



Full-Cycle Events Post June 30, 2013

Cole Credit Property Trust III, Inc.

Cole Credit Property Trust III, Inc. ("CCPT III"), was formed in January, 2008 and closed April 27, 2012. CCPT III was organized to acquire and operate a portfolio primarily consisting of retail and other income producing commercial real estate, net leased to regional or national, name brand, creditworthy tenants. As of June 30, 2013, the Company had issued approximately 499.9 million shares of its common stock in offerings for aggregate gross proceeds of \$5.0 billion.

On March 5, 2013, CCPT III entered into an Agreement and Plan of Merger which provided for the merger of Cole Holdings Corporation which was originally wholly-owned by Christopher H. Cole, with and into CREInvestments, LLC, a wholly-owned subsidiary of CCPT III. Subsequent to the closing of the Merger on April 5, 2013, CCPT III changed its name to Cole Real Estate Investments, Inc. effective June 3, 2013. On June 20, 2013, the Company listed its common stock as Cole Real Estate Investments, Inc., on the New York Stock Exchange (the "NYSE") under the ticker symbol "COLE." The stock closed trading on June 20, 2013, at \$10.90 per share.

Concurrent with its listing, the Company commenced a modified Dutch auction* tender offer to purchase for cash up to \$250 million in value of shares of its common stock. The offer was for not greater than \$13.00 nor less than \$12.25 per share net to tendering shareholders in cash. On August 9, 2013, the Company accepted for purchase approximately 20.4 million shares or 4.32% of its outstanding common stock for purchase at the final price of \$12.25 per share. Due to oversubscription, the Company accepted for purchase on a pro rata basis 7% of properly tendered shares.

On March 19, 2013, the CCPT III received an unsolicited proposal from American Realty Capital Properties (NYSE: ARCP) to acquire the Company for a combination of cash and ARCP stock for at least \$12.00 per share, later revised upward to \$12.50 in cash or \$13.59 in ARCP common stock. The special committee of the CCPT III's board of directors rejected each proposal.

This was the first of two nontraded REIT full cycle events for Cole Capital™. Cole Credit Capital Trust II was merged with Spirit Capital on July 17, 2013.

Key Highlights

- Fundraising time – 43 months
- Closed period – 14 months
- Total – 57 months
- Upon listing, the Company became the second-largest publicly traded net-lease REIT in the nation, at \$8.7 billion in total capitalization at 8/30/13.

Other Actions

- As a result of the Merger, the Cole Holdings Stockholder and certain of Holdings' executive officers received \$21.9 million in cash and approximately 10.7 million newly-issued shares of common stock of the Company (the "Upfront Stock Consideration"). As a result of the listing of the Company's common stock on the NYSE, approximately 2.1 million shares were issued to the Holdings Executives (the "Listing Consideration"). In accordance with the Merger, approximately 4.3 million shares of the Upfront Stock Consideration and the Listing Consideration were placed into escrow and will be released on April 5, 2014, subject to certain requirements¹.
- The Company's board of directors increased the previous authorized cash dividends for August and September, 2013, from an annualized rate of \$0.70 per share to \$0.72 per share.

About Cole Capital™

- Founded in 1979 and formerly known as Cole Holdings Corporation and its affiliates, Cole Capital™ is the private capital business of Cole Real Estate Investments, Inc. (NYSE: COLE).
- As of June 30, 2013, Cole Capital™ was the advisor to five publicly registered, non-listed REITs (the "managed REITs"). The managed REITs owned 1,096 properties representing \$6.5 billion in gross real estate assets.

Post Listing Portfolio

- As of June 30, 2013, COLE owned 1,014 properties, comprising 44.0 million rentable square feet of single and multi-tenant retail and commercial space located in 48 states, which is 99% leased. The Company also owned 21 CMBS, three notes receivable and interests in 12 properties through unconsolidated JV's.

¹ 10-Q 2Q 2013

* In a "Dutch Auction Tender Offer" shareholders are invited to tender their stock, if they desire, at any price within the stated range. The firm then compiles these responses and the purchase price is the lowest price that allows the firm to buy the number of shares sought in the offer, and the firm pays that price to all investors who tendered at or below that price.