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Life Time Fitness Sale Leaseback

June 2015

Transaction Overview & Merits

Transaction Overview

- On June 10, 2015 Gramercy executed a $300.5 million 20-year sale leaseback transaction with Life Time Fitness, purchasing a portfolio of ten, large-format, high-end fitness centers in major markets across the United States.
  - Life Time, with 115 properties and revenue of approximately $1.3 billion, is a best-in-class operator of suburban fitness centers with a long, profitable operating history.
  - The facilities are leased on multiple 20-year net leases with four, five-year renewal options and 10% escalations every 5 years.
- Gramercy's portfolio is one of three pools of real estate totaling approximately $900 million that Life Time sold and leased back as part of a leveraged buyout of the Company by Leonard Green, TPG and Life Time's CEO Bahram Akradi.
  - In conjunction with the LBO, Life Time issued a $1.5 billion credit facility and $450 million of senior unsecured notes. Life Time received a Corporate Family Rating of B2 from Moody's and a Corporate Credit Rating of B from S&P.
- GPT management has extensive experience (25+ years) acquiring, re-tenanting and refinancing fitness centers.
- Through December 31, 2015, Gramercy expects to sell approximately $150MM in assets including up to four Life Time facilities.

Transaction Merits

- The purchase price is a ~20% discount to estimated replacement cost ($385MM).
- Straight-line cap rate of 7.5% (initial cap rate 6.5%).
- Increases Gramercy's weighted average lease term by approximately 1.5 years to 10 years.
- NNN lease with no landlord capex responsibilities is very scalable – increases asset base with no corresponding G&A required.
- Strong site level rent coverage creates high likelihood of renewals at lease end and/or affirmations in a downside scenario where the tenant has to restructure in bankruptcy. 4-Wall EBITDAR coverage is greater than 3x across GPT's 10-property portfolio.
- Facilities are well located in affluent, growing suburban locations, typically adjacent to office parks or in retail locations. 9 of the 10 assets are high quality, modern facilities for preconceived conversion to suburban office, if re-tenanting were ever required.
- U.S. health & wellness industry has exhibited consistent growth during periods of economic expansion and resiliency during recessionary times.

Life Time Fitness Overview

Founded in 1992 by Chairman and CEO Bahram Akradi, Life Time Fitness, Inc. is "The Healthy Way of Life Company"

- As of June 1, 2015, the company operated 115 centers under the **LIFE TIME FITNESS®** and **LIFE TIME ATHLETIC®** brands primarily in suburban locations in 32 major markets in the United States and Canada.
- Life Time centers are ultra high-end, large-format suburban fitness and athletic facilities, the majority of which operate 24 hours a day, seven days a week.
- Life Time offers a variety of services including group fitness, yoga, swimming, running, racquetball, squash, tennis, Pilates, martial arts, kids activities and camps, adult activities and leagues, rock climbing, cycling, basketball, personal training, weight loss and nutrition initiatives, spa, medi-spa and chiropractic services.

KEY FACTS	
First Center Opened:	1992
Headquarters:	Chanhassen, Minnesota
Ratings:	B2 / B
Revenues:	$1.31 billion (as of TTM 3/31/2015)
Employees:	24,600 (as of February 19, 2015)
Number of Centers:	115 (as of June 1, 2015)

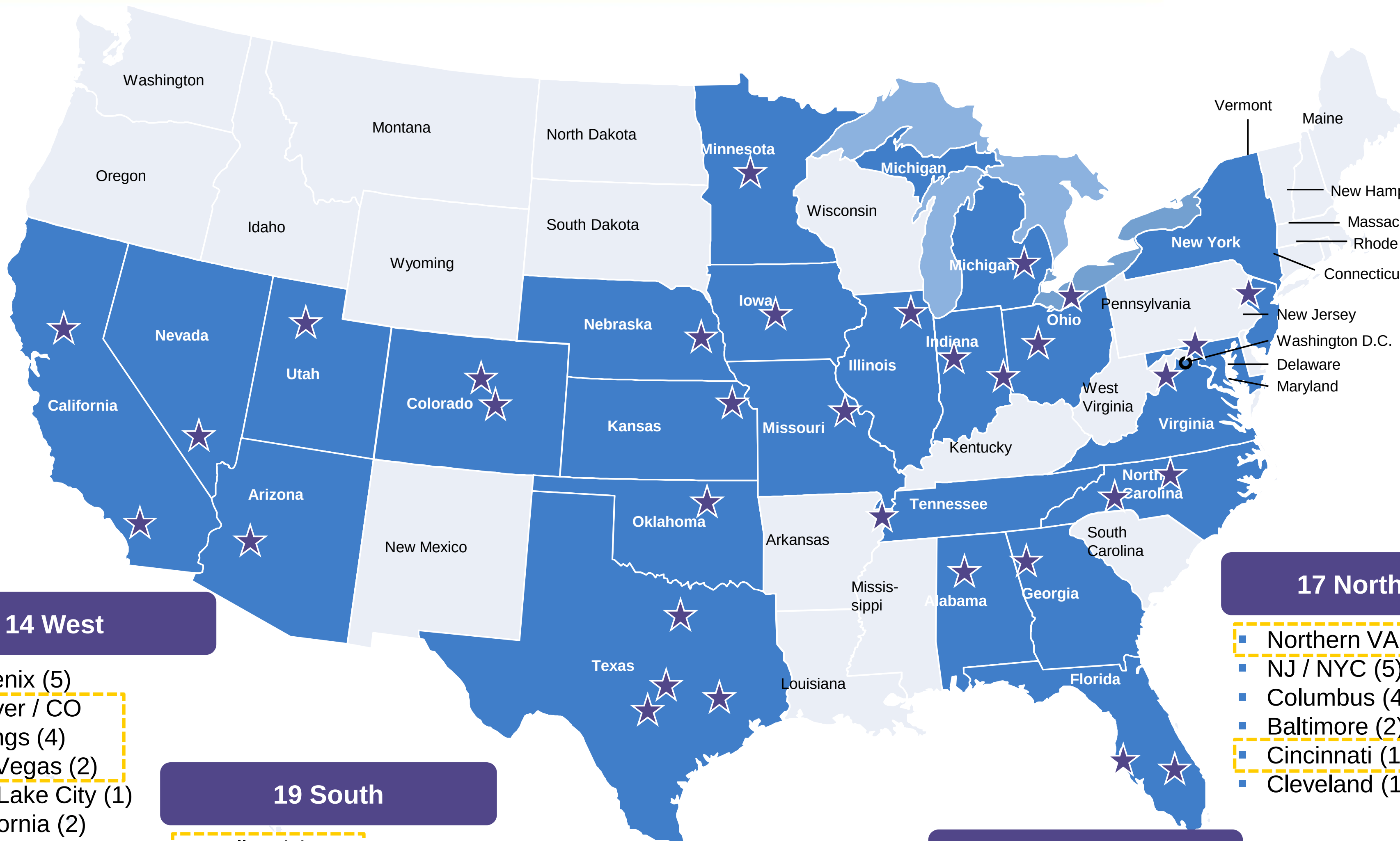
Summary Income Statement ($ mm)

	2010	2011	2012	2013	2014
Revenue	$913	$1,014	$1,127	$1,206	$1,291
EBITDA	$261	$280	$332	$352	$374
Net Income	$80	$92	$111	$121	$114
# of Centers	89	101	105	108	113

Pro Forma Summary Balance Sheet ($ mm)

	PF 3/31/15
Assets	**$3,597**
Cash & Cash Equivalents	$7
Liabilities	**$2,387**
New $250MM Revolver	$0
New Term Loan Facility	$1,250
New Senior Notes	$450
Equity	**$1,210**

Broad National Footprint (115 Fitness Centers)



14 West

- Phoenix (5)
- Denver / CO Springs (4)
- Las Vegas (2)
- Salt Lake City (1)
- California (2)

19 South

- Dallas (8)
- Houston (6)
- Austin (2)
- San Antonio (2)
- Tulsa (1)

49 Midwest

- Minneapolis / St. Paul (24)
- Chicago (9)
- Detroit (7)
- Indianapolis (3)
- Memphis (1)
- Omaha (1)
- St. Louis (1)
- Des Moines (1)
- Kansas City (2)

16 Southeast

- Atlanta (6)
- Raleigh (5)
- Charlotte (2)
- Birmingham (1)
- Boca Raton (1)
- Tampa (1)

17 Northeast

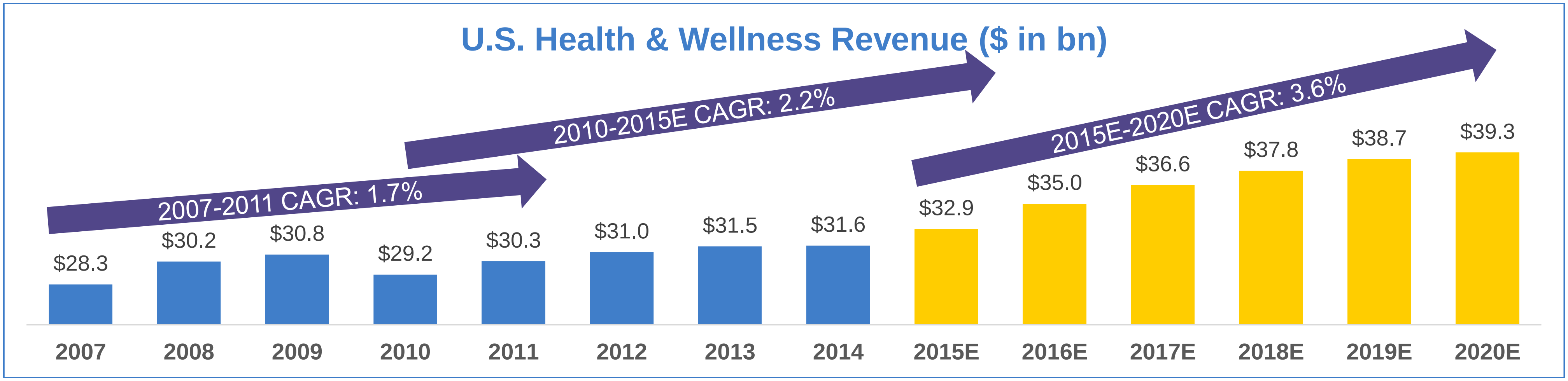
- Northern VA (4)
- NJ / NYC (5)
- Columbus (4)
- Baltimore (2)
- Cincinnati (1)
- Cleveland (1)

Note: Not pictured is one international property located in Toronto, Canada.
= Markets with a GPT Subject Property.

U.S. Health & Wellness Industry Highlights

According to the International Health, Racquet and Sportsclub Association (IHRSA), gym membership increased at an annualized rate of 1.3% to 52.9 million memberships from 2010 to 2014.

- Gym, health and fitness clubs have grown over the past 5 years, bolstered by public health initiatives that have shed light on the role of exercise in fighting diabetes, obesity and other ailments.
- Population growth, particularly among ages 20 to 64, which comprises the largest gym-going demographic, has spurred demand for club memberships.
- Over the five years to year-end 2015, revenue is expected to grow at an annualized rate of 2.2% to $32.9 billion, including 4.3% growth in 2015 alone, driven by rising gym membership among the increasingly active baby boomer population.
- In the five years to 2020, revenue is forecast to grow at an annualized rate of 3.6% to $39.3 billion as more consumers purchase high-cost industry services such as cohesive, individualized health plans that include trainers and nutritional guidance.
- Resiliency during U.S. recession with 1.7% annual growth from 2007 to 2011.
- Profit is also expected to slightly rise from 8.9% of industry revenue in 2015 to 9.0% by 2020, as many gyms offer more high margin services, such as group personal training sessions, to strengthen their product portfolio and bolster member retention rates.
- Due to the fragmented nature of this industry, no player holds a market share greater than 5.0%. Moreover, there is limited financial information available for players in this industry because many are private organizations with franchised operations.



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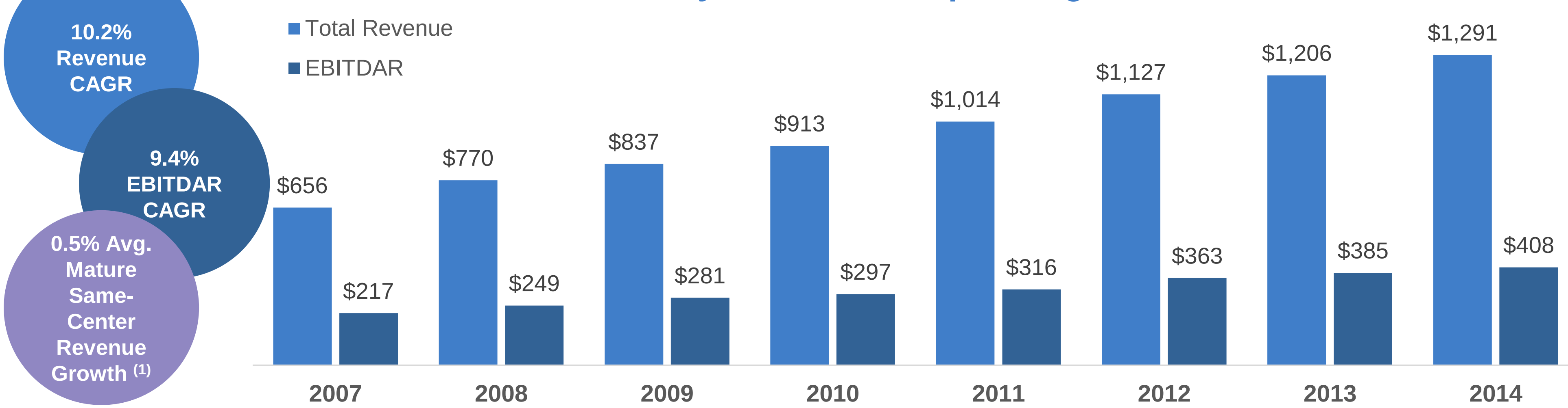
Strong, Consistent Financial Performance

Life Time has demonstrated consistent financial performance and steady growth

- Life Time's store-level business model is a proven cash generator and, in its history, Life Time has never closed a large-format club.
- In the 42 quarters since going public, LTM has grown revenue and EBITDAR year-over-year in 40 of those quarters.
- Life Time's broad range of services and membership offerings encourage member loyalty. Annual revenue per membership has increased by 30% since 2007. From 2010-2014, Life Time increased their membership base from 682,858 with 89 fitness centers to 809,445 with 113 fitness centers.
- Mature same-center average growth of 2.6% per year from 2010 – 2014[1]

Life Time– Key Financial & Operating Metrics[2]



	2007	2008	2009	2010	2011	2012	2013	2014
# of Centers	70	81	84	89	101	105	108	113
Annual Revenue per Membership	$1,360	$1,427	$1,414	$1,462	$1,527	$1,568	$1,656	$1,767
Mature Same-Center Revenue Growth[1]	0.8%	(2.8%)	(7.5%)	2.3%	4.3%	3.7%	3.2%	(0.3%)

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1. Open 37 months or longer.
2. $ in millions except per membership data.

Life Time Fitness Portfolio Overview & Analysis

Overview and Statistics

- 10 properties comprising 1,330,544 sq. ft. in Las Vegas; Colorado Springs; Denver; Washington, DC; Detroit, Cincinnati; Minneapolis; Memphis; Tulsa; and Dallas (71% Target Markets)
- $300.5MM purchase price ($226 psf); estimated replacement cost of $385MM ($290 psf) – ~20% discount to estimated replacement cost
- 7.5% straight-line cap rate (6.5% initial cap rate)
  - Portfolio average rent of $14.68 per sq. ft.
- Average facility age of 7 years

Investment Analysis

- Gramercy's portfolio consists of predominantly modern, large format buildings with good diversity of income stream – highest allocation to Las Vegas at 15% of NOI
  - Includes top locations of Denver and Reston (22% of NOI)
  - Good secondary locations of Summerlin (Las Vegas), Deerfield Township (Cincinnati), Collierville (Memphis), Mansfield (Dallas) and Colorado Springs – 54% of NOI

Fitness Centers


Summerlin, NV (Las Vegas)


Colorado Springs, CO


Centennial, CO (Denver)


Reston, VA (Baltimore/DC)


Canton, MI (Detroit)


Deerfield Township, OH (Cincinnati)


Eden Prairie, MN (Minneapolis)


Collierville, TN (Memphis)


Bixby, OK (Tulsa)

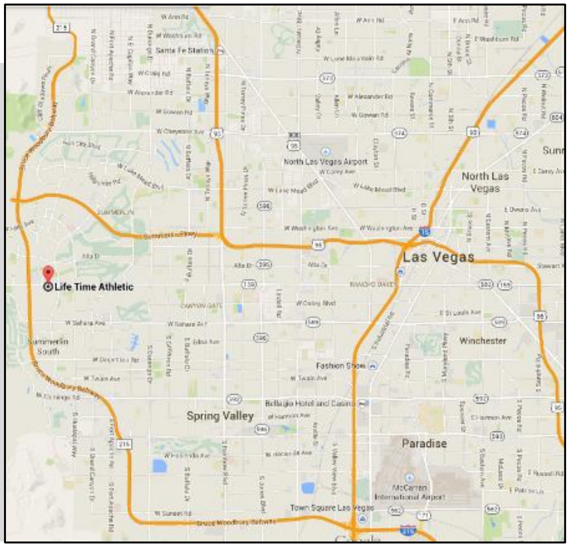

Mansfield, TX (Dallas)

Facilities Located in Affluent Neighborhoods of Major Markets

Summerlin, NV (Las Vegas)

- Submarket: Summerlin
- Location: 10 miles west of downtown Las Vegas and 20 minutes driving distance from McCarran International Airport
- Med HH Income: $91,579 (+73% MSA)
- Med Home Price: $341,200 (+207% MSA)

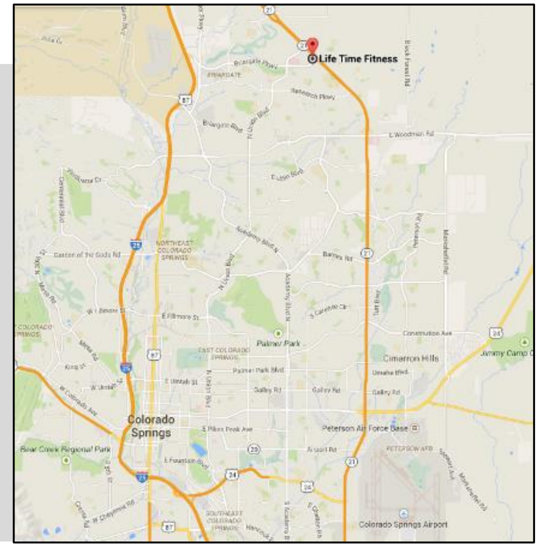
- MSA: Las Vegas-Henderson-Paradise
- MSA Population: 2,069,681
- MSA Med HH Income: $52,873
- MSA Med Home Price: $165,000



Colorado Springs, CO

- Submarket:
- Location: Located 12 miles northeast of downtown Colorado Springs at the intersection of Briargate Parkway and Powers Blvd.
- Med HH Income: $90,625 (+58% MSA)
- Med Home Price: $276,400 (+29% MSA)

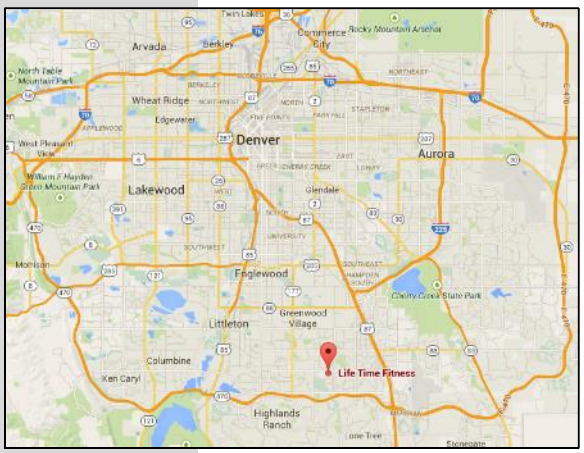
- MSA: Colorado Springs
- MSA Population: 686,908
- MSA Med HH Income: $57,229
- MSA Med Home Price: $214,200



Centennial, CO (Denver)

- Submarket: Centennial
- Location: 18 miles south of downtown Denver in the Littleton/Greenwood Village/Centennial submarket
- Med HH Income: $78,722 (+25% MSA)
- Med Home Price: $276,500 (+12% MSA)

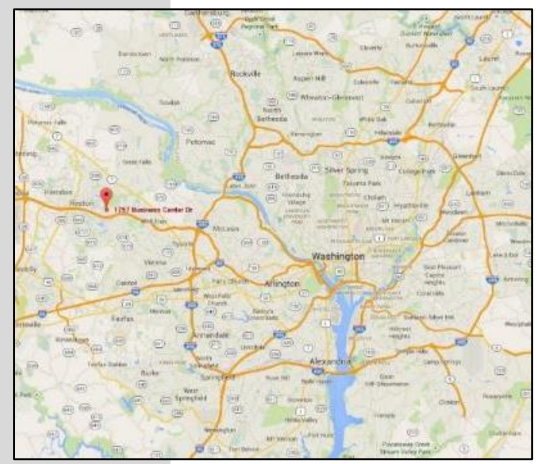
- MSA: Denver-Aurora-Lakewood
- MSA Population: 2,754,258
- MSA Med HH Income: $62,742
- MSA Med Home Price: $247,800



Reston, VA

- Submarket: Reston
- Location: Located 1 mile from the intersection of 267 and Wiehle Ave approximately 20 miles west of downtown Washington, DC in the Dulles Corridor Office submarket
- Med HH Income: $94,806 (+5% MSA)
- Med Home Price: $408,000 (+9% MSA)

- MSA: Washington-Arlington-Alexandria, DC-VA-MD-WV
- MSA Population: 6,033,737
- MSA Med HH Income: $90,540
- MSA Med Home Price: $373,100



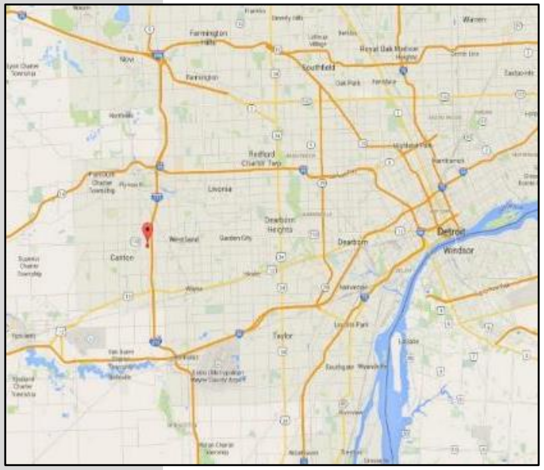
Source: U.S. Census Bureau.
Note: Submarket median household income and home price represents data from zip code where Life Time facility is located.

Facilities Located in Affluent Neighborhoods of Major Markets

Canton, MI (Detroit)

- Submarket: Canton
- Location: Adjacent to I-275 approximately 28 miles west of downtown Detroit and 13 miles northwest of DTW airport in a dense retail corridor in Canton
- Med HH Income: $76,430 (+47% MSA)
- Med Home Price: $186,700 (+50% MSA)

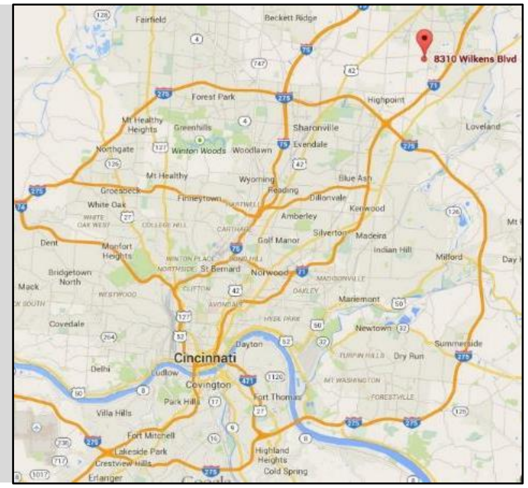
- MSA: Detroit-Warren-Dearborn
- MSA Population: 4,296,611
- MSA Med HH Income: $51,844
- MSA Med Home Price: $124,400



Deerfield Township, OH (Cincinnati)

- Submarket:
- Location: 22 miles northeast of downtown Cincinnati near Proctor & Gamble's 240-acre Mason campus and recently announced beauty innovation center
- Med HH Income: $88,395 (+62% MSA)
- Med Home Price: $227,800 (+49% MSA)

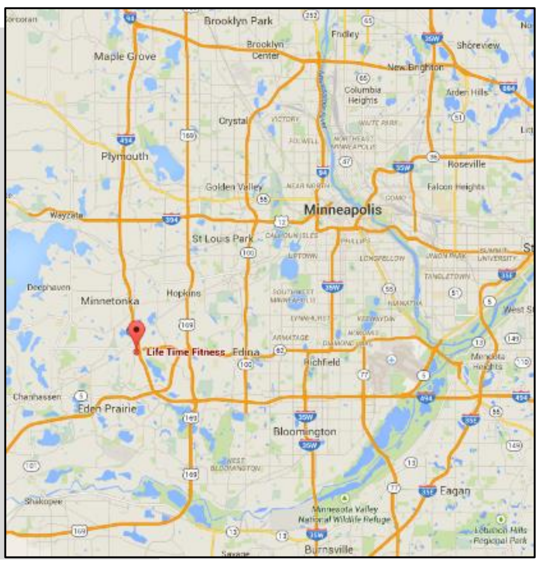
- MSA: Cincinnati
- MSA Population: 2,149,449
- MSA Med HH Income: $54,692
- MSA Med Home Price: $153,400



Eden Prairie, MN (Minneapolis)

- Submarket: Eden Prairie
- Location: 16 miles southwest of downtown Minneapolis in the Eden Prairie submarket
- Med HH Income: $64,285 (-4% MSA)
- Med Home Price: $215,000 (-1% MSA)

- MSA: Minneapolis- St. Paul- Bloomington
- MSA Population: 3,495,176
- MSA Med HH Income:$66,940
- MSA Med Home Price: $216,500



Collierville, TN (Memphis)

- Submarket: Memphis
- Location: Located 28 miles SE of downtown Memphis in a modern retail corridor with close proximity to several golf clubs, residential neighborhoods, and office HW locations, including International Paper and FedEx
- Med HH Income: $131,948 (+278% MSA)
- Med Home Price: $355,100 (+264% MSA)

- MSA: Memphis
- MSA Population: 1,343,230
- MSA Med HH Income: $47,497
- MSA Med Home Price: $134,300

Source: U.S. Census Bureau.
Note: Submarket median household income and home price data from zip code where Life Time facility is located.

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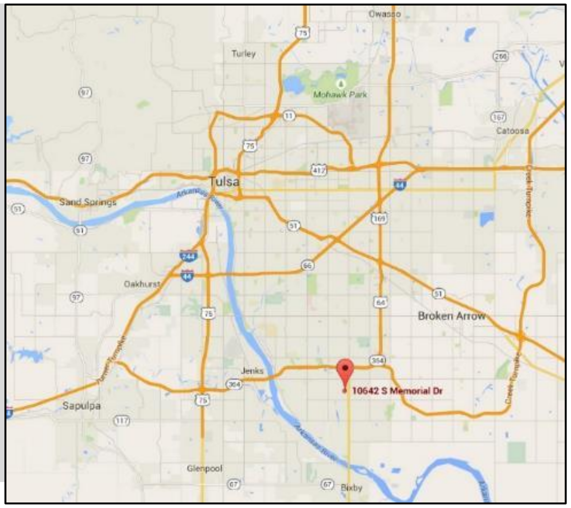
Facilities Located in Affluent Neighborhoods of Major Markets

Bixby, OK (Tulsa)

- Submarket: Bixby
- Location: Located 17 miles southeast of downtown Tulsa in Bixby
- Med HH Income: $56,189 (+16% MSA)
- Med Home Price: $175,200 (+37% MSA)

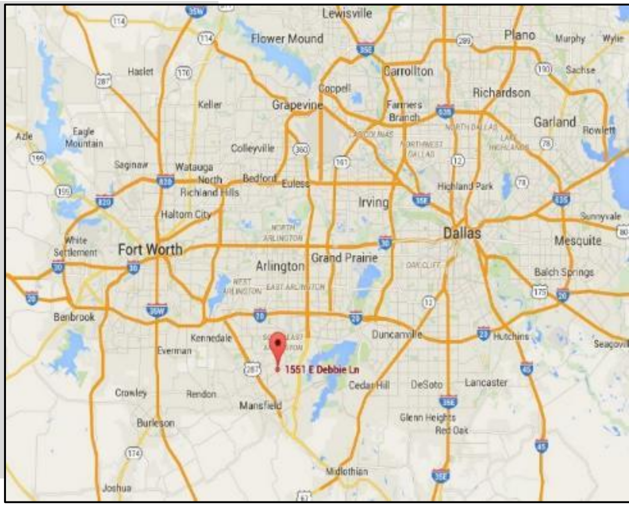
- MSA: Tulsa
- MSA Population: 969,224
- MSA Med HH Income: $48,573
- MSA Med Home Price: $127,800



Mansfield, TX (Dallas)

- Submarket: Mansfield
- Location: 19 miles southeast of downtown Fort Worth and 29 miles southwest of downtown Dallas in residential community of Mansfield
- Med HH Income: $92,052 (+58% MSA)
- Med Home Price:$179,600 (+20% MSA)

- MSA: Dallas-Fort Worth-Arlington
- MSA Population: 6,954,330
- MSA Med Income:$58,356
- MSA Med Home Price: $150,000



Source: U.S. Census Bureau.
Note: Submarket median household income and home price data from zip code where Life Time facility is located.

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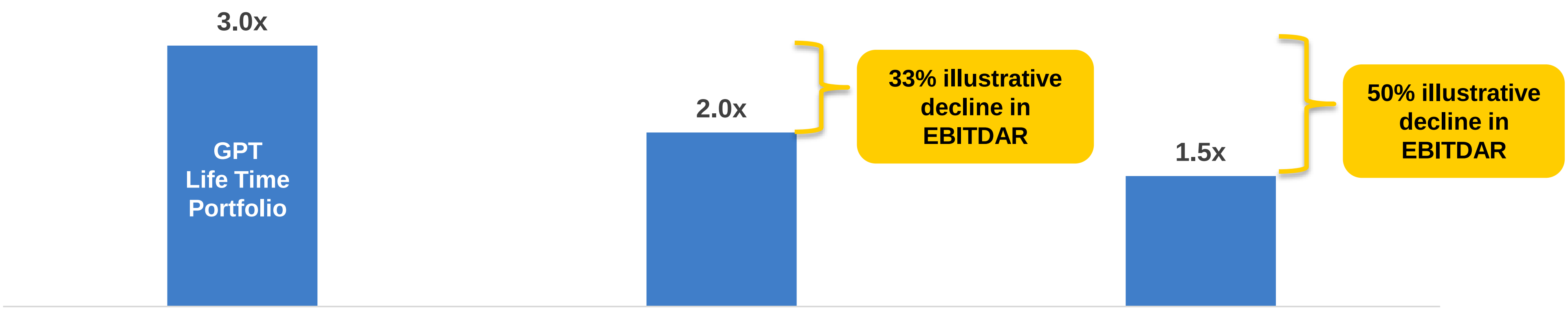
Strong Site Level Coverage

Facility EBITDAR to Rent Coverage



Health Care Facility EBITDARM to Rent Coverage [1]

REIT	Ticker	Senior Housing Coverage	Skilled Nursing / Post-Acute Care Coverage
Sabra Health Care REIT	SBRA	1.5x	1.5x
Health Care REIT	HCN	1.3x	1.8x
Ventas REIT	VTR	1.3x	1.8x
Healthcare Property Investors	HCP	1.3x	2.0x
Sector Averages		***1.3x***	***1.8x***

Compared to leading Health Care REITs, GPT's Life Time portfolio provides significantly more cushion for covering contractual rent obligations

1. EBITDARM is defined as facility EBITDA before rent and management fee obligations. Coverage numbers for health care REITs are as of the TTM period ended 3/31/15 for Sabra and Ventas, and 12/31/14 for Health Care REIT and Healthcare Property Investors.

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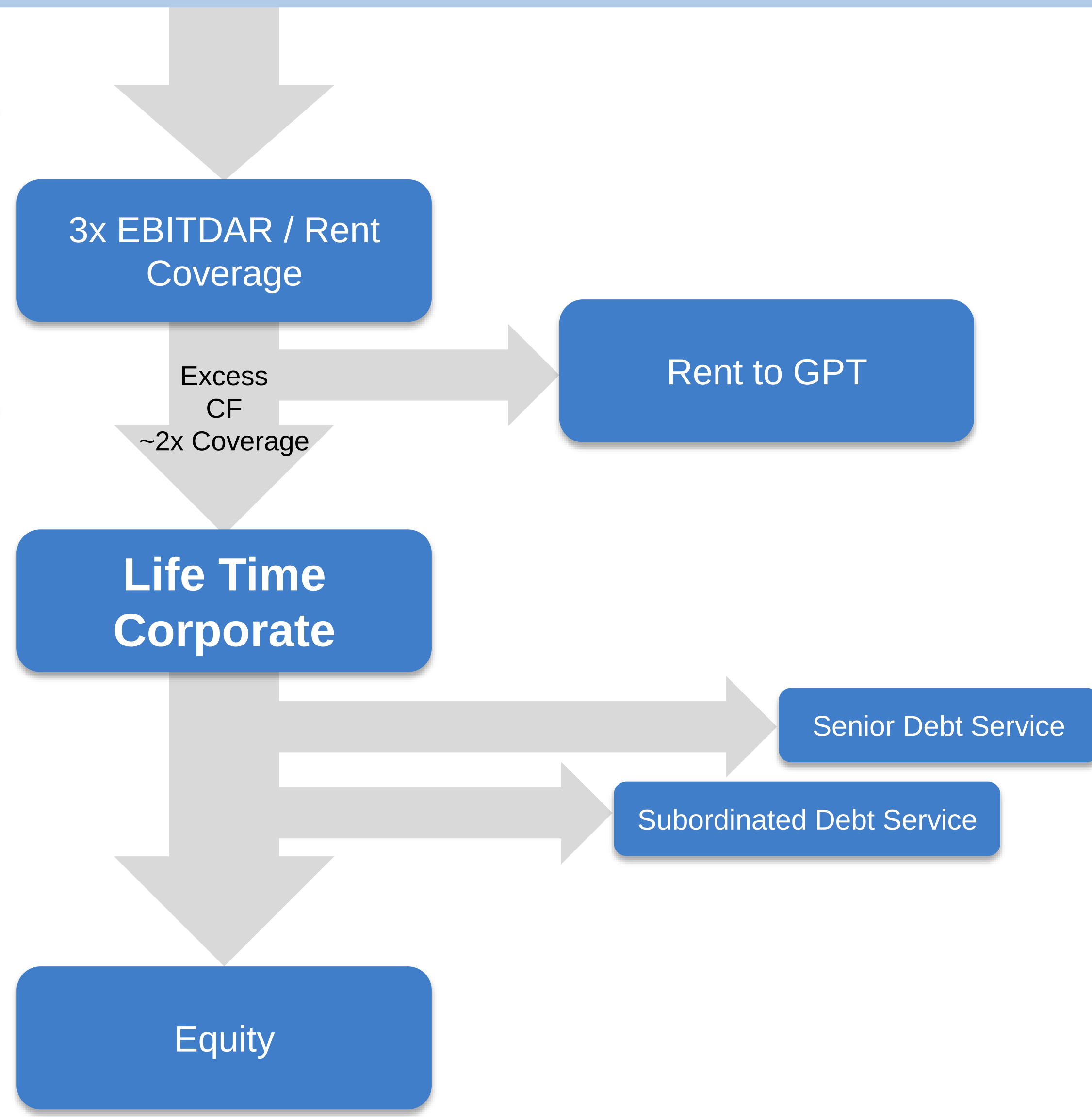
Benefits of Site Level Operating Performance

High facility level rent coverage provides GPT with significant security relative to unsecured credit investments at the corporate level

- ***Accessing site level profitability requires satisfying rental obligation in full, even in a restructuring scenario***
- ~20% discount to estimated replacement cost makes facility difficult to replicate in a given location
- Established, high quality locations with proven operating histories



Alternative Uses

- In the event of tenant default and the leases not affirmed, it is likely that the properties will be repurposed for another fitness operator given the strong site level coverage of Gramercy's portfolio.
- Converting to office today does not necessarily pencil out at current rent levels, but could over time and offers a viable secondary re-tenanting option to help manage residual value risk in a downside scenario.
  - Preconceived building attributes for office conversion:
    - Precast concrete structure simplifying fire code modifications required for use conversion.
    - 14' floor-to-floor spacing to allow for up to 10' finished office ceiling heights.
    - Structural grids / column spacing for flexibility with regard to office & workstation layouts.
    - Re-usable double-height entrance lobby.

Suburban Office Conversion (Price per sq. ft.)

	Low	High
Initial Basis (GPT Portfolio Initial Cost of $226)	$200	$275
Estimated Cost to Convert to Office	$75	$100
Estimated TI / LC Package	$25	$50
Total Basis at Redevelopment	**$300**	**$425**
Implied Office NNN Rent @ 6.5% Cap Rate	$20	$28
Market NNN Office Rents Today	**$12**	**$20**

Estimated Budget (Price per sq. ft.)

	Low	High
Façade Modifications	$15	$20
Specialized Space Modifications (pool fill-in, 2nd floor construction in courts)	$16	$21
Core & Common Area Modifications (elevators, stairs, restrooms, etc.)	$27	$36
Site / Landscaping Modifications	$8	$12
General Conditions & Fees	$5	$6
Contingency	$4	$5
Total	**$75**	**$100**

High Quality Net Leased Portfolio[1] with Long Dated Lease Expiration

As of May 31, 2015

Gramercy Property Trust Owned Portfolio[1]

	Properties	% of Contractual Base Rent	Occupancy	Total Square Feet	Annualized Straight-Line NOI
Industrial	65	41%	100.0%	13.3 million	$71.1 million
Office/Banking Centers	84	36%	98.5%	5.0 million	$60.9 million
Specialty Industrial	14	8%	100.0%	0.7 million	$13.2 million
Specialty Retail	10	12%	100.0%	1.3 million	$22.7 million
Data Centers	2	3%	100.0%	0.2 million	$5.2 million
Total	**175**	**100%**	**99.6%**	**20.6 million**	**$173.1 million**

Key Portfolio Statistics[1]

Size
- 175 assets
- 21 million square feet

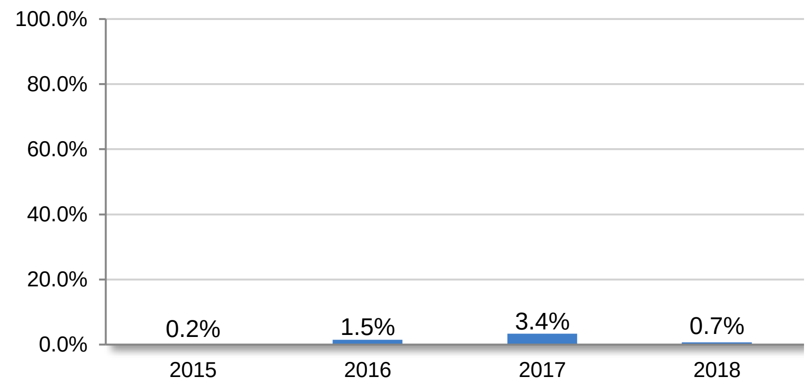
Tenants
- 33% Investment Grade

Lease Term
- 9.9 Years

Occupancy
- 99.6%

Geographic
- 83% of assets in Target Markets
- Largest market: Los Angeles

Lease Expiration Schedule[1]



- 5.8% of Contractual Base Rent has an initial expiration date through December 31, 2018
- Near-Term Maturities: 2017 – Ceva Freight (2.8%)

1. GPT owned portfolio as of May 31, 2015. Pro Forma for contracted pipeline transactions expected to close by June 30, 2015.

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Strong Credit Tenant Roster with 83% of Assets in Major Markets

As of May 31, 2015

Top 10 Tenant List[1]

Rank	Tenants	% of Total	Rating (Moody's / S&P)
1	Bank of America	18.4%	A2 / A
2	Lifetime Fitness	12.3%	B2 / B
3	nsn	3.2%	Ba2 / BB+
4	Adesa / KAR Auction Services *	3.1%	B1 / B+
5	ceva	2.8%	Caa1 / B-
6	Crawford	2.5%	NR / NR
7	Equinix	2.4%	Ba3 / BB
8	Domtar	2.3%	Baa3 / BBB-
9	amcor	2.3%	Baa2 / BBB
10	avis budget group	2.2%	Ba3 / BB-
Subtotal		**51.6%**	

* Denotes lease guarantor.

GPT may elect to sell four Life Time facilities as part of a plan to reduce tenant exposure to less than 5% within 12 months.

Portfolio Breakdown by Geography[1]

Rank	Markets	% of Total
1	Los Angeles	12%
2	Dallas	9%
3	Jacksonville	7%
4	Chicago	6%
5	South Florida	6%
6	New York / New Jersey	5%
7	Philadelphia	4%
8	Phoenix	3%
9	Indianapolis	3%
10	Houston	3%
	Other Target Markets[2]	25%
	Other[3]	17%

83% of assets are located in Gramercy target markets.

1. Based on contractual base rent for each property in our portfolio at May 31, 2015. Pro forma for under contract pipeline deals expected to close by June 30, 2015.
2. Includes properties located in Gramercy Target Market MSAs of San Francisco, Atlanta, Baltimore, Washington DC, Memphis, Central Pennsylvania, Tampa, Orlando, Las Vegas, Denver, Seattle, Cincinnati, Savannah, Minneapolis, Columbus, Nashville, Charlotte, Austin, Inland Empire and Kansas City.
3. Includes properties located in Tulsa, OK; Detroit, MI; Colorado Springs, CO; Waco, TX; Ames, IA; Cleveland, OH; Yuma, AZ; St. Louis, MO; Northern California; Central Florida; Central Illinois and other markets.

Pro Forma for 4 LTF Asset Sales

As of May 31, 2015

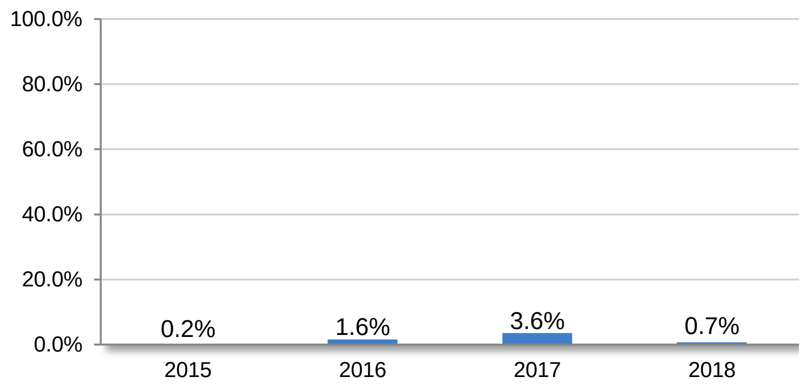
Gramercy Property Trust Owned Portfolio[1]

	Properties	% of Contractual Base Rent	Occupancy	Total Square Feet	Annualized Straight-Line NOI
Industrial	65	43%	100.0%	13.3 million	$71.1 million
Office/Banking Centers	84	38%	98.5%	5.0 million	$60.9 million
Specialty Industrial	14	8%	100.0%	0.7 million	$13.2 million
Specialty Retail	6	7%	100.0%	0.8 million	$12.0 million
Data Centers	2	3%	100.0%	0.2 million	$5.2 million
Total	**171**	**100%**	**99.6%**	**19.9 million**	**$162.4 million**

Key Portfolio Statistics[1]

Size	$171 assets 20 million square feet
Tenants	35% Investment Grade
Lease Term	9.3 Years
Occupancy	99.6%
Geographic	84% of assets in Target Markets Largest market: Los Angeles

Lease Expiration Schedule[1]



- 6.2% of Contractual Base Rent has an initial expiration date through December 31, 2018
- Near-Term Maturities: 2017 – Ceva Freight (3.0%)

1. GPT owned portfolio as of May 31, 2015. Pro Forma for contracted pipeline transactions expected to close by June 30, 2015 and the sale of 4 Life Time Assets to be sold promptly thereafter.

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Pro Forma for 4 LTF Asset Sales

As of May 31, 2015

Top 10 Tenant List[1]

Rank	Tenants	% of Total	Rating (Moody's / S&P)
1	Bank of America	19.6%	A2 / A
2	Lifetime Fitness	6.9%	B2 / B
3	nsn	3.4%	Ba2 / BB+
4	Adesa / KAR Auction Services *	3.3%	B1 / B+
5	ceva	3.0%	Caa1 / B-
6	Crawford	2.6%	NR / NR
7	Equinix	2.5%	Ba3 / BB
8	Domtar	2.5%	Baa3 / BBB-
9	amcor	2.5%	Baa2 / BBB
10	avis budget group	2.3%	Ba3 / BB-
Subtotal		**48.6%**	

* Denotes lease guarantor.

Portfolio Breakdown by Geography[1]

Rank	Markets	% of Total
1	Los Angeles	13%
2	Dallas	8%
3	Jacksonville	7%
4	Chicago	7%
5	South Florida	6%
6	New York / New Jersey	5%
7	Philadelphia	4%
8	Phoenix	4%
9	Indianapolis	3%
10	Houston	3%
	Other Target Markets[2]	24%
	Other[3]	16%

84% of assets are located in Gramercy target markets.

1. Based on contractual base rent for each property in our portfolio at May 31, 2015. Pro forma for under contract pipeline deals expected to close by June 30, 2015 and the sale of 4 Life Time Assets to be sold promptly thereafter.
2. Includes properties located in Gramercy Target Market MSAs of San Francisco, Atlanta, Baltimore, Washington DC, Memphis, Central Pennsylvania, Tampa, Orlando, Las Vegas, Denver, Seattle, Cincinnati, Savannah, Minneapolis, Columbus, Nashville, Charlotte, Austin, Inland Empire and Kansas City.
3. Includes properties located in Tulsa, OK; Detroit, MI; Colorado Springs, CO; Waco, TX; Ames, IA; Cleveland, OH; Yuma, AZ; St. Louis, MO; Northern California; Central Florida; Central Illinois and other markets.