STAG INDUSTRIAL

SUPPLEMENTAL INFORMATION

UNAUDITED FOURTH QUARTER 2016

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, 2016, 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.

Defined Terms, Including Non-GAAP Measurements

Please refer to the Definitions section near the end of these materials for definitions of capitalized terms used herein, including, among others, Annualized Base Rental Revenue, Capitalization Rate and Retention, as well as non-GAAP financial measures, such as Adjusted EBITDA, Cash NOI, Core FFO and AFFO. These materials provide reconciliations of non-GAAP financial measures to net income (loss) in accordance with GAAP. None of the non-GAAP financial measures is intended as an alternative to net income (loss) in accordance with GAAP as a measure of the Company's financial performance.

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OVERVIEW

Snapshot (December 31, 2016)	
Square Feet	60.9 million
Number of Buildings / States	314 / 37
Portfolio Occupancy	94.7%
Weighted Average Lease Term	4.2 years
Weighted Average Rent	$4.01/sf
Equity Market Cap	$2,011 million
Total Enterprise Value	$3,198 million
Net Debt to Run Rate Adjusted EBITDA	5.1x
Fixed Charge Coverage Ratio	3.3x [2]
Stock Price (close)	$23.87
Monthly Dividend (annualized)	$0.115833 ($1.39)
Dividend Yield	5.8% [1]

(1) Based on the December 31, 2016 monthly dividend of $0.115833 annualized per common share and closing stock price as of December 31, 2016 of 23.87.
(2) Consolidated Fixed Charges excludes the November 2, 2016 Series A Preferred Stock voluntary redemption at par in the amount of $69,000,000. The Fixed Charge Ratio would have been 1.53 to 1 if we included the voluntary redemption of the Series A Preferred Stock in Consolidated Fixed Charges.

CONSOLIDATED BALANCE SHEETS

(in thousands, except share data)	December 31, 2016	December 31, 2015[1]
Assets		
Rental Property:		
Land	$ 272,162	$ 228,919
Buildings and improvements, net of accumulated depreciation of $187,413 and $147,917, respectively	1,550,141	1,334,776
Deferred leasing intangibles, net of accumulated amortization of $237,456 and $200,758, respectively	294,533	276,272
Total rental property, net	2,116,836	1,839,967
Cash and cash equivalents	12,192	12,011
Restricted cash	9,613	8,395
Tenant accounts receivable, net	25,223	21,478
Prepaid expenses and other assets	20,821	18,064
Interest rate swaps	1,471	1,867
Total assets	**$ 2,186,156**	**$ 1,901,782**
Liabilities and Equity		
Liabilities:		
Unsecured credit facility	$ 28,000	$ 56,000
Unsecured term loans, net	446,608	296,618
Unsecured notes, net	397,966	397,720
Mortgage notes, net	163,565	229,910
Accounts payable, accrued expenses and other liabilities	35,389	25,662
Interest rate swaps	2,438	3,766
Tenant prepaid rent and security deposits	15,195	14,628
Dividends and distributions payable	9,728	8,234
Deferred leasing intangibles, net of accumulated amortization of $10,450 and $8,536, respectively	20,341	11,387
Total liabilities	**$ 1,119,230**	**$ 1,043,925**
Equity:		
Preferred stock, par value $0.01 per share, 15,000,000 shares authorized,		
Series A, no shares issued and outstanding at December 31, 2016 and 2,760,000 shares (liquidation preference of $25.00 per share) issued and outstanding at December 31, 2015	—	69,000
Series B, 2,800,000 shares (liquidation preference of $25.00 per share) issued and outstanding at December 31, 2016 and December 31, 2015	70,000	70,000
Series C, 3,000,000 shares (liquidation preference of $25.00 per share) issued and outstanding at December 31, 2016 and no shares issued and outstanding at December 31, 2015	75,000	—
Common stock, par value $0.01 per share, 150,000,000 shares authorized, 80,352,304 and 68,077,333 shares issued and outstanding at December 31, 2016 and December 31, 2015, respectively	804	681
Additional paid-in capital	1,293,706	1,017,397
Common stock dividends in excess of earnings	(410,978)	(332,271)
Accumulated other comprehensive loss	(1,496)	(2,350)
Total stockholders' equity	1,027,036	822,457
Noncontrolling interest	39,890	35,400
Total equity	**1,066,926**	**857,857**
Total liabilities and equity	**$ 2,186,156**	**$ 1,901,782**

(1) In the fourth quarter of 2016, the Company revised the prior period rental property depreciation and amortization expense amounts and accumulated building and improvements depreciation amounts. Refer to the Company's Annual Report on Form 10-K for the year ended December 31, 2016, for a detailed discussion of the revision.

CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except share data)	Three months ended December 31, 2016[1]	Three months ended December 31, 2015[1]	Year ended December 31, 2016[1]	Year ended December 31, 2015[1]
Revenue				
Rental income	$ 56,166	$ 50,262	$ 212,741	$ 186,463
Tenant recoveries	10,300	8,531	37,107	31,666
Other income	68	94	395	504
Total revenue	66,534	58,887	250,243	218,633
Expenses				
Property	13,232	11,362	48,904	42,627
General and administrative	7,022	7,296	33,395	28,750
Property acquisition costs	1,454	2,246	4,567	4,757
Depreciation and amortization	33,719	29,972	125,444	110,421
Loss on impairments	5,614	20,894	16,845	29,272
Other expenses	292	157	1,149	1,048
Total expenses	61,333	71,927	230,304	216,875
Other income (expense)				
Interest income	2	2	10	9
Interest expense	(11,082)	(9,838)	(42,923)	(36,098)
Loss on extinguishment of debt	(1,288)	—	(3,261)	—
Gain on the sales of rental property, net	40,234	3,273	61,823	4,986
Total other income (expense)	27,866	(6,563)	15,649	(31,103)
Net income (loss)	**$ 33,067**	**$ (19,603)**	**$ 35,588**	**$ (29,345)**
Less: income (loss) attributable to noncontrolling interest after preferred stock dividends	1,376	(1,087)	1,069	(1,962)
Net income (loss) attributable to STAG Industrial, Inc.	**$ 31,691**	**$ (18,516)**	**$ 34,519**	**$ (27,383)**
Less: preferred stock dividends	2,983	2,712	13,897	10,848
Less: amount allocated to participating securities	100	94	384	385
Net income (loss) attributable to common stockholders	**$ 28,608**	**$ (21,322)**	**$ 20,238**	**$ (38,616)**
Weighted average common shares outstanding — basic	75,558,806	67,805,519	70,637,185	66,307,972
Weighted average common shares outstanding — diluted	75,865,780	67,805,519	70,852,548	66,307,972
Net income (loss) per share — basic and diluted				
Net income (loss) per share attributable to common stockholders — basic	$ 0.38	$ (0.31)	$ 0.29	$ (0.58)
Net income (loss) per share attributable to common stockholders — diluted	$ 0.38	$ (0.31)	$ 0.29	$ (0.58)

(1) In the fourth quarter of 2016, the Company revised the prior period rental property depreciation and amortization expense amounts and accumulated building and improvements depreciation amounts. Refer to the Company's Annual Report on Form 10-K for the year ended December 31, 2016, for a detailed discussion of the revision.

NET OPERATING INCOME (NOI) & CASH NOI

(in thousands)	Three months ended December 31, 2016[1]		Three months ended December 31, 2015[1]		Year ended December 31, 2016[1]		Year ended December 31, 2015[1]	
Net income (loss)	$	33,067	$	(19,603)	$	35,588	$	(29,345)
Asset management fee income		(44)		(77)		(210)		(379)
General and administrative		7,022		7,296		33,395		28,750
Property acquisition costs		1,454		2,246		4,567		4,757
Depreciation and amortization		33,719		29,972		125,444		110,421
Interest income		(2)		(2)		(10)		(9)
Interest expense		11,082		9,838		42,923		36,098
Loss on impairments		5,614		20,894		16,845		29,272
Loss on extinguishment of debt		1,288		—		3,261		—
Other expenses		292		157		1,149		1,048
Gain on the sales of rental property, net		(40,234)		(3,273)		(61,823)		(4,986)
Corporate sublease rental income		—		—		—		(187)
Net operating income	**$**	**53,258**	**$**	**47,448**	**$**	**201,129**	**$**	**175,440**
Net operating income	$	53,258	$	47,448	$	201,129	$	175,440
Straight-line rent adjustments, net		387		(809)		(1,877)		(3,115)
Intangible amortization in rental income, net		1,462		2,195		6,213		8,526
Cash net operating income	**$**	**55,107**	**$**	**48,834**	**$**	**205,465**	**$**	**180,851**
Cash net operating income	$	55,107						
Cash NOI from acquisitions' and dispositions' timing		1,845						
Cash termination income		(929)						
Run Rate Cash NOI	**$**	**56,023**						

(1) In the fourth quarter of 2016, the Company revised the prior period rental property depreciation and amortization expense amounts and accumulated building and improvements depreciation amounts. Refer to the Company's Annual Report on Form 10-K for the year ended December 31, 2016, for a detailed discussion of the revision.

FUNDS FROM OPERATIONS (FFO) & CORE FFO

(in thousands, except share data)	Three months ended December 31, 2016[1]	Three months ended December 31, 2015[1]	Year ended December 31, 2016[1]	Year ended December 31, 2015[1]
Net income (loss)	$ 33,067	$ (19,603)	$ 35,588	$ (29,345)
Rental property depreciation and amortization	33,645	29,925	125,182	110,241
Loss on impairments	5,614	20,894	16,845	29,272
Gain on the sales of rental property, net	(40,234)	(3,273)	(61,823)	(4,986)
Funds from operations	**$ 32,092**	**$ 27,943**	**$ 115,792**	**$ 105,182**
Preferred stock dividends	(2,983)	(2,712)	(13,897)	(10,848)
Amount allocated to participating securities	(100)	(94)	(384)	(385)
Funds from operations attributable to common stockholders and unit holders	**$ 29,009**	**$ 25,137**	**$ 101,511**	**$ 93,949**
Funds from operations attributable to common stockholders and unit holders	$ 29,009	$ 25,137	$ 101,511	$ 93,949
Intangible amortization in rental income, net	1,462	2,195	6,213	8,526
Termination income	(72)	(1,299)	(271)	(2,986)
Property acquisition costs	1,454	2,246	4,567	4,757
Loss on extinguishment of debt	1,288	—	3,261	—
Severance costs	—	—	3,063	—
Non-recurring other expenses	—	—	—	167
Core funds from operations	**$ 33,141**	**$ 28,279**	**$ 118,344**	**$ 104,413**
Weighted average common shares, participating securities, performance units and other units				
Weighted average common shares outstanding	75,558,806	67,805,519	70,637,185	66,307,972
Weighted average participating securities outstanding	152,990	271,400	184,115	280,839
Weighted average units outstanding	3,633,881	3,486,150	3,675,144	3,417,964
Weighted average common shares, participating securities, other units - basic	**79,345,677**	**71,563,069**	**74,496,444**	**70,006,775**
Weighted average performance units	88,759	—	102,680	—
Dilutive common share equivalents	306,974	—	215,363	—
Weighted average common shares, participating securities, performance and other units - diluted	**79,741,410**	**71,563,069**	**74,814,487**	**70,006,775**
Core funds from operations per share / unit - basic	**$ 0.42**	**$ 0.40**	**$ 1.59**	**$ 1.49**
Core funds from operations per share / unit - diluted	**$ 0.42**	**$ 0.40**	**$ 1.58**	**$ 1.49**

(1) In the fourth quarter of 2016, the Company revised the prior period rental property depreciation and amortization expense amounts and accumulated building and improvements depreciation amounts. Refer to the Company's Annual Report on Form 10-K for the year ended December 31, 2016, for a detailed discussion of the revision.

ADJUSTED EBITDA & ADJUSTED FUNDS FROM OPERATIONS (AFFO)

(in thousands)	Three months ended December 31, 2016[(1)]	Three months ended December 31, 2015[(1)]	Year ended December 31, 2016[(1)]	Year ended December 31, 2015[(1)]
Net income (loss)	$ 33,067	$ (19,603)	$ 35,588	$ (29,345)
Intangible amortization in rental income, net	1,462	2,195	6,213	8,526
Straight-line rent adjustments, net	(470)	(995)	(2,496)	(3,405)
Non-cash compensation expense	2,036	1,911	8,164	7,578
Termination income	(72)	(1,299)	(271)	(2,986)
Property acquisition costs	1,454	2,246	4,567	4,757
Depreciation and amortization	33,719	29,972	125,444	110,421
Interest income	(2)	(2)	(10)	(9)
Interest expense	11,082	9,838	42,923	36,098
Severance costs	—	—	3,063	—
Non-recurring other expenses	—	—	—	167
Loss on impairments	5,614	20,894	16,845	29,272
Loss on extinguishment of debt	1,288	—	3,261	—
Gain on the sales of rental property, net	(40,234)	(3,273)	(61,823)	(4,986)
Adjusted EBITDA	**$ 48,944**	**$ 41,884**	**$ 181,468**	**$ 156,088**
Adjusted EBITDA	$ 48,944			
Adjusted EBITDA from acquisitions' and dispositions' timing	1,845			
Run Rate Adjusted EBITDA	**$ 50,789**			
Core funds from operations	$ 33,141	$ 28,279	$ 118,344	$ 104,413
Add: non-rental property depreciation and amortization	74	47	262	180
Straight-line rent adjustments, net	(470)	(995)	(2,496)	(3,405)
Recurring capital expenditures	(1,117)	(547)	(2,176)	(1,136)
Renewal lease commissions and tenant improvements	(175)	(229)	(2,021)	(1,595)
Non-cash portion of interest expense	424	355	1,632	1,262
Non-cash compensation expense	2,036	1,911	8,164	7,578
Adjusted funds from operations[(2)]	**$ 33,913**	**$ 28,821**	**$ 121,709**	**$ 107,297**

(1) In the fourth quarter of 2016, the Company revised the prior period rental property depreciation and amortization expense amounts and accumulated building and improvements depreciation amounts. Refer to the Company's Annual Report on Form 10-K for the year ended December 31, 2016, for a detailed discussion of the revision.

(2) Excludes Non-Recurring Capital Expenditures of approximately $6,141, $13,361, $2,741 and $12,239 and new leasing commissions and tenant improvements of approximately $890, $1,975, $500 and $1,161, for the three months and year ended December 31, 2016 and December 31, 2015, respectively.

ACQUISITIONS

FOURTH QUARTER 2016 ACQUISITIONS						
Location (CBSA)	**Date Acquired**	**Square Feet**	**Buildings**	**Purchase Price ($MM)**	**Weighted Average Lease Term (Years)**	**Capitalization Rate**
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	10/14/2016	172,647	1	$9.5	3.1	
Columbus, OH	10/27/2016	175,512	1	5.4	4.8	
Kansas City, MO-KS	10/31/2016	496,373	1	23.2	—	
Houston-The Woodlands-Sugar Land, TX	11/2/2016	223,599	1	13.4	5.3	
Chicago-Naperville-Elgin, IL-IN-WI	11/2/2016	514,659	3	35.1	6.5	
Oklahoma City, OK	11/2/2016	80,400	1	3.4	9.3	
San Antonio-New Braunfels, TX	11/2/2016	247,861	1	12.0	9.3	
Milwaukee-Waukesha-West Allis, WI	11/3/2016	121,050	1	7.4	14.3	
St. Louis, MO-IL	11/7/2016	116,783	1	5.5	5.5	
Spartanburg, SC	11/22/2016	572,038	1	20.8	8.1	
Columbia, SC	11/30/2016	119,852	1	5.7	7.3	
Chicago-Naperville-Elgin, IL-IN-WI	12/14/2016	305,874	5	10.4	5.5	
Madison, WI	12/15/2016	254,431	1	7.8	2.4	
Montgomery, AL	12/16/2016	332,000	1	8.8	7.0	
Cincinnati, OH-KY-IN	12/20/2016	269,868	1	11.2	7.0	
Columbia, SC	12/20/2016	176,400	1	11.9	4.3	
Minneapolis-St. Paul-Bloomington, MN-WI	12/22/2016	200,720	1	20.5	15.2	
Hartford-West Hartford-East Hartford, CT	12/28/2016	126,111	1	7.7	11.5	
Total/weighted average		**4,506,178**	**24**	**$219.7**	**7.1**	**7.7%**

2016 ACQUISITIONS					
Quarter	**Square Feet**	**Buildings**	**Purchase Price ($MM)**	**Weighted Average Lease Term (Years)**	**Capitalization Rate**
Q1	710,754	5	$27.9	4.3	8.5%
Q2	1,389,639	5	58.2	6.6	7.9%
Q3	3,696,094	13	166.0	6.2	7.9%
Q4	4,506,178	24	219.7	7.1	7.7%
Total/weighted average	**10,302,665**	**47**	**$471.8**	**6.5**	**7.9%**

DISPOSITIONS

FOURTH QUARTER 2016 DISPOSITIONS				
Location (CBSA)	**Date Disposed**	**Square Feet**	**Buildings**	**Gross Proceeds ($MM)**
Atlanta-Sandy Springs-Roswell, GA	11/14/2016	980,902	4	
Charlotte-Concord-Gastonia, NC-SC	11/14/2016	588,656	2	
South Bend-Mishawaka, IN-MI	12/7/2016	308,884	1	
Lexington-Fayette, KY	12/8/2016	96,680	1	
Pittsburgh, PA	12/13/2016	148,065	1	
Chicago-Naperville-Elgin, IL-IN-WI	12/20/2016	87,380	1	
Total		**2,210,567**	**10**	**$103.3**

2016 DISPOSITIONS			
Quarter	**Square Feet**	**Buildings**	**Gross Proceeds ($MM)**
Q1	1,182,450	4	$32.8
Q2	634,404	7	17.8
Q3	139,509	3	0.8
Q4	2,210,567	10	103.3
Total	**4,166,930**	**24**	**$154.7**

SAME STORE NOI

(in thousands, except building count data and square footage)	Three months ended December 31, 2016	Three months ended December 31, 2015	Change	% Change	Twelve months ended December 31, 2016	Twelve months ended December 31, 2015	Change	% Change
Same store square footage	46,239,970				40,957,663			
Same store buildings	236				204			
% of total portfolio	76.0%				67.3%			
Occupancy percentage at quarter end	95.8%	96.5%		(0.7)%	95.3%	96.4%		(1.1)%
Total GAAP operating revenue (excluding termination income)	$51,097	$49,787	$1,310		$173,017	$170,723	$2,294	
Total GAAP operating expenses	(9,450)	(8,850)	(600)		(30,036)	(30,280)	244	
Same store operating GAAP NOI	**$41,647**	**$40,937**	**$710**	**1.7%**	**$142,981**	**$140,443**	**$2,538**	**1.8%**
Total same store cash operating revenue (excluding termination income)	51,988	50,214	1,774		176,225	172,789	3,436	
Total same store cash operating expenses	(9,444)	(8,844)	(600)		(30,011)	(30,255)	244	
Same store operating cash NOI	**$42,544**	**$41,370**	**$1,174**	**2.8%**	**$146,214**	**$142,534**	**$3,680**	**2.6%**
Flex/office cash NOI	$1,108	$1,464	($356)	(24.3%)	$4,633	$6,831	($2,198)	(32.2%)

CAPITAL EXPENDITURES

(in thousands)	CAPITAL EXPENDITURES, TENANT IMPROVEMENTS, AND LEASE COMMISSIONS SUMMARY			
	Three Months Ended December 31, 2016		Twelve Months Ended December 31, 2016	
	2016	2015	2016	2015
Renewal tenant improvements and lease commissions	$175	$229	$1,930	$1,567
New tenant improvements and lease commissions	890	449	1,893	905
Total tenant improvements (TIs) and lease commissions (LCs)	**$1,065**	**$678**	**$3,823**	**$2,472**
Recurring capital expenditures	$1,100	$547	$2,037	$898
Non-recurring capital expenditures	6,141	2,209	13,352	10,439
Total recurring and non-recurring capital expenditures	**$7,241**	**$2,756**	**$15,389**	**$11,337**
Total operating portfolio capital expenditures, TIs and LCs	**$8,306**	**$3,434**	**$19,212**	**$13,809**
Flex/office capital expenditures	**$18**	**$592**	**$321**	**$2,332**
Acquisition capital expenditures	**$1,976**	**$30**	**$9,483**	**$1,353**
Building expansions and redevelopment	**$1,423**	**$1,480**	**$7,425**	**$1,578**
Total capital expenditures, building expansions, TIs, and LCs	**$11,723**	**$5,536**	**$36,441**	**$19,072**
RECONCILIATION OF CAPITAL EXPENDITURES TO STATEMENT OF CASH FLOWS				
Additions to building and other capital improvements per cash flow statement	$9,782	$6,841	$30,485	$16,329
Non-cash additions to building and building improvements per cash flow statement	175	—	1,193	565
Change in additions of land and building and improvements included in in accounts payable, accrued expenses and other liabilities per cash flow statement	872	(1,505)	1,455	182
New and renewal lease commissions	894	200	3,308	1,996
Total capital expenditures, building expansions, TIs, and LCs	**$11,723**	**$5,536**	**$36,441**	**$19,072**

STAG INDUSTRIAL

PORTFOLIO CHARACTERISTICS

BUILDING TYPE AS OF DECEMBER 31, 2016						
		Square Footage			Annualized Base Rental Revenue	
Building Type	# of Buildings	Amount	%	Occupancy	Amount	%
Warehouse	243	53,674,674	88.2%	95.6%	$201,208,120	87.0%
Light manufacturing	54	5,925,629	9.7%	96.3%	23,119,903	10.0%
Total operating portfolio	**297**	**59,600,303**	**97.9%**	**95.7%**	**$224,328,023**	**97.0%**
Redevelopment	1	307,315	0.5%	—%	—	—%
Flex / office	16	970,586	1.6%	62.6%	6,993,670	3.0%
Total portfolio / weighted average	**314**	**60,878,204**	**100.0%**	**94.7%**	**$231,321,693**	**100.0%**

OPERATING PORTFOLIO BUILDINGS BY LOCATION AS OF DECEMBER 31, 2016						
		Square Footage			Annualized Base Rental Revenue	
Location Classification	# of Buildings	Amount	%	Occupancy	Amount	%
Primary (greater than 200 million net rentable square feet)	68	14,445,533	24.2%	95.4%	$58,532,372	26.1%
Secondary (25 million to 200 million net rentable square feet)	184	38,126,550	64.0%	96.1%	141,729,506	63.2%
Tertiary (less than 25 million net rentable square feet)	45	7,028,220	11.8%	93.7%	24,066,145	10.7%
Total / weighted average	**297**	**59,600,303**	**100.0%**	**95.7%**	**$224,328,023**	**100.0%**

PORTFOLIO OCCUPANCY BRIDGE

PORTFOLIO SQUARE FOOTAGE CHANGES	Three Months Ended December 31, 2016		Twelve Months Ended December 31, 2016	
Total square feet beginning of period	**58,581,111**		**54,712,384**	
Acquisitions	4,506,178		10,302,665	
Dispositions	(2,210,567)		(4,166,930)	
Building expansions	—		26,058	
Remeasurements / other	1,482		4,027	
Total square feet end of period	**60,878,204**		**60,878,204**	
OCCUPANCY CHANGES				
Occupied square feet beginning of period (occupancy)	**55,843,136**	**(95.3%)**	**52,278,957**	**(95.6%)**
Expirations:				
Expiring square footage	(1,760,716)		(5,210,736)	
Lease terminations	—		(117,765)	
Total expirations	**(1,760,716)**		**(5,328,501)**	
Leases commencing:				
Renewal leases	1,215,915		3,620,369	
New leases	375,400		1,366,751	
Expansion leases	—		26,058	
Redevelopment net lease activity	—		(307,315)	
Temporary net lease activity	54,035		(33,570)	
Flex/Office net lease activity	—		(36,768)	
Total leasing activity	**1,645,350**		**4,635,525**	
Occupied acquired square feet	4,009,805		9,541,166	
Occupied disposed square feet	(2,113,887)		(3,503,459)	
Total occupancy activity from acquisitions & dispositions	**1,895,918**		**6,037,707**	
Occupied square feet at December 31, 2016 (occupancy)	**57,623,688**	**(94.7%)**	**57,623,688**	**(94.7%)**

STAG INDUSTRIAL

LEASING & RETENTION STATISTICS

FOURTH QUARTER 2016 OPERATING PORTFOLIO LEASING ACTIVITY

Lease Type	Square Feet	W.A. Lease Term (Years)	Cash Base Rent $/SF	GAAP Base Rent $/SF	Lease Commissions $/SF	Tenant Improvement $/SF	Total Costs $/SF	Cash Rent Change	GAAP Rent Change
New leases	453,395	9.9	$3.71	$4.02	$1.33	$1.42	$2.75	—%	6.1%
Renewal leases	631,916	6.5	4.52	4.58	0.14	—	0.14	6.7%	10.5%
Total /weighted avg new & renewal	**1,085,311**	**7.9**	**$4.18**	**$4.35**	**$0.63**	**$0.59**	**$1.22**	**5.6%**	**9.8%**
Temporary leases	393,425								
Total leasing activity	**1,478,736**								

2016 OPERATING PORTFOLIO LEASING ACTIVITY

Lease Type	Square Feet	W.A. Lease Term (Years)	Cash Base Rent $/SF	GAAP Base Rent $/SF	Lease Commissions $/SF	Tenant Improvement $/SF	Total Costs $/SF	Cash Rent Change	GAAP Rent Change
New leases	749,275	8.2	$3.90	$4.16	$1.38	$0.87	$2.25	(0.5)%	4.0%
Renewal leases	4,817,462	4.8	4.02	4.14	0.28	0.28	0.56	1.4%	7.4%
Total /weighted avg new & renewal	**5,566,737**	**5.3**	**$4.00**	**$4.14**	**$0.43**	**$0.36**	**$0.79**	**1.3%**	**7.3%**
Temporary leases	1,329,245								
Total leasing activity	**6,895,982**								

Note: The tables above represents leases signed during the quarter and do not reflect leases commencing during the quarter.

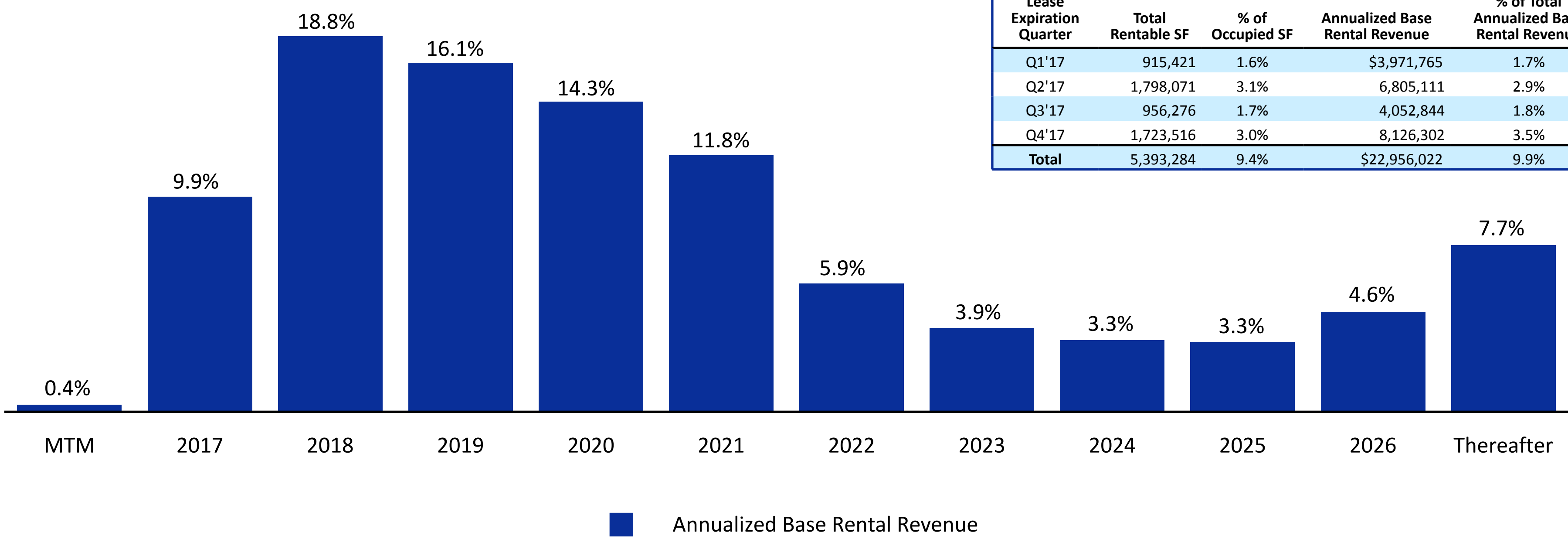
2016 OPERATING PORTFOLIO RETENTION

Quarter	Expiring Square Footage	Retained Square Footage	W.A. Lease Term (Years)	Retention	Cash Rent Change	GAAP Rent Change
Q1	1,251,975	530,485	3.2	42.4%	3.1%	6.1%
Q2	921,971	695,395	5.0	75.4%	5.8%	9.9%
Q3	1,276,074	1,178,574	4.2	92.4%	2.5%	3.4%
Q4	1,760,716	1,215,915	5.9	69.1%	2.0%	11.4%
Total / weighted average	**5,210,736**	**3,620,369**	**4.7**	**69.5%**	**3.0%**	**8.2%**

LEASE EXPIRATION SCHEDULE

LEASE EXPIRATION SCHEDULE AS OF DECEMBER 31, 2016					
Lease Expiration Year	Number of Leases Expiring	Total Rentable SF	% of Occupied SF	Annualized Base Rental Revenue	% of Total Annualized Base Rental Revenue
Available	N/A	3,254,516	N/A	N/A	N/A
MTM	7	281,824	0.5%	$885,285	0.4%
2017	45	5,393,284	9.4%	22,956,022	9.9%
2018	65	11,038,428	19.2%	43,393,953	18.8%
2019	52	9,642,460	16.7%	37,174,611	16.1%
2020	34	7,931,114	13.8%	33,024,283	14.3%
2021	39	6,468,139	11.2%	27,361,066	11.8%
2022	24	3,331,130	5.8%	13,737,147	5.9%
2023	12	2,537,340	4.4%	9,004,456	3.9%
2024	9	2,152,791	3.7%	7,709,279	3.3%
2025	11	1,788,742	3.1%	7,549,888	3.3%
2026	13	2,930,441	5.1%	10,728,005	4.6%
Thereafter	19	4,127,995	7.1%	17,797,698	7.7%
Total / weighted average	**330**	**60,878,204**	**100.0%**	**$231,321,693**	**100.0%**

NEXT FOUR QUARTERS LEASE EXPIRATION				
Lease Expiration Quarter	Total Rentable SF	% of Occupied SF	Annualized Base Rental Revenue	% of Total Annualized Base Rental Revenue
Q1'17	915,421	1.6%	$3,971,765	1.7%
Q2'17	1,798,071	3.1%	6,805,111	2.9%
Q3'17	956,276	1.7%	4,052,844	1.8%
Q4'17	1,723,516	3.0%	8,126,302	3.5%
Total	5,393,284	9.4%	$22,956,022	9.9%



TENANT PROFILE

TENANT PROFILE	
	December 31, 2016
Profile	
Number of Tenants	275
Average Tenant Size (Square Feet)	209,541
Average Annualized Base Rental Revenue Per Square Foot	$4.01
Average Annualized Base Rental Revenue Per Tenant	$841,170
Credit [(1)]	
Tenants Publicly Rated	57.8%
Tenants Rated Investment Grade	28.7%
Tenant Revenue > $100 Million	87.3%
Tenant Revenue > $1 Billion	62.4%

(1) Based on annualized base rent and the inclusion of tenants, guarantors, and / or non-guarantor parents.

PORTFOLIO DIVERSIFICATION

GEOGRAPHIC DIVERSIFICATION December 31, 2016			
#	State	# OF CBSA[(1)]	ABR %
1	Illinois	2	8.2%
2	Ohio	9	7.5%
3	South Carolina	6	7.4%
4	Pennsylvania	7	6.9%
5	Texas	5	6.0%
6	North Carolina	7	5.8%
7	Michigan	5	5.4%
8	Wisconsin	10	5.3%
9	New Jersey	3	4.9%
10	Tennessee	6	4.9%
	Top 10 States	**60**	**62.3%**
	Top 11-20 States	**34**	**25.1%**
	Total Top 20 States	**94**	**87.4%**

(1) Represents the number of CBSA's STAG is present within respective state.

TENANT DIVERSIFICATION December 31, 2016		
#	Tenant	ABR %
1	General Service Administration	3.1%
2	XPO Logistics Supply Chain Inc.	2.2%
3	Deckers Outdoor Corporation	1.8%
4	Solo Cup Company	1.7%
5	Generation Brands, LLC	1.1%
6	Exel Logistics	1.1%
7	Perrigo Holland	1.0%
8	American Tire Distributors Inc.	1.0%
9	Spencer Gifts, LLC	1.0%
10	Armacell, LLC	0.9%
	Top 10 Tenants	**14.9%**
	Top 11-20 Tenants	**8.3%**
	Total top 20 Tenants	**23.2%**

INDUSTRY DIVERSIFICATION December 31, 2016		
#	Industry	ABR %
1	Automotive	13.6%
2	Ind Equip, Component & Metals	11.3%
3	Air Freight & Logistics	11.2%
4	Containers & Packaging	9.6%
5	Food & Beverages	8.7%
6	Retail	7.2%
7	Personal Products	6.6%
8	Household Durables	5.3%
9	Business Services	5.2%
10	Non-Profit/Government	3.6%
	Top 10 Industries	**82.3%**
	Top 11-20 Industries	**17.7%**
	Total Industries	**100.0%**

CAPITAL STRUCTURE & DIVIDENDS

CAPITAL STRUCTURE	Three months ended December 31, 2016
Weighted average common shares, participating securities, performance units and other units	
Weighted average common shares outstanding	75,558,806
Weighted average participating securities outstanding	152,990
Weighted average units outstanding	3,633,881
Weighted average common shares, participating securities, performance and other units - basic	79,345,677
Weighted average performance units	88,759
Dilutive common share equivalents	306,974
Weighted average common shares, participating securities, performance and other units - diluted	79,741,410
Fully diluted common shares, participating securities, performance units and other units (at quarter end)	84,262,572
Enterprise Value as of December 31, 2016 (in millions)	
Equity Market Capitalization	$2,011
Debt (principal balance)	1,042
Preferred Equity	145
Enterprise Value	$3,198

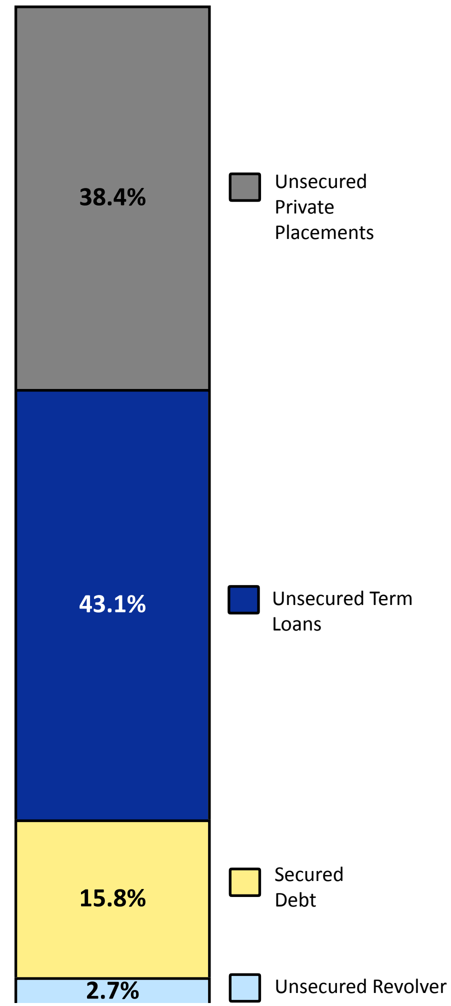
COMMON DIVIDEND INFORMATION	December 31, 2016
Dividend declared per common share (quarterly) [1]	$0.3475
Common share price (at quarter end)	$23.87
Dividend yield (at quarter end)	5.8%
AFFO dividend payout ratio	80.8%

(1) Sum of quarter's monthly declared dividends.

DEBT SUMMARY

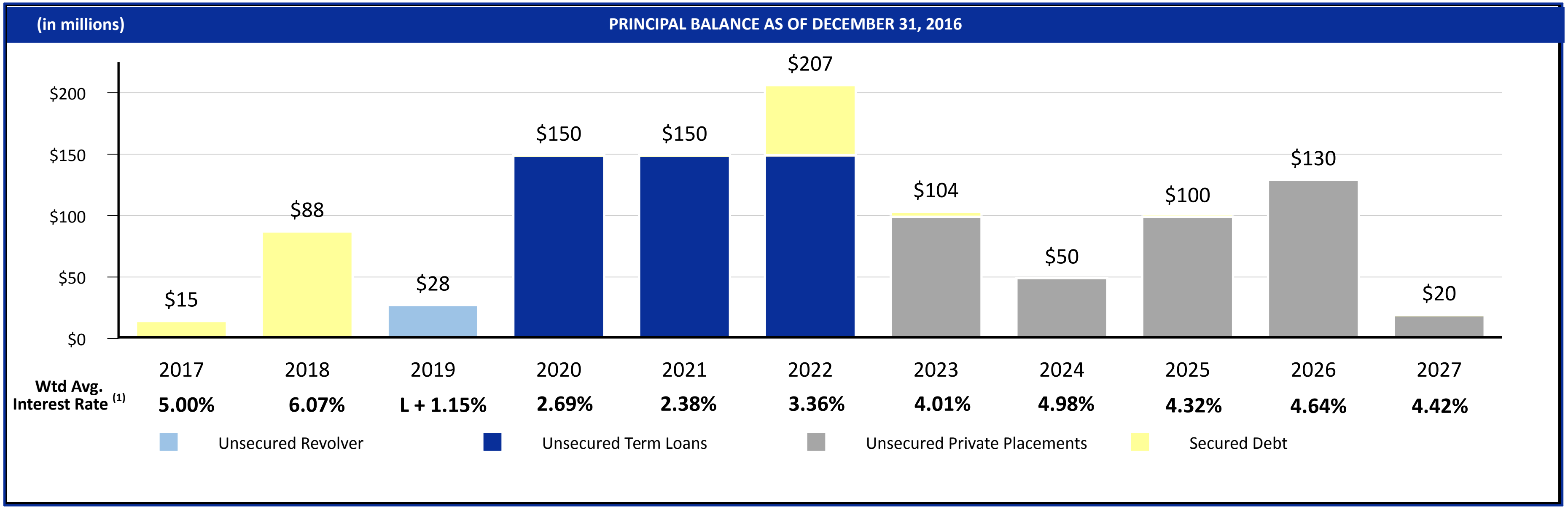
AS OF DECEMBER 31, 2016 (in millions)				
Category	**Committed**	**Principal Balance**	**Interest Rate**[(1)(2)]	**Current Maturity**[(2)]
Unsecured debt:				
Unsecured Credit Facility [(3)]	$450.0	$28.0	L + 1.15%	12/18/2019
Unsecured Term Loan C [(3)]	150.0	150.0	L + 1.30%	9/29/2020
Unsecured Term Loan B [(3)]	150.0	150.0	L + 1.30%	3/21/2021
Unsecured Term Loan A [(3)]	150.0	150.0	L + 1.30%	3/31/2022
Series F Unsecured Notes	100.0	100.0	3.98%	1/5/2023
Series A Unsecured Notes	50.0	50.0	4.98%	10/1/2024
Series D Unsecured Notes	100.0	100.0	4.32%	2/20/2025
Series B Unsecured Notes	50.0	50.0	4.98%	7/1/2026
Series C Unsecured Notes	80.0	80.0	4.42%	12/30/2026
Series E Unsecured Notes	20.0	20.0	4.42%	2/20/2027
Total / weighted average unsecured [(4)]	**$1,300.0**	**$878.0**	**3.46%**	**6.1 years**
Secured debt:				
Union Fidelity Life Insurance Co.		$5.4	5.81%	4/30/2017
Webster Bank, National Association		2.9	3.66%	5/29/2017
Webster Bank, National Association		3.1	3.64%	5/31/2017
Wells Fargo, National Association		4.0	5.90%	8/1/2017
Connecticut General Life Insurance Company -1 Facility		35.3	6.50%	2/1/2018
Connecticut General Life Insurance Company -2 Facility		36.9	5.75%	2/1/2018
Connecticut General Life Insurance Company -3 Facility		16.1	5.88%	2/1/2018
Wells Fargo Bank, National Association CMBS Loan		56.6	4.31%	12/1/2022
Thrivent Financial for Lutherans		4.0	4.78%	12/15/2023
Total / weighted average secured		**$164.3**	**5.33%**	**2.8 years**
Total / weighted average		**$1,042.3**	**3.75%**	**5.6 years**
Add: fair market value premiums		0.1		
Less: total unamortized deferred financing fees and debt issuance costs		(6.3)		
Total book value		**$1,036.1**		

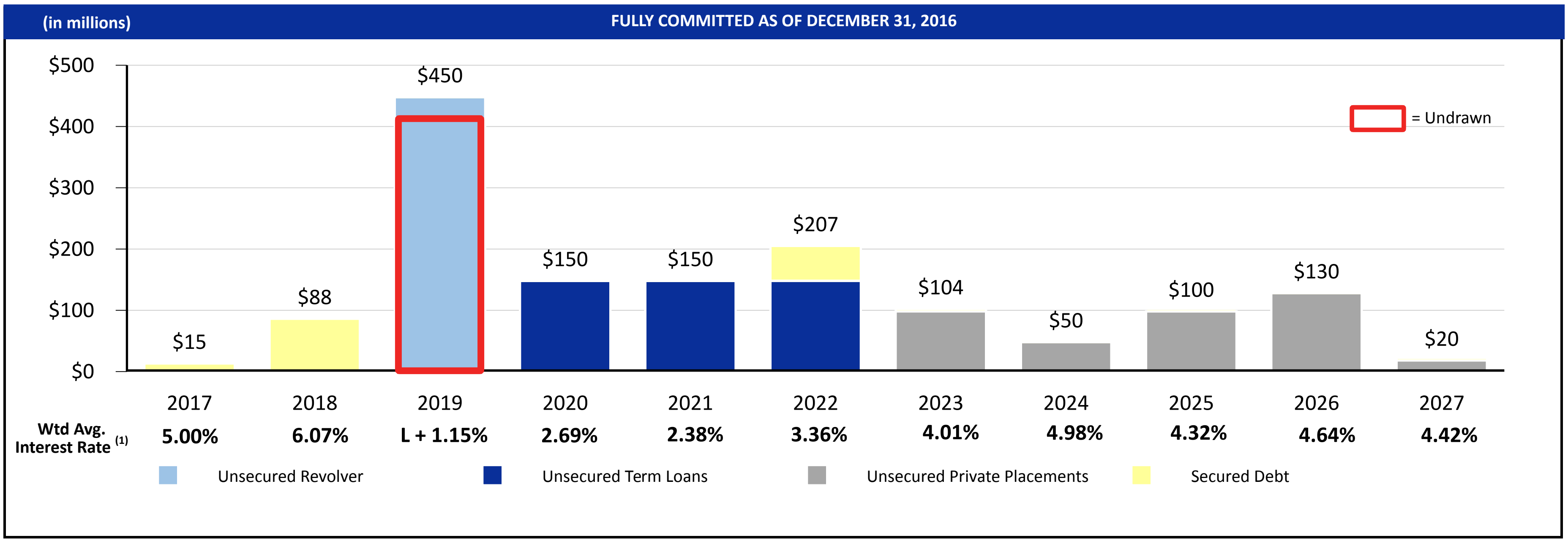
PRINCIPAL BALANCE



(1) Current interest rate as of December 31, 2016. At December 31, 2016 the one-month LIBOR was 0.77167%. The current interest rates presented in the table above are not adjusted to include the amortization of deferred financing fees or debt issuance costs incurred in obtaining debt or the unamortized fair market value premium.
(2) The weighted average interest rate and weighted average debt maturity is calculated based on the principal balance outstanding as of December 31, 2016.
(3) The interest rate on these unsecured facilities represents the interest rate as of December 31, 2016 based on the Company's Consolidated Leverage Level.
(4) The weighted average interest rate was calculated using the current swapped notional amount of $450 million of debt, and excludes any fair market value premiums or discounts and also excludes the amortization of deferred financing fees and debt issuance costs incurred in obtaining debt. As of December 31 2016, one-month LIBOR for Unsecured Term Loan A, B, and C is swapped to a fixed rate of 1.70%, 1.08%, and 1.39%, respectively.

DEBT MATURITY SCHEDULE





(1) The weighted average interest rate for unsecured debt was calculated using the current swapped notional amount of $450 million of debt, and excludes any fair market value premiums or discounts and also excludes the amortization of deferred financing fees and debt issuance costs incurred in obtaining debt. As of December 31 2016, one-month LIBOR for Unsecured Term Loan A, B, and C is swapped to a fixed rate of 1.70%, 1.08%, and 1.39%, respectively.

STAG INDUSTRIAL

DEBT METRICS & COVENANTS

DEBT METRICS	
	December 31, 2016
Net debt / adjusted EBITDA ratio	5.3x
Net debt / run rate adjusted EBITDA ratio	5.1x
Interest coverage ratio	4.6x
Net debt / total real estate cost basis (at quarter end)	41.0%
Total debt / total enterprise value (at quarter end)	32.6%
Liquidity	$430.7 million
Capacity	$418.5 million

UNSECURED DEBT COVENANTS[1]		
	Covenant	December 31, 2016
Consolidated Leverage Ratio	< 60%	36.9%
Secured Leverage Ratio	< 40%	5.8%
Unencumbered Leverage Ratio	< 60%	36.7%
Interest Coverage Ratio	> 1.5x	4.6x
Unsecured Interest Coverage Ratio	> 1.75x	5.9x
Fixed Charge Coverage Ratio[2]	> 1.5x	3.3x

(1) Calculations as stipulated in the respective unsecured debt agreements. Please refer to the agreements for definitions and calculation detail.
(2) Consolidated Fixed Charges excludes the November 2, 2016 Series A Preferred Stock voluntary redemption at par in the amount of $69,000,000. The Fixed Charge Ratio would have been 1.53 to 1 if we included the voluntary redemption of the Series A Preferred Stock in Consolidated Fixed Charges.

NON-GAAP FINANCIAL MEASURES & OTHER DEFINITIONS

Non-GAAP Financial Measures and Other Definitions

Acquisition Capital Expenditure: We define Acquisition Capital Expenditure as Recurring and Non-Recurring Capital Expenditures identified at the time of acquisition and underwritten to occur in the first 12 months. Acquisition Capital Expenditures also include new lease commissions and tenant improvements for space that was not occupied under the Company's ownership.

Adjusted Earnings before Interest, Taxes, Depreciation, and Amortization (Adjusted EBITDA): We define Adjusted EBITDA as net income (loss) (computed in accordance with GAAP) before interest, tax, depreciation and amortization, property acquisition costs, gain on the sales of rental property, termination income, straight-line rent adjustments, non-cash compensation, intangible amortization in rental income, loss on impairments, loss on extinguishment of debt and other non-recurring items.

We define Annualized Adjusted EBITDA as Adjusted EBITDA multiplied by four.

We define Run Rate Adjusted EBITDA as Adjusted EBITDA plus incremental Adjusted EBITDA related to acquisitions acquired in each quarter for which a full quarter’s results were not reflected less Adjusted EBITDA related to the quarter’s dispositions. Run Rate Adjusted EBITDA does not reflect the Company’s historical results and does not predict future results, which may be substantially different.

Adjusted EBITDA and Run Rate EBITDA should not be considered as an alternative to net income (determined in accordance with GAAP) as an indication of our performance, and we believe that to understand our performance further, Adjusted EBITDA and Run Rate Adjusted EBITDA should be compared with our reported net income or net loss in accordance with GAAP, as presented in our consolidated financial statements. We believe that Adjusted EBITDA and Run Rate Adjusted EBITDA are helpful to investors as supplemental measures of the operating performance of a real estate company because they are direct measures of the actual operating results of our industrial properties. We also use these measures in ratios to compare our performance to that of our industry peers.

Annualized Base Rental Revenue: We define Annualized Base Rental Revenue as the monthly base cash rent for the applicable property or properties (which is different from rent calculated in accordance with GAAP for purposes of our financial statements), multiplied by 12. If a tenant is in a free rent period the annualized rent is calculated based on the first contractual monthly base rent amount multiplied by 12.

Capitalization Rate: We define Capitalization Rate as the estimated weighted average cash capitalization rate, calculated by dividing (i) the Company’s estimate of year one cash net operating income from the applicable property’s operations stabilized for occupancy (post-lease-up for vacant properties), which does not include termination income, miscellaneous other income, capital expenditures, general and administrative costs, reserves, tenant improvements and leasing commissions, credit loss, or vacancy loss, by (ii) the purchase price plus estimated Acquisition Capital Expenditures. These capitalization rate estimates are subject to risks, uncertainties, and assumptions and are not guarantees of future performance, which may be affected by known and unknown risks, trends, uncertainties, and factors that are beyond our control, including those risk factors contained in our Annual Report on Form 10-K for the year ended December 31, 2016.

Comparable Lease: We define a Comparable Lease as a lease with a similar lease structure as compared to the previous in-place lease, excluding new leases for space that was not occupied under our ownership, leases on space with downtime in excess of two years, leases with materially different lease structures, leases associated with known vacates at the time of acquisition, and leases with credit-related modifications.

NON-GAAP FINANCIAL MEASURES & OTHER DEFINITIONS

Non-GAAP Financial Measures and Other Definitions (continued)

Core Based Statistical Area (CBSA): We define Core Based Statistical Area ("CBSA") as a U.S. geographic area defined by the Office of Management and Budget that consists of one or more counties (or equivalents) anchored by an urban center of at least 10,000 people plus adjacent counties that are socioeconomically tied to the urban center by commuting.

Debt Capacity: We define Debt Capacity as the aggregate undrawn nominal commitments under the Company's unsecured debt instruments.

Enterprise Value: We define Enterprise Value as Equity Market Capitalization plus the liquidation value of our preferred stock plus the amounts outstanding under our unsecured credit facility, unsecured term loans, unsecured notes, and mortgage notes.

Equity Market Capitalization: We define Equity Market Capitalization based on period ended closing stock price multiplied by total shares and units at quarter end.

Fixed Charge Coverage Ratio: We define the Fixed Charge Coverage Ratio as Adjusted EBITDA divided by cash interest expense, preferred dividends paid and principal payments.

Funds from Operations (FFO), Core FFO, and Adjusted FFO (AFFO): We define FFO 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. Core FFO and AFFO exclude property acquisition costs, lease termination income, intangible amortization in rental income, loss on extinguishment of debt, and non-recurring other expenses. AFFO 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.

None of FFO, Core FFO or AFFO should be considered as an alternative to net income (determined in accordance with GAAP) as an indication of our performance, and we believe that to understand our performance further, these measurements should be compared with our reported net income or net loss in accordance with GAAP, as presented in our consolidated financial statements. We use FFO as a supplemental performance measure because it is a widely recognized measure of the performance of REITs. FFO may be used by investors as a basis to compare our operating performance with that of other REITs. We and investors may use Core FFO and AFFO similarly as FFO.

However, because FFO, Core FFO and AFFO exclude, among other items, depreciation and amortization and capture neither the changes in the value of our buildings that result from use or market conditions nor the level of capital expenditures and leasing commissions necessary to maintain the operating performance of our buildings, all of which have real economic effects and could materially impact our results from operations, the utility of theses measures as measures of our performance is limited. In addition, other REITs may not calculate FFO in accordance with the NAREIT definition as we do, and, accordingly, our FFO may not be comparable to such other REITs' FFO. Similarly, our calculations of Core FFO and AFFO may not be comparable to similarly titled measures disclosed by other REITs.

GAAP: U.S. generally accepted accounting principles.

NON-GAAP FINANCIAL MEASURES & OTHER DEFINITIONS

Non-GAAP Financial Measures and Other Definitions (continued)

GAAP Rent Change: We define GAAP Rent Change as the percentage change in the average base rent over the contractual lease term (excluding above/below market lease amortization) of the Comparable Lease.

Immediate Availability: We define Immediate Availability as the amount of Debt Capacity the Company could immediately borrow consistent with the financial covenants in its debt instruments.

Interest Coverage Ratio: We define the Interest Coverage Ratio as Adjusted EBITDA divided by interest expense less the non-cash portion of interest expense.

Location Classification: We define primary markets as the 29 largest industrial metropolitan areas, which each have approximately 200 million or more in net rentable square footage. We define secondary industrial markets as the markets which each have net rentable square footage ranging from approximately 25 million to approximately 200 million. We define tertiary markets as markets with less than 25 million square feet of net rentable square footage.

Net operating income (NOI), Cash NOI, and Run Rate Cash NOI: We define NOI as rental income, including reimbursements, less property expenses and real estate taxes, which excludes depreciation, amortization, loss on impairments, general and administrative expenses, interest expense, interest income, corporate sub-lease rental income, asset management fee income, property acquisition costs, loss on extinguishment of debt, gain on sales of rental property, and other expenses.

We define Cash NOI as NOI less straight-line rent adjustments and less intangible amortization in rental income.

We define Run Rate Cash NOI as Cash NOI plus Cash NOI adjusted for a full period of acquisitions and dispositions, less cash termination income. Run Rate Cash NOI does not reflect the Company's historical results and does not predict future results, which may be substantially different.

We consider NOI, Cash NOI and Run Rate Cash NOI to be appropriate supplemental performance measures to net income because we believe they help us and investors understand the core operations of our buildings. None of these measures should be considered as an alternative to net income (determined in accordance with GAAP) as an indication of our performance, and we believe that to understand our performance further, these measurements should be compared with our reported net income or net loss in accordance with GAAP, as presented in our consolidated financial statements. Further, our calculations of NOI, Cash NOI and Run Rate NOI may not be comparable to similarly titled measures disclosed by other REITs.

Non-Recurring Capital Expenditures: We define Non-Recurring Capital Expenditures as capital items for upgrades or items that previously did not exist at a building or capital items which have a longer useful life, such as roof replacements.

Occupancy Rate: We define Occupancy Rate as the percentage of total leasable square footage for which the lease term has commenced as of the close of the reporting period.

Operating Portfolio: We define our Operating Portfolio as including all warehouse and light manufacturing assets and excluding non-core flex/office assets and assets under redevelopment. Our Operating Portfolio also excludes billboard, parking lot and cell tower leases.

Pipeline: We define Pipeline as a point in time measure that includes all of the transactions under consideration by the Company's acquisitions group that have passed the initial screening process. The pipeline also includes transactions under contract and transactions with non-binding LOIs.

NON-GAAP FINANCIAL MEASURES & OTHER DEFINITIONS

Non-GAAP Financial Measures and Other Definitions (continued)

Real Estate Cost Basis: We define Real Estate Cost Basis as the book value of rental property and deferred leasing intangibles, exclusive of the related accumulated depreciation and amortization.

Recurring Capital Expenditures: We define Recurring Capital Expenditures as capital items required to sustain existing systems and capital items which generally have a shorter useful life.

Renewal Lease: We define a Renewal Lease as a lease signed by an existing tenant to extend the term for twelve months or more, including (i) a renewal of the same space as the current lease at lease expiration, (ii) a renewal of only a portion of the current space at lease expiration and (iii) an early renewal or workout, which ultimately does extend the original term for twelve months or more.

Retention: We define Retention as the percentage determined by taking Renewal Lease square footage commencing in the period divided by square footage of leases expiring in the period. Neither the Renewal Leases nor leases expiring include Temporary Leases or License Agreements. Retention excludes leases associated with known vacates at the time of acquisition, leases with credit-related modifications, and early terminations.

Same Store: We define Same Store properties as properties that were fully operating for the entirety of the comparative periods presented. Same Store properties exclude properties acquired after the first day in the earliest comparable period presented, properties that were disposed at any time during the comparative periods, and properties that underwent redevelopment at any time during the comparative periods.

Temporary Leases/License Agreements: We define a Temporary Lease or a License Agreement as any lease that is signed for an initial term of less than twelve months; this includes short-term new leases and short-term renewal leases.

Weighted Average Lease Term: We define Weighted Average Lease Term as the contractual lease term in years as of the lease start date weighted by square footage. Weighted Average Lease Term related to acquired assets reflects the remaining lease term in years as of the acquisition date weighted by square footage.