  

STAG INDUSTRIAL

SUPPLEMENTAL INFORMATION

UNAUDITED SECOND QUARTER 2014

Forward-Looking Statements

This supplemental information package contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. STAG Industrial, Inc. (STAG) intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and includes this statement for purposes of complying with these safe harbor provisions. Forward-looking statements, which are based on certain assumptions and describe STAG's future plans, strategies and expectations, are generally identifiable by use of the words "believe," "will," "expect," "intend," "anticipate," "estimate," "should", "project" or similar expressions. You should not rely on forward-looking statements since they involve known and unknown risks, uncertainties and other factors that are, in some cases, beyond STAG's control and which could materially affect actual results, performances or achievements. Factors that may cause actual results to differ materially from current expectations include, but are not limited to, the risk factors discussed in STAG's most recent Annual Report on Form 10-K for the year ended December 31, 2013, as updated by the Company's subsequent reports filed with the Securities and Exchange Commission. Accordingly, there is no assurance that STAG's expectations will be realized. Except as otherwise required by the federal securities laws, STAG disclaims any obligation or undertaking to publicly release any updates or revisions to any forward-looking statement contained herein (or elsewhere) to reflect any change in STAG's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

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COMPANY OVERVIEW

OVERVIEW

STAG Industrial, Inc. (NYSE: STAG) is an industrial real estate operating company focused on the acquisition and management of single tenant industrial properties throughout the United States.

OUR BUSINESS OBJECTIVES

Our primary business objectives are to own and operate a balanced and diversified portfolio of single tenant industrial properties that:

- Maximizes cash flow available for distribution to our stockholders.
- Enhances stockholder value over time through long term growth in cash flow.

Snapshot (June 30, 2014)	
Square Feet	41.2 million
Number of Buildings / States	221 / 34
Q2 Ending Occupancy	94.5%
Weighted Avg. Lease Term	4.6 years
Equity Market Cap	$1,373 million (1)
Total Enterprise Value	$2,070 million (2)
Net Debt to Real Estate Cost Basis	36.9% (3)
Monthly Dividend (annualized)	$0.11 ($1.32) (4)
Dividend Yield	5.5% (5)
Total Shareholder Return TTM (6)	27.3%
Exchange / Ticker	NYSE: STAG
Tax Status	REIT
Corporate Headquarters	Boston, MA
Employees	50

1) Based on closing stock/unit price as of June 30, 2014 of $24.01 and 57.2 million shares and units outstanding.
2) As of June 30, 2014, Equity Market Cap of $1,373 million plus $139 million of preferred equity and total debt of $559 million.
3) Total Real Estate Cost Basis equals undepreciated rental property plus net unamortized deferred leasing intangibles.
4) Monthly dividend of $0.11 per common share starting with the payment of the July 2014 dividend. Monthly dividend at June 30, 2014 was $0.105 per common share.
5) Based on the July 2014 monthly dividend of $0.11 per common share and closing stock price as of June 30, 2014 of $24.01.
6) Trailing twelve months ended June 30, 2014.

INVESTMENT STRATEGY

Our investment strategy focuses on the acquisition of individual, Class B, single tenant, industrial properties predominantly in secondary markets throughout the United States. Our tenant base is highly diversified by industry and has a stable credit profile that includes investment grade companies as well as other publicly rated companies with significant scale and strong market positions. As we target individual assets with purchase prices generally ranging from $5 million to $50 million, our competitors are primarily local investors who often do not have ready access to debt or equity capital. We believe that our focus on owning and expanding a portfolio of these properties will generate higher risk adjusted returns for our stockholders.

A CBRE-Economic Advisors study (1) reported that:

- Industrial properties generally require lower capital expenditures than other commercial property types, and single-tenant properties generally require lower capital expenditures for leasing, operating and capital costs than multi-tenant properties.
- Class B industrial properties tend to have higher current returns and lower volatility than Class A industrial properties.
- Secondary markets generally have less occupancy and rental rate volatility compared to primary markets.

We believe that the market inefficiently prices our target properties and that we acquire our properties at a discount to their intrinsic values, where intrinsic values are determined by the properties' future cash flows.

We have designed the STAG platform specifically to address this unique market opportunity. Our structure, staff relationships, experience and systems are crafted for our target assets.

Hampstead, MD

Nashua, NH

(1) As referenced in the Market Overview section of the prospectus for STAG Industrial, Inc. dated April 15, 2011

STAG INDUSTRIAL

HIGHLIGHTS

	Three months ended June 30, 2014	2013	% Change
($000s, execept per share data)			
Cash Net Operating Income (1)	$33.7	$27.1	24%
Core FFO (1)	$20.3	$16.0	27%
Core FFO per share / unit - diluted	*$0.36*	*$0.33*	*9%*
AFFO (1)	$20.6	$15.1	36%

Financials	• Generated Core Funds from Operations (Core FFO) of $20.3 million compared to $16.0 million for the second quarter of 2013, an increase of 27%. This represents $0.36 per diluted share compared to $0.33 per diluted share in the second quarter of 2013, an increase of 9%. • Increased the monthly common dividend by 5% to $0.11 per share, commencing with the July 2014 dividend. The increase equates to an annual dividend of $1.32 per share, or a yield of 5.5%, based on the quarter ended stock price of $24.01. • Raised gross proceeds of approximately $42 million under the Company's "At the Market" offering program (ATM). • Executed a $100 million private placement of senior unsecured notes consisting of $50 million 10-year notes and $50 million 12-year notes, both bearing interest at a fixed rate of 4.98%. • Received a positive rating outlook and an affirmation of its investment grade rating from Fitch Ratings.
Operations	• Executed leases for over 1.3 million square feet. • Achieved quarter end occupancy on the Company's portfolio of 94.5%. • Entered into a three year employment agreement, effective July 1, 2014, with Geoffrey G. Jervis to serve as the Company's Chief Financial Officer, Executive Vice President, and Treasurer.
Capital Deployment	• Acquired nine buildings totaling approximately 2.1 million square feet for a total, all-in cost of $82 million. • For the six months ended June 30, 2014, the Company has acquired 13 industrial buildings consisting of approximately 3.1 million square feet for $119 million. • Subsequent to the end of the quarter, the Company acquired one industrial building containing approximately 244,000 square feet for an all-in cost of $10 million • As of July 30, 2014, the Company entered in to contracts to purchase another 11 industrial buildings for an all-in cost of approximately $118 million.

(1) A reconciliation of Net Loss to Cash Net Operating Income, Core FFO, and AFFO, all non-GAAP financial measures, appears on pages 9, 10, and 11 of this supplemental information package.

FINANCIAL HIGHLIGHTS

CONSOLIDATED BALANCE SHEETS

($000s, except share data)

	June 30, 2014	December 31, 2013
Assets		
Rental Property:		
Land	$145,931	$134,399
Buildings	944,057	871,422
Tenant improvements	39,625	36,994
Building and land improvements	46,454	36,231
Less: accumulated depreciation	(88,138)	(71,653)
Total rental property, net	1,087,929	1,007,393
Cash and cash equivalents	6,031	6,690
Restricted cash	6,525	6,806
Tenant accounts receivable, net	14,387	13,790
Prepaid expenses and other assets	4,687	2,594
Interest rate swaps	1,077	3,924
Deferred financing fees, net	6,245	5,467
Leasing commissions, net	3,607	3,542
Goodwill	4,923	4,923
Due from related parties	156	185
Deferred leasing intangibles, net of accumulated amortization of $121,060 and $95,201, respectively	214,586	214,967
Total assets	**$1,350,153**	**$1,270,281**

	June 30, 2014	December 31, 2013
Liabilities and Equity		
Liabilities:		
Mortgage notes payable	$223,331	$225,591
Unsecured credit facility	35,500	80,500
Unsecured term loans	300,000	250,000
Accounts payable, accrued expenses and other	17,386	18,574
Interest rate swaps	412	-
Tenant prepaid rent and security deposits	10,040	8,972
Dividends and distributions payable	6,003	5,166
Deferred leasing intangibles, net of accumulated amortization of $5,373 and $4,520, respectively	7,586	6,914
Total liabilities	**600,258**	**595,717**
Equity:		
Preferred stock, par value $0.01 per share,		
Series A, 2,760,000 shares (liquidation preference of $25.00 per share)	69,000	69,000
Series B, 2,800,000 shares (liquidation preference of $25.00 per share)	70,000	70,000
Common stock, par value $0.01 per share	551	447
Additional paid-in capital	744,248	577,039
Common stock dividends in excess of earnings	(155,911)	(116,877)
Accumulated other comprehensive income	489	3,440
Total stockholders' equity	728,377	603,049
Noncontrolling interest	21,518	71,515
Total equity	**749,895**	**674,564**
Total liabilities and equity	**$1,350,153**	**$1,270,281**

CONSOLIDATED STATEMENTS OF OPERATIONS

($000s, except share data)

	Three months ended June 30, 2014	Three months ended June 30, 2013	Six months ended June 30, 2014	Six months ended June 30, 2013
Revenue				
Rental income	$ 35,203	$ 28,105	$ 69,321	$ 54,039
Tenant recoveries	6,279	3,476	11,695	7,134
Other income	200	262	409	658
Total revenue	41,682	31,843	81,425	61,831
Expenses				
Property	3,194	2,316	7,244	5,011
General and administrative	8,283	4,477	13,758	8,983
Real estate taxes and insurance	5,412	3,244	9,347	5,872
Property acquisition costs	688	1,269	1,247	1,845
Depreciation and amortization	20,769	16,244	40,623	31,642
Other expenses	193	161	430	245
Total expenses	38,539	27,711	72,649	53,598
Other income (expense)				
Interest income	4	3	8	6
Interest expense	(5,813)	(4,846)	(11,479)	(9,497)
Offering costs	-	(27)	-	(27)
Total other income (expense)	(5,809)	(4,870)	(11,471)	(9,518)
Net loss from continuing operations	**$ (2,666)**	**$ (738)**	**$ (2,695)**	**$ (1,285)**
Discontinued operations				
Income attributable to discontinued operations	-	90	-	219
Gain on sale of real estate	-	464	-	464
Total income attributable to discontinued operations	**-**	**554**	**-**	**683**
Gain on sale of real estate	**-**	**-**	**50**	**-**
Net loss	**$ (2,666)**	**$ (184)**	**$ (2,645)**	**$ (602)**
Less: loss attributable to noncontrolling interest after preferred stock dividends	(310)	(357)	(766)	(623)
Net income (loss) attributable to STAG Industrial, Inc.	**$ (2,356)**	**$ 173**	**$ (1,879)**	**$ 21**
Less: preferred stock dividends	2,712	2,519	5,424	4,071
Less: amount allocated to unvested restricted stockholders	83	64	171	133
Net loss attributable to common stockholders	**$ (5,151)**	**$ (2,410)**	**$ (7,474)**	**$ (4,183)**
Weighted average common shares outstanding — basic and diluted	52,865,801	42,006,954	49,023,985	41,265,070
Loss per share — basic and diluted				
Loss from continuing operations attributable to common stockholders	$ (0.10)	$ (0.07)	$ (0.15)	$ (0.11)
Income from discontinued operations attributable to common	$ -	$ 0.01	$ -	$ 0.01
Loss per share — basic and diluted	$ (0.10)	$ (0.06)	$ (0.15)	$ (0.10)

NET OPERATING INCOME (NOI)

($000s)

	Three months ended June 30,		Six months ended June 30,	
	2014	**2013**	**2014**	**2013**
Net loss	($2,666)	($184)	($2,645)	($602)
Asset management fee income	(151)	(255)	(320)	(514)
General and administrative	8,283	4,477	13,758	8,983
Property acquisition costs	688	1,269	1,247	1,845
Depreciation and amortization	20,769	16,435	40,623	32,045
Interest income	(4)	(3)	(8)	(6)
Interest expense	5,813	4,846	11,479	9,497
Offering costs	-	27	-	27
Other expenses	193	161	430	245
Gain on sales of real estate	-	(464)	(50)	(464)
NET OPERATING INCOME	**$32,925**	**$26,309**	**$64,514**	**$51,056**
Net operating income	$32,925	$26,309	$64,514	$51,056
Straight-line rent adjustments, net	(763)	(735)	(1,954)	(1,507)
Intangible amortization in rental income, net	1,509	1,506	3,019	2,875
CASH NET OPERATING INCOME	**$33,671**	**$27,080**	**$65,579**	**$52,424**
Cash net operating income	$33,671	$27,080	$65,579	$52,424
New property cash net operating income	(8,313)	(1,077)	(18,229)	(2,720)
Cash net operating income from sales of real estate	-	(329)	(49)	(703)
SAME STORE CASH NET OPERATING INCOME	**$25,358**	**$25,674**	**$47,301**	**$49,001**

CORE FUNDS FROM OPERATIONS (CORE FFO)

($000s, except share data)

	Three months ended June 30, 2014	Three months ended June 30, 2013	Six months ended June 30, 2014	Six months ended June 30, 2013
Net loss	($2,666)	($184)	($2,645)	($602)
Rental property depreciation and amortization	20,727	16,435	40,544	32,045
Gain on sales of real estate	-	(464)	(50)	(464)
Funds from operations	**$18,061**	**$15,787**	**$37,849**	**$30,979**
Preferred stock dividends	(2,712)	(2,519)	(5,424)	(4,071)
Amount allocated to unvested restricted stockholders	(83)	(64)	(171)	(133)
Funds from operations attributable to common stockholders and unit holders	**$15,266**	**$13,204**	**$32,254**	**$26,775**
Funds from operations attributable to common stockholders and unit holders	$15,266	$13,204	$32,254	$26,775
Intangible amortization in rental income, net	1,509	1,506	3,019	2,875
Termination income	-	-	(35)	-
Property acquisition costs	688	1,269	1,247	1,845
Offering costs	-	27	-	27
Consultant services	2,839	-	2,839	-
CORE FUNDS FROM OPERATIONS	**$20,302**	**$16,006**	**$39,324**	**$31,522**
Weighted average shares and units outstanding				
Weighted average common shares	52,865,801	42,006,954	49,023,985	41,265,070
Weighted average restricted shares	267,659	217,806	273,626	223,555
Weighted average units	3,248,636	6,417,052	5,169,638	6,379,191
Weighted average shares and units outstanding - basic	**56,382,096**	**48,641,812**	**54,467,249**	**47,867,816**
Unvested outperformance plan	416,493	501,253	416,493	501,253
Weighted average shares and units outstanding - diluted	**56,798,589**	**49,143,065**	**54,883,742**	**48,369,069**
CORE FUNDS FROM OPERATIONS PER SHARE / UNIT - BASIC	**$0.36**	**$0.33**	**$0.72**	**$0.66**
CORE FUNDS FROM OPERATIONS PER SHARE / UNIT - DILUTED	**$0.36**	**$0.33**	**$0.72**	**$0.65**

ADJUSTED FUNDS FROM OPERATIONS (AFFO) / ADJUSTED EBITDA

($000s)

	Three months ended June 30, 2014	Three months ended June 30, 2013	Six months ended June 30, 2014	Six months ended June 30, 2013
Net loss	($2,666)	($184)	($2,645)	($602)
Intangible amortization in rental income, net	1,509	1,506	3,019	2,875
Property acquisition costs	688	1,269	1,247	1,845
Depreciation and amortization	20,769	16,435	40,623	32,045
Interest income	(4)	(3)	(8)	(6)
Interest expense	5,813	4,846	11,479	9,497
Offering costs	-	27	-	27
Gain on sales of real estate	-	(464)	(50)	(464)
Consultant services	2,839	-	2,839	-
ADJUSTED EBITDA	**$28,948**	**$23,432**	**$53,665**	**$45,217**
Core funds from operations	$20,302	$16,006	$39,324	$31,522
Add: non-rental property depreciation and amortization	42	-	79	-
Straight-line rent adjustments, net	(598)	(735)	(1,622)	(1,507)
Recurring capital expenditures	(396)	(623)	(414)	(691)
Lease renewal commissions and tenant improvements	(52)	(519)	(220)	(977)
Non-cash portion of interest expense	343	267	658	515
Non-cash compensation expense	1,007	740	2,098	1,485
ADJUSTED FUNDS FROM OPERATIONS	**$20,648**	**$15,136**	**$39,903**	**$30,347**

DEBT SUMMARY

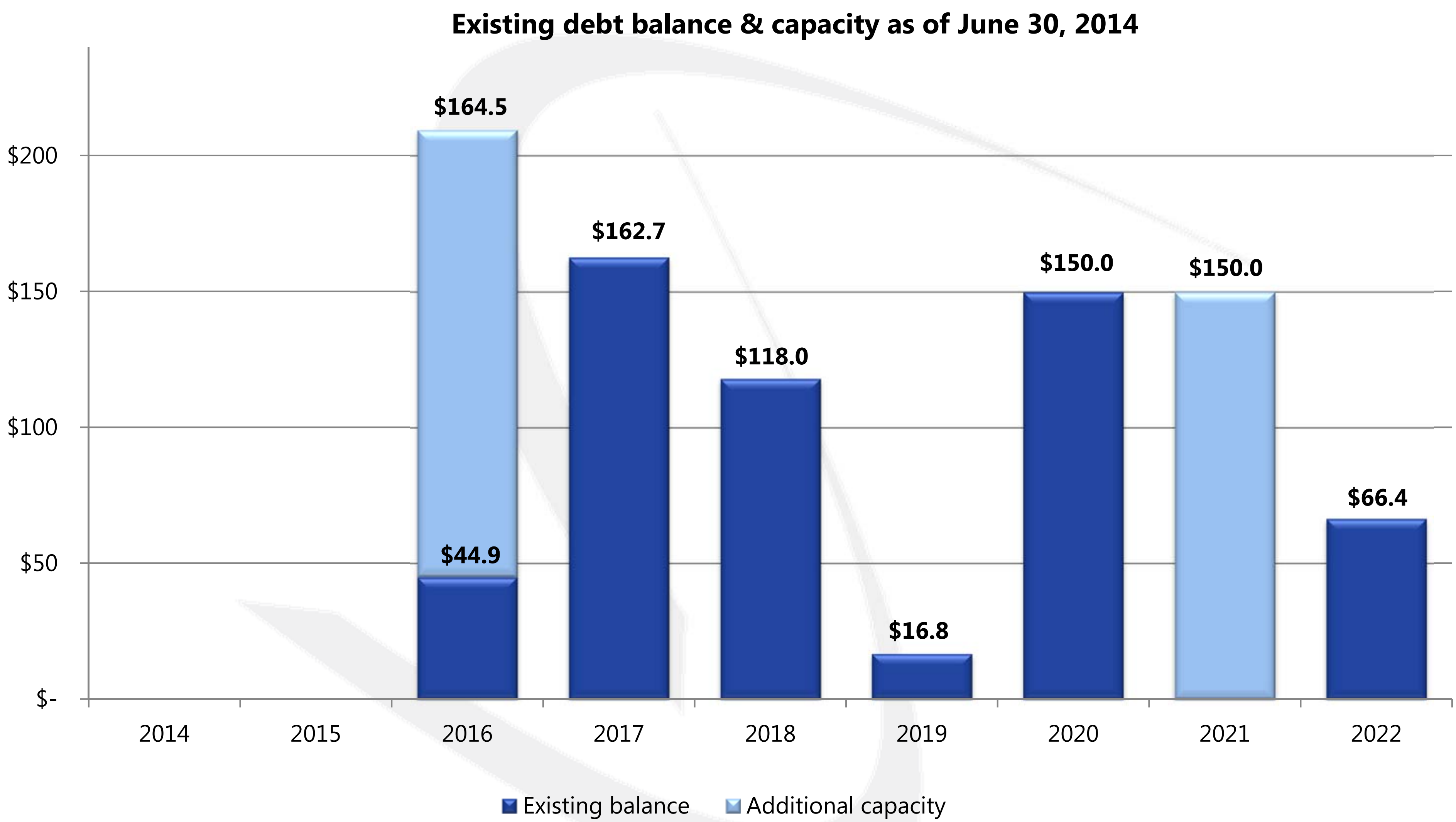
($000,000s)

Loan	Balance as of June 30, 2014		Interest Rate Type	Interest Rate as of June 30, 2014		Maturity Date
Mortgage notes payable:						
Sun Life	$3.7		FIXED	6.05%		06/01/16
Webster Bank	5.7		FIXED	4.22%		08/04/16
Union Fidelity Life Insurance, Co.	6.3		FIXED	5.81%		04/30/17
Webster Bank	3.1		FIXED	3.66%		05/29/17
Webster Bank	3.3		FIXED	3.64%		05/31/17
CIGNA (Tranche 1)	58.5		FIXED	6.50%		02/01/18
CIGNA (Tranche 2)	59.5		FIXED	5.75%		02/01/18
CIGNA (Tranche 3)	16.8		FIXED	5.88%		10/01/19
Wells Fargo Bank	66.4		FIXED	4.31%		12/01/22
Total / weighted average mortgage notes payable	**$223.3**	(1)		**5.44%**		**5.1 years**
Unsecured credit facility:						
Bank of America Unsecured Revolving Credit Facility ($200mm)	$35.5		LIBOR + SPREAD	1.61%	(2)	09/10/16
Total / weighted average unsecured credit facility	**$35.5**			**1.61%**		**2.2 years**
Unsecured term loans:						
Bank of America Unsecured Term Loan ($150mm, 5 year)	$150.0		VARIOUS	1.96%	(3)(4)	09/10/17
Wells Fargo Bank Unsecured Term Loan A ($150mm, 7 year)	150.0		VARIOUS	3.57%	(5)(6)	02/14/20
Wells Fargo Bank Unsecured Term Loan B ($150mm, 7 year)	0.0		LIBOR + SPREAD	1.86%	(7)	03/21/21
Total / weighted average unsecured term loans	**$300.0**			**2.77%**		**4.4 years**
Total / weighted average debt	**$558.8**	(1)		**3.76%**		**4.5 years**

(1) Principal outstanding includes an unamortized fair market value premium of $0.2 million as of June 30, 2014.
(2) At June 30, 2014 the one-month LIBOR rate was 0.15520%. The spread over LIBOR is based on the Company's consolidated leverage ratio and can range between 1.45% and 2.05%. At June 30, 2014 the spread was 1.45% over LIBOR.
(3) At June 30, 2014 the one-month LIBOR rate was 0.15520%. The spread over LIBOR is based on the Company's consolidated leverage ratio and can range between 1.40% and 2.00%. At June 30, 2014 the spread was 1.40% over LIBOR.
(4) The Company swapped LIBOR for a fixed rate for $100 million of the $150 million capacity on the 5 Year Unsecured Term Loan.
(5) At June 30, 2014 the one-month LIBOR rate was 0.15520%. The spread over LIBOR is based on the Company's consolidated leverage ratio and can range between 2.15% and 2.70%. At June 30, 2014 the spread was 2.15% over LIBOR.
(6) As of June 30, 2014 the Company swapped LIBOR for a fixed rate for $125 million of the $150 million capacity on the 7 Year Unsecured Term Loan.
(7) The spread over LIBOR is based on the Company's consolidated leverage ratio and can range between 1.70% and 2.30%.

DEBT MATURITY SCHEDULE

($000,000s)



STAG INDUSTRIAL

FINANCIAL STATISTICS

($000s, except share data)

Three Months Ended June 30, 2014	
Net debt /adjusted EBITDA ratio	
Total debt	$558.8
Net debt (less cash)	$552.8
Adjusted EBITDA (annualized) [(1)(2)]	$115.8
Net debt/ adjusted EBITDA ratio	**4.8x**
Adjusted EBITDA (annualized) [(1)(2)]	$115.8
Additional adjusted EBITDA from Q2'14 acquisitions (annualized) [(3)]	$4.0
Run rate adjusted EBITDA [(4)]	**$119.8**
Net debt/ run rate adjusted EBITDA ratio [(4)]	**4.6x**
Interest coverage ratio	
Adjusted EBITDA (annualized) [(1)(2)]	$115.8
Cash interest expense (annualized) [(5)]	$21.9
Interest coverage ratio	**5.3x**
Leverage	
Total debt / total assets	**41.4%**
Total debt / total enterprise value	**27.0%**
Net debt / total real estate cost basis [(6)]	**36.9%**

Three Months Ended June 30, 2014	
Enterprise Value	
Equity [(7)]	$1,511.6
Total debt	$558.8
Total enterprise value	**$2,070.4**

Common dividend yield	**Annualized**	
	July 2014	**June 2014**
Actual dividend distribution per share/unit [(8)]	$1.32	$1.26
Price per share/unit [(9)]	$24.01	$24.01
Dividend yield	**5.5%**	**5.2%**
Common dividend payout ratio		
AFFO, diluted, dividend payout ratio [(1)]	**n/a**	**87.5%**

Weighted average shares and units outstanding	
Weighted average common shares	52,865,801
Weighted average unvested restricted shares	267,659
Weighted average units [(10)]	3,248,636
Weighted average shares and units - basic	**56,382,096**
Unvested outperformance plan	416,493
Weighted average shares and units - diluted	**56,798,589**
Cumulative shares and units at quarter end	**57,167,683**
(Not including unvested outperformance plan)	

(1) Adjusted EBITDA and AFFO as calculated on page 11 of this supplemental information package.
(2) Annualized Adjusted EBITDA is calculated based on annualizing the Company's results for the three months ended June 30, 2014. This number does not include Adjusted EBITDA related to acquisitions acquired in Q2. See note (3) below.
(3) Represents approximately $4 million of Adjusted EBITDA on an annualized basis related to acquisitions acquired in Q2 in which a full quarter's results were not reflected in the Company's Q2 financials
(4) Run rate Adjusted EBITDA does not reflect the Company's historical results and does not predict future results, which may be substantially different.
(5) Excludes approximately $0.2 million of non-cash expenses within interest expense (e.g. deferred financing costs and fair market value of debt adjustments) for the three months ended June 30, 2014.
(6) Total Real Estate Cost Basis equals undepreciated rental property plus net unamortized deferred leasing intangibles.
(7) Based on the June 30, 2014 closing stock /unit price of $24.01 times 57.2 million outstanding shares/units plus $139 million of preferred equity.
(8) Actual July 2014 and June 2014 monthly dividends of $0.11 and $0.105 per common share, respectively, annualized.
(9) Closing stock price of $24.01 as of June 30, 2014.
(10) Includes OP Units and LTIPs.

SAME STORE STATISTICS
($000s)

Same store portfolio consists of only those properties owned and operated for the entire current and prior periods presented.

	Three months ended June 30,				Six months ended June 30,			
	2014	2013	Δ	% Δ	2014	2013	Δ	% Δ
Total Portfolio Square Footage / Total Buildings	41,197,524 / 221	33,307,862 / 194			41,197,524 / 221	33,307,862 / 194		
Same Store Square Footage / Same Store Buildings	30,849,449 / 176				29,042,903 / 169			
Occupancy Percentage at Quarter End	92.9%	93.6%		-0.7%	92.5%	93.2%		-0.7%
Total GAAP Operating Revenue	$31,238	$30,362	$876		$58,712	$57,899	$813	
Less: Straight-line rent adjustment	(571)	(690)	119		(1,450)	(1,193)	(257)	
Less: Above/below market lease amortization	1,172	1,310	(138)		2,351	2,634	(283)	
Total Same Store Cash Operating Revenue	**$31,839**	**$30,982**	**$857**	**2.8%**	**$59,613**	**$59,340**	**$273**	**0.5%**
Total GAAP Operating Expenses	$6,488	$5,315	$1,173		$12,326	$10,353	$1,973	
Less: Straight-line ground rent adjustment	(7)	(7)	0		(14)	(14)	0	
Total Same Store Cash Operating Expenses	**$6,481**	**$5,308**	**$1,173**	**22.1%**	**$12,312**	**$10,339**	**$1,973**	**19.1%**
Same Store NOI	$24,750	$25,047	($297)	(1.2%)	$46,386	$47,546	($1,160)	(2.4%)
Same Store Cash NOI [(1)]	**$25,358**	**$25,674**	**($316)**	**(1.2%)**	**$47,301**	**$49,001**	**($1,700)**	**(3.5%)**

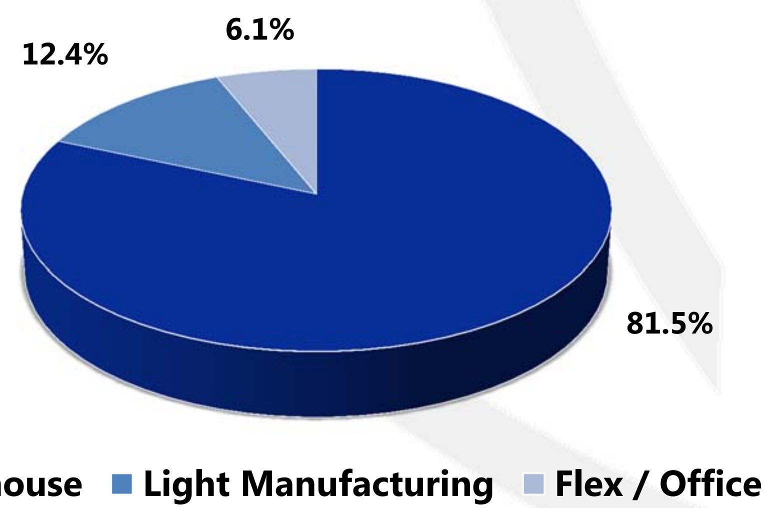
(1) A reconciliation of Net Loss to Cash Net Operating Income, a non-GAAP measure, appears on page 9 of this supplemental information package .

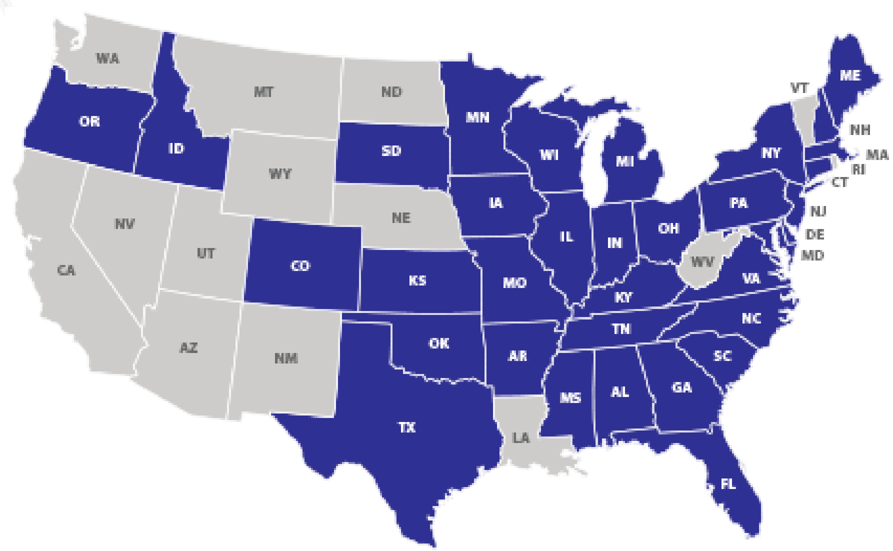
PORTFOLIO PERFORMANCE

PORTFOLIO SUMMARY
(As of June 30, 2014)

Building Type	# of Buildings	Total Square Feet	Occupancy	Annualized Base Rental Revenue (1)	% Annualized Base Rental Revenue
Warehouse	153	34,750,523	94.8%	$120,507,693	81.5%
Light Manufacturing	48	5,308,474	96.0%	18,378,010	12.4%
Flex / Office	20	1,138,527	79.6%	8,977,075	6.1%
TOTAL	**221**	**41,197,524**	**94.5%**	**$147,862,778**	**100.0%**

BUILDING TYPE %
BASED ON ANNUALIZED BASE RENTAL REVENUE





Properties in 34 States

(1) "Annualized Base Rental Revenue" means the monthly base cash rent for the applicable property or properties as of June 30, 2014 (which is different from rent calculated in accordance with U.S. generally accepted accounting principals ("GAAP") for purposes of our financial statements), multiplied by 12. If a tenant is in a free rent period as of June 30, 2014, the annualized rent is calculated based on the first contractual monthly base rent amount multiplied by 12.

STAG INDUSTRIAL

PORTFOLIO GROWTH

(Three and six months ended June 30, 2014)

ACQUISITIONS

Location (CBSA)	Date Acquired	Square Feet	Buildings	Cost $ (mm)
Q2 Acquisitions				
Savannah, GA	04/15/14	504,200	1	$16.3
Dallas-Fort Worh, TX	04/17/14	253,900	1	9.0
Cincinnati, OH-KY-IN	04/29/14	245,000	1	11.6
Atlanta, GA	05/14/14	151,200	1	4.2
Cincinnati, OH-KY-IN	05/15/14	109,000	1	6.1
Houston, TX	05/29/14	151,260	1	8.7
Milwaukee, WI	06/24/14	149,624	1	7.0
Knoxville, TN	06/30/14	486,109	1	14.5
Milwaukee, WI	06/30/14	80,665	1	4.3
Q2 Acquisitions		**2,130,958**	**9**	**$81.7**
Q1 Acquisitions		975,275	4	$37.3
YTD Acquisitions		**3,106,233**	**13**	**$119.0**

DISPOSITIONS

	Square Feet	Buildings	Price $ (mm)
Q1 Dispositions	15,085	1	$0.5
Q2 Dispositions	-	-	-
YTD Dispositions	**15,085**	**1**	**$0.5**
Net Portfolio Growth	**3,091,148**	**12**	**$118.5**

OCCUPANCY

(Three months ended, June 30, 2014)

Square footage change from leasing	
Total square feet beginning of quarter	39,046,566
Occupied beginning of quarter	37,225,245
Occupancy percentage beginning of period	**95.3%**
Occupied square footage change from leasing	
Expirations:	
Expiring square footage	(835,206)
	(835,206)
Leasing:	
Renewal leases commencing in Q2	293,000
New leases commencing in Q2	102,952
Expansion space commencing in Q2	20,000
Temporary space activity	5,000
Total leasing activity	420,952
Occupied square footage change from leasing	(414,254)

Square footage change from acquisitions, dispositions, & expansions	
Occupied acquisitions square feet	2,130,958
Vacant acquisitions square feet	-
Occupied disposition square feet	-
Vacant disposition square feet	-
Occupied square footage acquisitions/dispositions	2,130,958
Expansion space completed in Q2	20,000
Total square feet end of quarter	41,197,524
Occupied square feet end of period	38,941,949
Occupancy percentage end of period	**94.5%**

OPERATING STATISTICS

(Three and six months ended, June 30, 2014)

LEASING STATISTICS (1)

Renewal leases signed in Q2	
# of leases	7
Square feet	1,138,479
Weighted average rent per square foot (psf)	$3.69
Tenant improvement costs psf	$0.07
Lease commissions psf	$0.04
Total costs psf	$0.12 (2)
New & expansion leases signed in Q2	
# of leases	2
Square feet	209,952
Weighted average rent psf	$3.67
Tenant improvement costs psf	$0.05
Lease commissions psf	$0.65
Total costs psf	$0.70
Total leases signed in Q2	
# of leases	9
Square feet	1,348,431
Weighted average rent psf	$3.69
Tenant improvement costs psf	$0.07
Lease commissions psf	$0.14
Total costs psf	**$0.21**

TENANT RETENTION

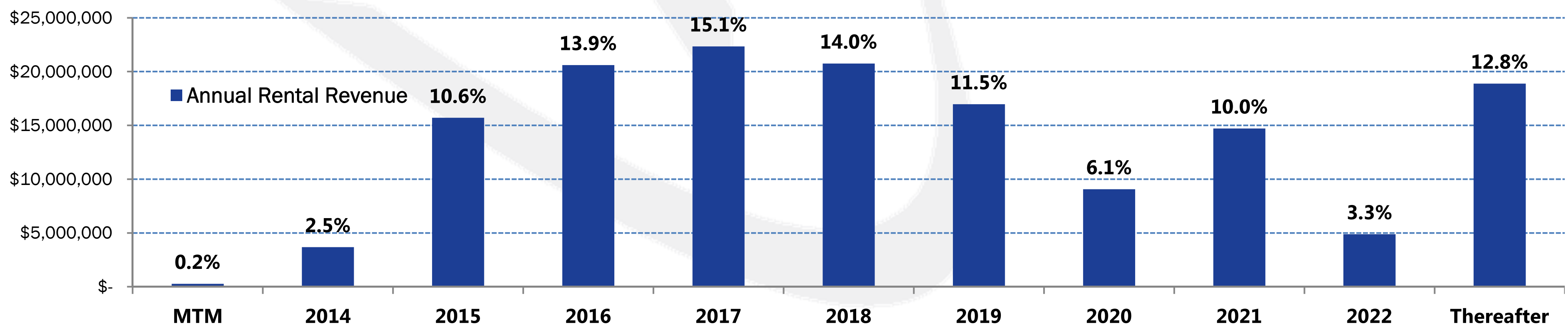
Q2 expirations:	
# of leases	7
Square feet	835,206
Weighted average rent psf	$4.17
Q2 expirations renewed	
# of leases	3
Square feet	293,000
Weighted average rent psf	$4.49
Tenant improvement costs psf	$0.34
Lease commissions psf	$0.56
Total costs psf	$0.90
Q2 tenant retention	35%
Cash rollover rent change	+13.5%
GAAP rollover rent change	+13.7%
YTD 2014 tenant retention	
# of leases renewed	7
Square feet signed renewals	952,887
% of expiring leases renewed (3)	**55.7%**
Rollover rent change (cash)	+7.2%
Rollover rent change (GAAP)	+12.1%

(1) Statistics based on all the leases (including short-term) executed during the quarter ended June 30, 2014 as distinct from leases expiring in the quarter.
(2) The total costs per square foot may not tie to the sum of the individual amounts due to rounding.
(3) Based on square footage expiring in quarter ended June 30, 2014.

LEASE EXPIRATION SCHEDULE

(As of June 30, 2014)

Lease Expiration Year	Number of Leases Expiring	SF of Leases Expiring	% of Occupied SF (1)	Annualized Base Rental Revenue	% of Total Annualized Base Rental Revenue	Average Base Rent Per SF
MTM	5	70,925	0.2%	$272,500	0.2%	$3.84
2014	10	1,141,692	3.0%	3,677,435	2.5%	$3.22
2015	31	4,773,150	12.3%	15,702,550	10.6%	$3.29
2016	39	4,998,340	12.8%	20,601,342	13.9%	$4.12
2017	33	5,730,207	14.7%	22,344,043	15.1%	$3.90
2018	33	5,494,815	14.1%	20,743,826	14.0%	$3.78
2019	20	4,311,275	11.2%	16,971,674	11.5%	$3.94
2020	8	2,478,222	6.4%	9,065,877	6.1%	$3.66
2021	17	3,378,922	8.7%	14,713,473	10.0%	$4.35
2022	10	1,288,769	3.3%	4,883,654	3.3%	$3.79
Thereafter	25	5,275,632	13.5%	18,886,405	12.8%	$3.58
TOTAL	**231**	**38,941,949**	**100.0%**	**$147,862,778**	**100.0%**	**$3.80**



(1) The total percentages may not tie to the sum of the individual percentages due to rounding.

GEOGRAPHIC DIVERSIFICATION

(As of June 30, 2014)

Region	State	6/30/2014 SF	% SF(1)	Total # Bldgs	Annualized Rental Revenue %(1)	6/30/2014 State / Region Occupancy(1)
MIDWEST						
	IA	243,631	0.6%	2	0.9%	67.6%
	IL	2,883,935	7.0%	16	7.6%	87.7%
	IN	3,020,993	7.3%	19	6.6%	100.0%
	KS	469,890	1.1%	6	0.4%	41.8%
	MI	2,732,540	6.6%	18	6.8%	89.0%
	MN	666,242	1.6%	3	2.1%	100.0%
	MO	858,567	2.1%	4	1.6%	70.9%
	OH	4,229,594	10.3%	19	10.0%	94.7%
	SD	137,000	0.3%	1	1.2%	100.0%
	WI	2,732,014	6.6%	13	6.1%	97.1%
		17,974,406	43.6%	101	43.3%	91.3%
NORTHEAST						
	CT	223,400	0.5%	2	0.7%	100.0%
	DE	52,665	0.1%	2	0.5%	100.0%
	MA	526,943	1.3%	4	1.8%	100.0%
	MD	1,070,049	2.6%	3	2.6%	96.7%
	ME	479,579	1.2%	7	2.3%	100.0%
	NH	462,451	1.1%	2	1.1%	100.0%
	NJ	315,500	0.8%	2	1.2%	100.0%
	NY	838,427	2.0%	11	2.1%	83.5%
	PA	1,969,338	4.8%	5	5.3%	100.0%
		5,938,352	14.4%	38	17.6%	97.1%
SOUTHEAST						
	AL	117,568	0.3%	1	0.2%	100.0%
	AR	400,000	1.0%	1	0.8%	100.0%
	FL	1,319,550	3.2%	7	3.7%	99.4%
	GA	2,528,356	6.1%	9	4.6%	98.5%
	KY	1,563,685	3.8%	6	3.3%	100.0%
	MS	51,509	0.1%	2	0.1%	22.5%
	NC	3,260,876	7.9%	14	8.3%	100.0%
	SC	2,523,013	6.1%	14	5.0%	100.0%
	TN	2,343,522	5.7%	8	4.8%	94.1%
	VA	725,653	1.8%	4	2.0%	100.0%
		14,833,732	36.0%	66	32.8%	98.5%
SOUTHWEST						
	OK	100,100	0.2%	1	0.3%	100.0%
	TX	1,413,191	3.4%	9	3.4%	90.1%
		1,513,291	3.7%	10	3.7%	90.7%
WEST						
	CO	227,500	0.6%	1	0.5%	100.0%
	ID	133,653	0.3%	2	0.7%	100.0%
	OR	576,590	1.4%	3	1.3%	72.5%
		937,743	2.3%	6	2.5%	83.1%
Total		41,197,524		221		

(1) The total percentages may not tie to the sum of the individual percentages due to rounding.

TOP TENANTS
(As of June 30, 2014)

Tenant	# of Buildings	SF	Annualized Base Rental Revenue(1)	% Annualized Base Rental Revenue
Solo Cup Company	1	1,035,249	$3,809,716	2.58%
International Paper Company	2	573,323	3,017,357	2.04%
Bank of America	5	318,979	2,404,538	1.63%
Deere & Company	2	723,609	2,227,232	1.51%
Spencer Gifts	1	491,025	2,186,076	1.48%
Jacobson Warehouse Company	2	578,687	2,157,291	1.46%
Closetmaid Corporation	1	619,466	2,053,400	1.39%
Armacell	3	518,838	1,989,527	1.35%
American Beverage Corp	1	613,200	1,919,316	1.30%
Cequent Group	2	591,000	1,889,104	1.28%
Subtotal Top 10 Tenants	**20**	**6,063,376**	**$23,653,557**	**16.00%**
Top 11-20 Tenants	**14**	**3,988,556**	**$16,840,600**	**11.39%**
Total Top 20 Tenants	**34**	**10,051,932**	**$40,494,157**	**27.39%**

Largest Tenant	**2.58%**
Average Tenant	**0.50%**

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INDUSTRY CONCENTRATION

(As of June 30, 2014)

Industry	Total Leased SF	% of Total Leased SF (1)	Total Annualized Base Rental Revenue (2)	% of Total Annualized Base Rental Revenue (1)	Sample Tenants
Automotive	4,811,364	12.4%	$ 19,093,410	12.9%	Chrysler, Michelin
Containers & Packaging	4,428,528	11.4%	16,279,456	11.0%	International Paper, Solo Cup
Ind Equip, Component & Metals	4,074,721	10.5%	16,238,753	11.0%	Parker Hanafin, Eaton Corp., Schneider Electric
Air Freight & Logistics	3,548,691	9.1%	13,075,620	8.8%	UPS, Caterpillar Logistics
Food & Beverages	2,929,147	7.5%	10,784,266	7.3%	ConAgra, Sysco, Big Y
Business Services	1,476,937	3.8%	7,290,244	4.9%	Archway Marketing, Stream International
Office Supplies	2,514,973	6.5%	9,101,766	6.2%	Office Depot, Staples
Retail	2,524,204	6.5%	7,769,145	5.3%	Spencer Gifts, Conn Appliances
Building Materials	1,660,481	4.3%	6,093,023	4.1%	CMH Space Flooring, InterfaceFLOR
Personal Products	1,664,466	4.3%	5,992,777	4.1%	Panasonic, Dupont
Household Durables	2,373,930	6.1%	7,487,706	5.1%	Leggett & Platt
Other	1,666,275	4.3%	5,910,375	4.0%	Ecolab, Lanxess Corporation
Aerospace & Defense	1,099,305	2.8%	4,856,861	3.3%	General Dynamics, Hunter Defense
Healthcare	1,123,204	2.9%	4,888,286	3.3%	U Pitt Medical Center, Thermo Fisher
Finance	429,045	1.1%	3,634,612	2.5%	Bank of America, Green Tree Servicing
Technology	805,769	2.1%	2,936,216	2.0%	Arrow-Intechra
Media & Entertainment	1,016,876	2.6%	2,594,890	1.8%	Anderson Merchandisers, Arvato Digital
Non-Profit/Government	194,004	0.5%	1,756,214	1.2%	Goodwill, Easter Seals
Education	478,253	1.2%	1,818,539	1.2%	School Specialty, Inc., American Ed Centers
Recreational Goods	121,776	0.3%	260,619	0.2%	Core Fitness
Total	**38,941,949**	**100.0%**	**$147,862,778**	**100.0%**	

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(2) "Annualized Base Rental Revenue" means the monthly base cash rent for the applicable property or properties as of June 30, 2014 (which is different from rent calculated in accordance with U.S. generally accepted accounting principals for purposes of our financial statements), multiplied by 12. If a tenant is in a free rent period as of June 30, 2014, the annualized rent is calculated based on the first contractual monthly base rent amount multiplied by 12.

MANAGEMENT / BOARD OF DIRECTORS

Benjamin S. Butcher	Chief Executive Officer, President, and Chairman of the Board	Virgis W. Colbert Executive Vice President World Wide Operations (Retired) Miller Brewing Company	Independent Director
Geoffrey G. Jervis	Chief Financial Officer, Treasurer, and Executive Vice President	Jeffrey D. Furber Chief Executive Officer AEW Capital Management	Independent Director
Stephen C. Mecke	Chief Operating Officer and Executive Vice President	Larry T. Guillemette Chairman of the Board, Chief Executive Officer, and President Amtrol, Inc.	Independent Director
Kathryn Arnone	Executive Vice President, General Counsel and Secretary	Francis X. Jacoby III Former President Kensington Investment Co. Inc.	Independent Director
David G. King	Executive Vice President and Director of Real Estate Operations	Christopher P. Marr President, Chief Executive Officer CubeSmart	Independent Director
Michael C. Chase	Senior Vice President of Acquisitions	Hans S. Weger Chief Financial Officer FOCUS Brands, Inc.	Independent Director
Bradford F. Sweeney	Senior Vice President of Acquisitions		

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Non-GAAP Financial Measures

Net operating income (NOI): is defined as rental revenue, including reimbursements, less property expenses and real estate taxes, which excludes depreciation, amortization, general and administrative expenses, interest expense, interest income, asset management fee income, property acquisition costs, offering costs, gain on sales of real estate, and other expenses. The Company defines Cash NOI as NOI less straight-line rent adjustments and less intangible amortization in rental income. The Company considers NOI and Cash NOI to be appropriate supplemental performance measures because they reflect the operating performance of the Company's properties and exclude certain items that are not considered to be controllable in connection with the management of the property. However, these measures should not be viewed as alternative measures of the Company's financial performance since they exclude expenses which could materially impact the Company's results of operations. Further, the Company's NOI and Cash NOI may not be comparable to that of other real estate companies, as they may use different methodologies for calculating NOI and Cash NOI.

Funds from Operations (FFO): is calculated in accordance with the standards established by the National Association of Real Estate Investment Trusts ("NAREIT"). FFO represents net income (loss) (computed in accordance with GAAP), excluding gains (or losses) from sales of depreciable operating property, impairment write-downs of depreciable real estate, real estate related depreciation and amortization (excluding amortization of deferred financing costs and fair market value of debt adjustment) and after adjustments for unconsolidated partnerships and joint ventures. The Company uses FFO as a supplemental performance measure because, in excluding real estate related depreciation and amortization and gains and losses from property dispositions, it provides a performance measure that, when compared year-over-year, captures trends in occupancy rates, rental rates and operating costs. The Company also believes that, as a widely recognized measure of the performance of REITs, FFO will be used by investors as a basis to compare the Company's operating performance with that of other REITs.

Core FFO and Adjusted FFO (AFFO): are presented excluding property acquisition costs, offering costs, lease termination income, and intangible amortization in rental income. AFFO of the Company also excludes non-rental property depreciation and amortization, straight-line rent adjustments, non-cash portion of interest expense, non-cash compensation expense and deducts recurring capital expenditures and lease renewal commissions and tenant improvements. In Core FFO and AFFO, the Company also excludes certain consultant services fees, which are non-recurring items that the Company does not believe is reasonably likely to recur within two years. The Company believes that Core FFO and AFFO are useful supplemental measures regarding the Company's operating performance 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. However, because FFO, Core FFO and AFFO exclude rental property depreciation and amortization and capture neither the changes in the value of the Company's properties that result from use or market conditions, nor the level of capital expenditures and leasing commissions necessary to maintain the operating performance of the Company's properties, all of which have real economic effect and could materially impact the Company's results from operations, the utility of FFO, Core FFO and AFFO as measures of the Company's performance is limited. Other equity REITs may not calculate FFO in accordance with the NAREIT definition and, accordingly, the Company's FFO, Core FFO and AFFO may not be comparable to such other REITs. FFO, Core FFO and AFFO should not be used as a measure of the Company's liquidity, and are not indicative of funds available for the Company's cash needs, including its ability to pay dividends.

Adjusted Earnings before Interest, Taxes, Depreciation, and Amortization (Adjusted EBITDA): represents net income (loss) (computed in accordance with GAAP) before interest, tax, depreciation and amortization, property acquisition costs, offering costs, consultant services fees, gain on sales of real estate, and intangible amortization in rental income. Adjusted EBITDA is deemed helpful to investors by the Company as a supplemental measure of the operating performance of a real estate company because it is a direct measure of the actual operating results of the Company's industrial properties. The Company also uses this measure in ratios to compare its performance to that of its industry peers.