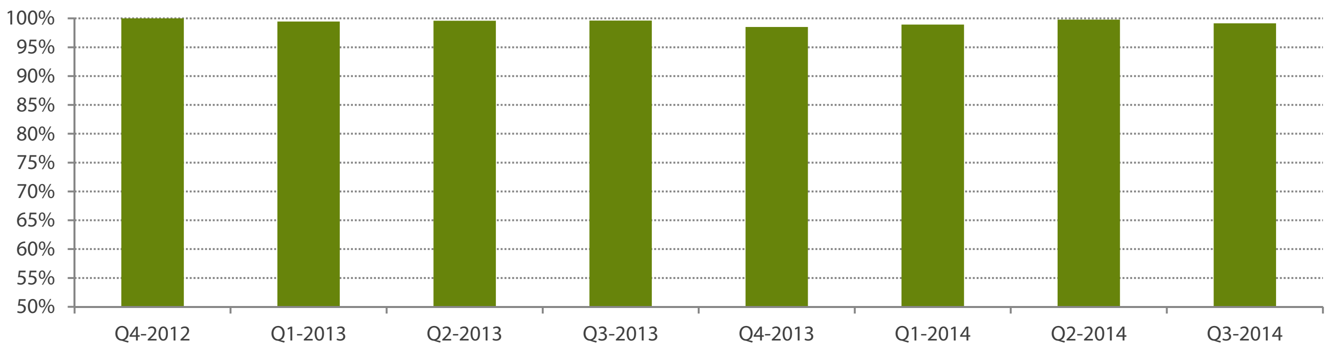
PORTFOLIO OVERVIEW

Lease Expirations[1]



11.5
Years
Current W.A.L.T.

Consistent Occupancy Levels[2]

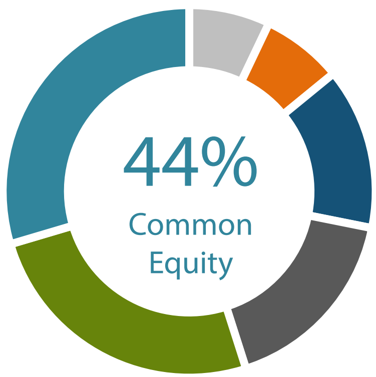


99.2%
Current Occupancy

Data as of 9/30/14, inclusive of multi-tenant portfolio. 1) Based on straight-line rent (SLR). 2) Based on occupied square feet.

Key Balance Sheet Metrics and Capital Structure

Pro Forma Capitalization[1]



Secured Debt	36%
Senior Unsecured Notes	24%
Revolving Credit Facility	20%
Unsecured Term Loan	10%
Convertible Notes	10%

CAPITALIZATION TABLE

Capitalization ($ millions)	09/2014	Pro Forma[1]
Equity Capitalization[2]	**$8,854**	**$8,854**
Series F Preferred	**$1,071**	**$1,071**
Secured Debt	**$4,285**	**$3,743**
Unsecured Term Loan	1,000	1,000
Unsecured Credit Facility	3,259	2,129
Unsecured Notes	2,550	2,550
Convertible Debt	1,000	1,000
Total Unsecured Debt	**$7,809**	**$6,679**
Total Debt	**$12,094**	**$10,422**
Cash and Equivalents	145	145
Net Debt	**$11,949**	**$10,277**
Enterprise Value	**$21,874**	**$20,202**
Total Capitalization	**$22,019**	**$20,346**

Leverage Metrics ($ millions)	09/2014	Pro Forma[1]
Net Debt/Enterprise Value	54%	51%
Net Debt/Normalized EBITDA[3]	8.1x	7.7x
Weighted Avg. Interest Rate	3.2%	3.3%
Fixed Charge Coverage[4]	3.0x	3.0x
Liquidity[5]	$536	$616

1) Pro forma for the sale of the multi-tenant portfolio to Blackstone-DDR venture on October 17, 2014. 2) Based on a stock price of $9.81 as of February 27, 2015. Reflects common shares outstanding as of September 30, 2014. 3) Normalized EBITDA represents annualized third quarter 2014 normalized EBITDA as reported in a Form 8-K filed with the SEC on March 2, 2015. Pro forma Normalized EBITDA includes a reduction of approximately $137M of EBITDA related to the sale of the multi-tenant portfolio. 4) Fixed Charge Coverage represents normalized EBITDA divided by interest expense, scheduled mortgage principal amortization and preferred stock dividends for Series F perpetual preferred stock. 5) Liquidity as of September 30, 2014 represents LOC capacity of $4,650M less outstanding balance of $4,259M plus cash and cash equivalents of $144M. Effective December 23, 2014 and per the Current Report on Form 8-K filed December 30, 2014, permanent combined capacity is reduced to $3,600M. As of 12/31/14 the related outstanding balance was $3,184M.

American Realty Capital Properties

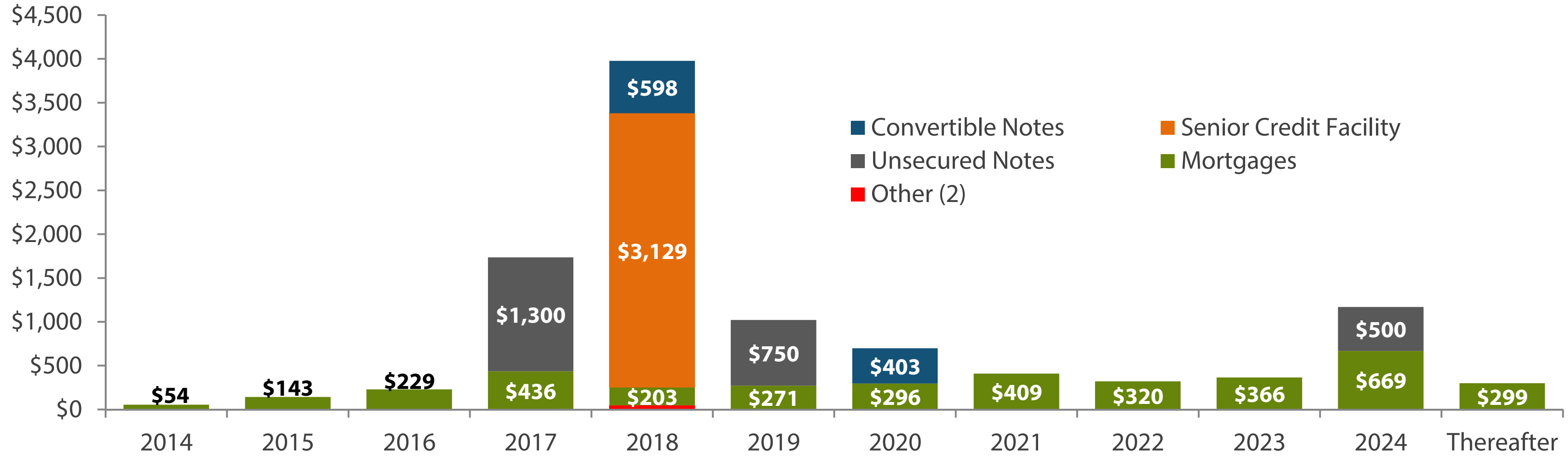
Pro Forma Debt Maturity Profile – Pro Forma[1]

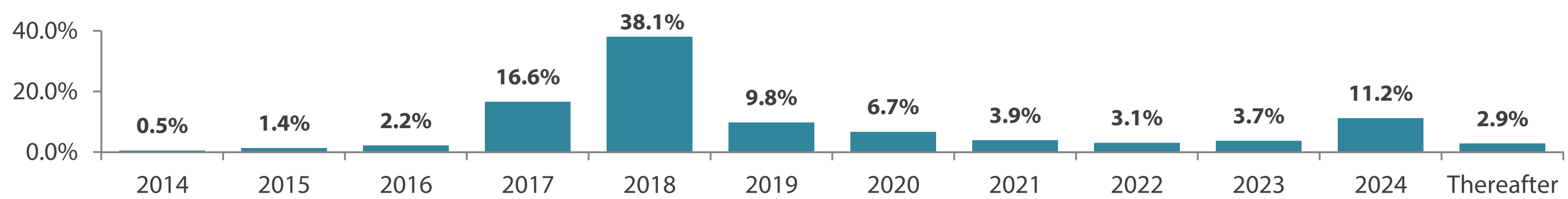
DEBT MATURITY

Manageable debt maturity profile with minimal near-term maturities

Figures shown in millions

» Pro Forma weighted average debt term is 5.2 years





1) Pro forma for the sale of the multi-tenant portfolio to Blackstone-DDR venture on October 17, 2014; for the 9/30/14 Debt Maturity Profile, see the Q3 2014 Supplemental Information. 2) Represents $48M secured term loan.

Commitment to Cole Capital®: Our Premier Sponsor of Non-Traded REITs

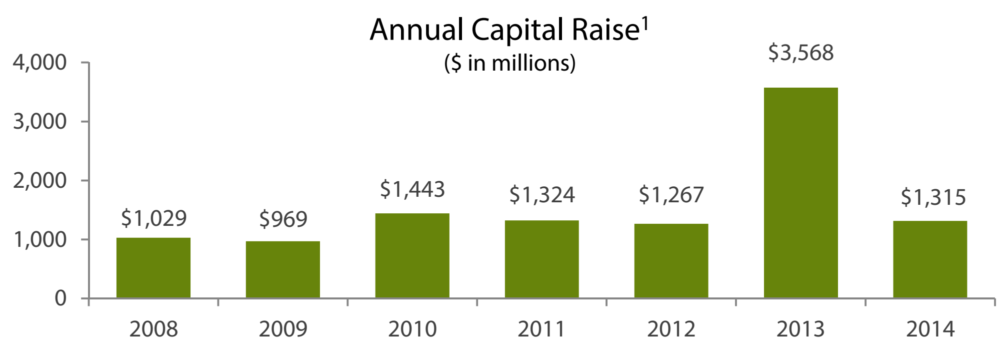
COLE CAPITAL

Strong business with a long, successful track record

- Founded in 1979, Cole Capital has raised over $12.9 billion in equity and invested over $18.9 billion in real estate assets in 8 non-traded REITs during the past 10 years
- Per Robert Stanger, Cole Capital is the only sponsor that has ranked in the Top 4 in capital raising each of the past 7 years[1] with a total market share of 14% during that period
- No association with former ARCP or RCS Capital management
- Maintains a strong team of tenured industry leaders
- Consistent record of raising capital and delivering value to its investors

ARCP is committed to returning Cole Capital to prior levels of success and earnings power to generate value for shareholders

- With the filing of ARCP's financial statements, Cole Capital is immediately turning its attention to normalizing relationships with broker-dealers and clearing firms
- Emphasizing original operating model
- Cole Capital has three active non-traded REITs currently raising equity, with $555.8 million raised and $9.4 billion available to be raised[2]
- Cole Capital delivered $0.07 of AFFO per share during the nine months ended September 30, 2014



1) Source: Robert A. Stanger & Co., Inc.; Does not include DRIP; Cumulative capital raise for all Cole Capital offerings. 2) Cumulative capital for three active offerings as of 12/31/14.

BUSINESS UPDATE

Summary

Key Takeaways

KEY TAKEAWAYS

The Board of Directors acted swiftly and decisively in response to the accounting concerns reported to the Audit Committee in September 2014

- The Audit Committee conducted a thorough and independent investigation of accounting concerns
- The Company restated certain previously issued financial statements contained in its 2013 Annual Report on Form 10-K and its first and second quarter 2014 Quarterly Reports on Form 10-Q, and filed its Quarterly Report on Form 10-Q for the third quarter of 2014
- Put in place new senior leadership team following the resignations of former members of management and ended all direct relationships with former Executive Chairman
- Anticipates completing the search for a new Chief Executive Officer and non-executive Chairman of the Board of Directors in the near term
- Will satisfy the consent and waiver from lenders under its credit agreement[1]
- Expects to regain compliance with NASDAQ listing standards
- Positioning Cole Capital to rebuild transaction volumes and capital raising, and resume normalized activities
- Taking steps to materially enhance ARCP's corporate governance and financial controls
- The Board and the Company's new senior leadership team have demonstrated an ongoing commitment to establishing a culture of compliance, integrity and transparency

ARCP continues to be a strong, well-capitalized leader in the net lease REIT industry.

1) Based on other conditions being satisfied as outlined in press release issued on 12/24/14.

BUSINESS UPDATE

About the Data

About the Data

Description of Funds From Operations and Adjusted Funds From Operations – Due to certain unique operating characteristics of real estate companies, as discussed below, the National Association of Real Estate Investment Trusts, Inc. ("NAREIT"), an industry trade group, has promulgated a measure known as funds from operations ("FFO"), which we believe to be an appropriate supplemental measure to reflect the operating performance of a REIT. The use of FFO is recommended by the REIT industry as a supplemental performance measure. FFO is not equivalent to our net income or loss as determined under generally accepted accounting principles in the United States ("U.S. GAAP").

We define FFO, a non-GAAP measure, consistent with the standards established by the White Paper on FFO approved by the Board of Governors of NAREIT, as revised in February 2004 (the "White Paper"). The White Paper defines FFO as net income or loss computed in accordance with U.S. GAAP, excluding gains or losses from sales of property, depreciation and amortization of real estate assets and impairment write-downs including adjustments for the proportionate share of adjustments for unconsolidated partnerships and joint ventures. These adjustments also include the pro rata share of unconsolidated partnerships and joint ventures.

The historical accounting convention used for real estate assets requires straight-line depreciation of buildings and improvements, which implies that the value of real estate assets diminishes predictably over time, especially if such assets are not adequately maintained or repaired and renovated as required by relevant circumstances and/or is requested or required by lessees for operational purposes in order to maintain the value disclosed. We believe that, since real estate values historically rise and fall with market conditions, including inflation, interest rates, the business cycle, unemployment and consumer spending, presentations of operating results for a REIT using historical accounting for depreciation may be less informative. Historical accounting for real estate involves the use of U.S. GAAP. Any other method of accounting for real estate such as the fair value method cannot be construed to be any more accurate or relevant than the comparable methodologies of real estate valuation found in U.S. GAAP. Nevertheless, we believe that the use of FFO, which excludes the impact of real estate related depreciation and amortization, provides a more complete understanding of our performance to investors and to management, and when compared year over year, reflects the impact on our operations from trends in occupancy rates, rental rates, operating costs, general and administrative expenses, and interest costs, which may not be immediately apparent from net income. However, FFO and Adjusted Funds From Operations ("AFFO"), as described below, should not be construed to be more relevant or accurate than the current U.S. GAAP methodology in calculating net income or in its applicability in evaluating our operating performance. The method utilized to evaluate the value and performance of real estate under U.S. GAAP should be construed as a more relevant measure of operational performance and considered more prominently than the non-GAAP FFO and AFFO measures and the adjustments to U.S. GAAP in calculating FFO and AFFO.

We consider FFO and AFFO useful indicators of the performance of a REIT. Because FFO calculations exclude such factors as depreciation and amortization of real estate assets and gains or losses from sales of operating real estate assets (which can vary among owners of identical assets in similar conditions based on historical cost accounting and useful-life estimates), they facilitate comparisons of operating performance between periods and between other REITs in our peer group. Accounting for real estate assets in accordance with U.S. GAAP implicitly assumes that the value of real estate assets diminishes predictably over time. Since real estate values have historically risen or fallen with market conditions, many industry investors and analysts have considered the presentation of operating results for real estate companies that use historical cost accounting to be insufficient by themselves.

Changes in the accounting and reporting promulgations under GAAP (for acquisition fees and expenses from a capitalization/depreciation model to an expensed-as-incurred model) that were put into effect in 2009 and other changes to GAAP accounting for real estate subsequent to the establishment of NAREIT's definition of FFO have prompted an increase in cash-settled expenses, specifically acquisition fees and expenses for all industries as items that are expensed under GAAP, that are typically accounted for as operating expenses. Management believes these fees and expenses do not affect our overall long-term operating performance. While certain companies may experience significant acquisition activity, other companies may not have significant acquisition activity and management believes that excluding costs such as merger and transaction costs and acquisition related costs from property operating results provides useful information to investors and provides information that improves the comparability of operating results with other companies who do not have significant merger or acquisition activities. AFFO is not equivalent to our net income or loss as determined under GAAP, and AFFO may not be a useful measure of the impact of long-term operating performance if we continue to have such activities in the future.

About the Data

Description of Funds From Operations and Adjusted Funds From Operations – Continued

We exclude certain income or expense items from AFFO that we consider more reflective of investing activities, other non-cash income and expense items and the income and expense effects of other activities that are not a fundamental attribute of our business plan. These items include unrealized gains and losses, which may not ultimately be realized, such as gains or losses on derivative instruments, gains and losses on investments and early extinguishment of debt. In addition, by excluding non-cash income and expense items such as amortization of above and below market leases, amortization of deferred financing costs, straight-line rent, net direct financing lease adjustments and equity-based compensation from AFFO we believe we provide useful information regarding income and expense items which have no cash impact and do not provide us liquidity or require our capital resources. By providing AFFO, we believe we are presenting useful information that assists investors and analysts to better assess the sustainability of our ongoing operating performance without the impacts of transactions that are not related to the ongoing profitability of our portfolio of properties. We also believe that AFFO is a recognized measure of sustainable operating performance by the REIT industry. Further, we believe AFFO is useful in comparing the sustainability of our operating performance with the sustainability of the operating performance of other real estate companies that are not as involved in activities which are excluded from our calculation. Investors are cautioned that AFFO should only be used to assess the sustainability of our operating performance excluding these activities, as it excludes certain costs that have a negative effect on our operating performance during the periods in which these costs are incurred.

In addition, we exclude certain interest expenses related to securities that are convertible to common stock as the shares are assumed to have converted to common stock in our calculation of weighted-average common shares-fully diluted.

In calculating AFFO, we exclude expenses, which under GAAP are characterized as operating expenses in determining operating net income. These expenses are paid in cash by us, and therefore such funds will not be available to distribute to investors. All paid and accrued merger and acquisition fees and certain other expenses negatively impact our operating performance during the period in which expenses are incurred or properties are acquired and will have negative effects on returns to investors, the potential for future distributions, and cash flows generated by us, unless earnings from operations or net sales proceeds from the disposition of other properties are generated to cover the purchase price of the property and certain other expenses. Therefore, AFFO may not be an accurate indicator of our operating performance, especially during periods in which mergers are being consummated or properties are being acquired or certain other expense are being incurred. AFFO that excludes such costs and expenses would only be comparable to companies that did not have such activities. Further, under GAAP, certain contemplated non-cash fair value and other non-cash adjustments are considered operating non-cash adjustments to net income in determining cash flow from operating activities. In addition, we view fair value adjustments as items which are unrealized and may not ultimately be realized. We view both gains and losses from fair value adjustments as items which are not reflective of ongoing operations and are therefore typically adjusted for when assessing operating performance. Excluding income and expense items detailed above from our calculation of AFFO provides information consistent with management's analysis of the operating performance of the properties. Additionally, fair value adjustments, which are based on the impact of current market fluctuations and underlying assessments of general market conditions, but can also result from operational factors such as rental and occupancy rates, may not be directly related or attributable to our current operating performance. By excluding such changes that may reflect anticipated and unrealized gains or losses, we believe AFFO provides useful supplemental information.

As a result, we believe that the use of FFO and AFFO, together with the required U.S. GAAP presentations, provide a more complete understanding of our performance relative to our peers and a more informed and appropriate basis on which to make decisions involving operating, financing, and investing activities.

FFO and AFFO are non-GAAP financial measures and do not represent net income as defined by U.S. GAAP. FFO and AFFO do not represent cash flows from operations as defined by U.S. GAAP, are not indicative of cash available to fund all cash flow needs and liquidity, including our ability to pay distributions and should not be considered as alternatives to net income, as determined in accordance with U.S. GAAP, for purposes of evaluating our operating performance. Other REITs may not define FFO in accordance with the current NAREIT definition (as we do) or may interpret the current NAREIT definition differently than we do and/or calculate AFFO differently than we do. Consequently, our presentation of FFO and AFFO may not be comparable to other similarly titled measures presented by other REITs.

We are now presenting the restated FFO and AFFO using two methods: 1) we calculate FFO and AFFO on a gross basis, whereby we start with net income attributable to both the stockholders and the non-controlling interest holders, and then adjust net income by the gross reported amounts of the items being adjusted (“Gross Method”); and 2) we calculate FFO and AFFO on a net basis, whereby we start with net income attributable only to the stockholders, and adjust net income by only the stockholders’ portion of the applicable items (“Net Method”). For presentation of the Net Method, the company has included the gross amounts of each adjustment on their respective line items and adjusted for the proportionate share which is attributable to non-controlling interest on a separate line item within FFO and AFFO.

Similarly, AFFO per share follows the same logic. Under the Gross Method, AFFO is divided by a share number that takes into account the dilutive effect of units held by the non-controlling interest holders; Under the Net Method, AFFO is divided by a share number that reflects only the dilutive effects of common shares.

About the Data

EBITDA and Normalized EBITDA

Normalized EBITDA as disclosed represents EBITDA, or earnings before interest, taxes, depreciation and amortization, modified to include other adjustments to GAAP net income for merger expenses which are considered non-recurring and gains/losses in real estate and derivatives which are not considered fundamental attributes of the Company's business plans and do not affect the Company's overall long-term operating performance. The Company excludes these items from Normalized EBITDA as they are not the primary drivers in the Company's decision making process. In addition, the Company's assessment of the Company's operations is focused on long-term sustainability and not on such non-cash items, which may cause short term fluctuations in net income but have no impact on cash flows. The Company believes that Normalized EBITDA is a useful supplemental measure to investors and analysts for assessing the performance of the Company's business segments, although it does not represent net income that is computed in accordance with GAAP. Therefore, Normalized EBITDA should not be considered as an alternative to net income or as an indicator of the Company's financial performance. The Company uses Normalized EBITDA as one measure of its operating performance when formulating corporate goals and evaluating the effectiveness of the Company's strategies. Normalized EBITDA may not be comparable to similarly titled measures of other companies.

GAAP Reconciliations

Reconciliations of net income to FFO, AFFO and Normalized EBITDA are provided in the Supplemental Financial Information for the third quarter of 2014 furnished to the SEC on Form 8-K.

NOI and Adjusted NOI

Net Operating Income ("NOI") is a non-GAAP performance measure used to evaluate the operating performance of a real estate company. NOI represents rental and other property income and tenant reimbursement income less property operating expenses. NOI excludes income from discontinued operations, interest expense, depreciation and amortization, general and administrative expenses, merger related compensation and merger and acquisition related expenses. Adjusted NOI excludes the impact of certain GAAP adjustments to rental revenue, such as straight-line rent adjustments, amortization of above market intangible lease assets or the amortization of below market lease intangible liabilities. It is management's view that NOI and Adjusted NOI provide investors relevant and useful information because it reflects only income and operating expense items that are incurred at the property level and presents them on an unleveraged basis. NOI and Adjusted NOI should not be considered as an alternative to net income. Further, NOI and Adjusted NOI may not be comparable to similarly titled measures of other companies. Please see below for a reconciliation of net income to NOI and Adjusted NOI.

NOI GAAP Reconciliation - For Reporting

In $000's	**3 Months Ended September 30, 2014**
Rental Income - as Reported	365,713
Operating Expense Reimbursements - as Reported	30,983
Property Operating - as Reported	(40,977)
GAAP NOI	**355,719**
Adjustments:	
Straight Line Rent	(24,871)
Above / Below Market Rent	1,931
Cash NOI	**332,779**