FORM 8-K

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American Realty Capital Properties, Inc.

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): January 8, 2013

AMERICAN REALTY CAPITAL PROPERTIES, INC.
(Exact name of Registrant as specified in its charter)

Maryland	001-35263	45-2482685
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(I.R.S. Employer Identification No.)

405 Park Avenue
New York, New York 10022
(Address, including zip code, of principal executive offices)

(212) 415-6500
Registrant's telephone number, including area code:

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 8.01. Other Events.

On December 14, 2012, American Realty Capital Properties, Inc., a Maryland corporation, which we refer to as "we," "us" or "our," entered into an Agreement and Plan of Merger with American Realty Capital Trust, III, Inc., a Maryland corporation, or ARCT III, Tiger Acquisition, LLC, a Delaware limited liability company and one of our wholly owned subsidiaries, or Merger Sub, ARC Properties Operating Partnership, L.P., a Delaware limited partnership, or our Operating Partnership, and American Realty Capital Operating Partnership III, L.P., a Delaware limited partnership and the operating partnership of ARCT III, or the ARCT III Operating Partnership. The merger agreement provides for the merger of ARCT III with and into Merger Sub, with Merger Sub surviving as one of our wholly owned subsidiaries. In addition, the merger agreement provides for the merger of ARCT III Operating Partnership with and into our Operating Partnership, with our Operating Partnership being the surviving entity.

We have filed a post-effective amendment to our Registration Statement on Form S-3 (Registration No. 333-182971), or the Post-Effective Amendment, in order to provide investors with certain information relating to the merger and other matters. The purpose of this Current Report on Form 8-K is to file under the Securities Exchange Act of 1934, as amended, and allow for incorporation by reference, as applicable, certain material information relating to the merger in order that such information may be incorporated by reference into the Post-Effective Amendment.

Such information is provided below and in Exhibits 99.1 – 99.5 attached hereto (which are incorporated by reference herein), and consists of (i) certain financial statements of ARCT III, the entity with which we intend to merge, (ii) certain risk factors relating to the proposed merger, (iii) our unaudited pro forma financial statements assuming we merged with ARCT III as of September 30, 2012, (iv) summary financial statements of FedEx Corporation, which is the parent of the lessee under leases producing, on a pro forma basis assuming our merger with ARCT III, 10.1% of our annualized rental income on a straight-line basis as of September 30, 2012, (v) summary financial statements of Dollar General Corporation, which is the parent guarantor of leases producing, on a pro forma basis assuming our merger with ARCT III, 12.3% of our annualized rental income on a straight-line basis as of September 30, 2012, and (vi) summary financial statements of RBS Citizens, N.A., which is the parent of the lessee under leases producing, on a pro forma basis assuming our merger with ARCT III, 11.9% of our annualized rental income on a straight-line basis as of September 30, 2012.

The following financial statements of ARCT III are incorporated herein by reference:

Financial Statement	**Incorporated by Reference to**
Consolidated Balance Sheets as of December 31, 2011 and 2010	(1)
Consolidated Statements of Operations for the Year Ended December 31, 2011 and the Period from October 15, 2010 (date of inception) to December 31, 2010	(1)
Consolidated Statement of Stockholders' Equity for the Year Ended December 31, 2011 and the Period from October 15, 2010 (date of inception) to December 31, 2010	(1)
Consolidated Statements of Cash Flows for the Year Ended December 31, 2011 and the Period from October 15, 2010 (date of inception) to December 31, 2010	(1)
Notes to Consolidated Financial Statements	(1)
Schedule III − Real Estate and Accumulated Depreciation at December 31, 2011	(1)
Consolidated Balance Sheets as of September 30, 2012 (Unaudited) and December 31, 2011	(2)
Consolidated Statements of Operations and Comprehensive Loss for the Three and Nine Months Ended September 30, 2012 and 2011 (Unaudited)	(2)
Consolidated Statement of Changes in Equity for the Nine Months Ended September 30, 2012 (Unaudited)	(2)
Consolidated Statements of Cash Flows for the Nine Months Ended September 30, 2012 and 2011 (Unaudited)	(2)
Notes to Consolidated Financial Statements (Unaudited)	(2)

(1) Annual Report on Form 10-K of ARCT III for the year ended December 31, 2011, filed with the Securities and Exchange Commission on February 29, 2012.

(2) Quarterly Report on Form 10-Q of ARCT III for the quarterly period ended September 30, 2012, filed with the Securities and Exchange Commission on November 14, 2012.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
23.1	Consent of Grant Thornton LLP
99.1	Risk Factors
99.2	Unaudited Pro Forma Financial Statements of American Realty Capital Properties, Inc.
99.3	Summary Financial Statements of FedEx Corporation
99.4	Summary Financial Statements of Dollar General Corporation
99.5	Summary Financial Statements of RBS Citizens, N.A.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

AMERICAN REALTY CAPITAL PROPERTIES, INC.

January 8, 2013

By: /s/ Nicholas S. Schorsch
Name: Nicholas S. Schorsch
Title: Chief Executive Officer and Chairman of the Board of Directors

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have issued our report dated February 29, 2012 with respect to the consolidated financial statements and schedule included in the Annual Report on Form 10-K for the year ended December 31, 2011 of American Realty Capital Trust III, Inc., which is incorporated by reference in this Current Report on Form 8-K of American Realty Capital Properties, Inc. We consent to the incorporation by reference in the Current Report on Form 8-K of the aforementioned report.

/s/ GRANT THORNTON LLP

Philadelphia, Pennsylvania

January 8, 2013

RISK FACTORS

Risk Factors Relating to the Mergers

The exchange ratio is fixed and will not be adjusted in the event of any change in either our or ARCT III' s stock price.

Upon the consummation of the mergers, each share of ARCT III common stock will be converted into the right to receive, at the election of the holder of such share of ARCT III common stock, (a) 0.95 of a share of our common stock, with cash paid in lieu of fractional shares, or (b) cash equal to $12.00, at the election of ARCT III stockholders (subject to proration in accordance with the merger agreement). The stock exchange ratio was fixed in the merger agreement and will not be adjusted for changes in the market price of our common stock or the value of ARCT III common stock. Changes in the price of our common stock prior to the mergers will affect the market value of the merger consideration that ARCT III stockholders electing to receive our common stock will receive on the date of the mergers. Stock price changes may result from a variety of factors (many of which are beyond our control), including the following factors:

- market reaction to the announcement of the mergers and the prospects of the combined company;
- changes in our respective businesses, operations, assets, liabilities and prospects;
- changes in market assessments of the business, operations, financial position and prospects of either company;
- market assessments of the likelihood that the mergers will be completed;
- interest rates, general market and economic conditions and other factors generally affecting the price of our and ARCT III' s common stock;
- federal, state and local legislation, governmental regulation and legal developments in the businesses in which we and ARCT III operate; and
- other factors beyond the control of us and ARCT III, including those described or referred to elsewhere in this "Risk Factors" section.

The price of our common stock at the consummation of the mergers may vary from its price on the date the merger agreement was executed, on the date of this Form 8-K and on the date of the special meetings of us and ARCT III. As a result, the market value of the merger consideration represented by the stock exchange ratio will also vary. For example, based on the range of closing prices of ARCP common stock during the period from December 14, 2012, the last trading day before public announcement of the mergers, through January 4, 2013, the latest practicable date before the date of this Form 8-K, the exchange ratio of 0.95 shares of our common stock represented a market value ranging from a low of $12.10 to a high of $13.39.

In addition, the value of ARCT III common stock at the consummation of the mergers may vary from its value on the date the merger agreement was executed, on the date of this Form 8-K and on the date of the special meetings of us and ARCT III. As a result, the market value of ARCT III common stock could be more or less than $12.00, which represents the merger consideration payable if an ARCT III stockholder elects to receive cash (subject to any proration, as discussed herein).

The merger of us and ARCT III and related transactions are subject to approval by stockholders of both us and ARCT III.

In order for the merger of us and ARCT III to be completed, ARCT III stockholders must approve the merger of us and ARCT III and the other transactions contemplated by the merger agreement, which requires the affirmative vote of the holders of at least a majority of the outstanding shares of ARCT III common stock entitled to vote on such proposal. In addition, while a vote of our stockholders is not required to approve the merger of us and ARCT III, our stockholders' approval is required under applicable NASDAQ rules in order for us to be authorized to issue the shares of our common stock to ARCT III stockholders as part of the merger consideration. Approval of the issuance of shares of our common stock to ARCT III stockholders under NASDAQ rules requires approval of at least a majority of the total votes cast, provided that the total votes cast represent at least a majority of the outstanding shares of our common stock entitled to vote on such proposal. If either or both of these required votes is not obtained by May 31, 2013 (subject to our right and the right of ARCT III to extend such date by up to 60 days), the mergers may not be consummated. The failure to achieve expected benefits and unanticipated costs relating to the mergers could reduce our financial performance.

Your ownership position will be diluted by the merger of us and ARCT III.

The merger of us and ARCT III will dilute the ownership position of our stockholders at the time they are consummated. Following the issuance of shares of our common stock to ARCT III stockholders pursuant to the merger agreement, assuming 70% of the merger consideration is paid in the form of shares of our common stock, our stockholders and the former ARCT III stockholders are expected to hold approximately 9% and 91%, respectively, of the combined company' s common stock outstanding immediately after the merger of us and ARCT III, based on the number of shares of common stock of each of us and ARCT III currently outstanding and various assumptions regarding share issuances by each of us and ARCT III prior to the effective time of the mergers (provided, however, such dilution could be greater than described herein depending on the number of shares of ARCT III common stock with respect to which ARCT III stockholders make stock elections). Consequently, our stockholders, as a general matter, will have less influence over our management and policies after the mergers than they exercise over our management and policies immediately prior to the mergers.

If the mergers do occur, we may incur payment obligations to ARCT III.

If the merger agreement is terminated under certain circumstances, we may be required to pay ARCT III up to $10 million in expense reimbursement.

Failure to complete the mergers could negatively impact our future business and financial results.

If the mergers are not completed, our ongoing businesses could be adversely affected and we will be subject to several risks, including the following:

- our being required, under certain circumstances, to pay to ARCT III up to $10 million in expense reimbursement;
- our having to pay certain costs relating to the proposed mergers, such as legal, accounting, financial advisor, filing, printing and mailing fees; and
- the diversion of management focus and resources from operational matters and other strategic opportunities while working to implement the mergers.

If the mergers are not completed, these risks could materially affect our business, financial results and stock price.

The pendency of the mergers could adversely affect our business and operations.

In connection with the pending mergers, some of our customers or vendors may delay or defer decisions, which could negatively impact our revenues, earnings, cash flows and expenses, regardless of whether the mergers are completed. In addition, due to operating covenants in the merger agreement, we may be unable, during the pendency of the mergers, to pursue certain strategic transactions, undertake certain significant capital projects, undertake certain significant financing transactions and otherwise pursue other actions that are not in the ordinary course of business, even if such actions would prove beneficial.

The merger agreement contains provisions that grant the ARCT III board of directors with a general ability to terminate the merger agreement based on the exercise of the directors' duties.

ARCT III may terminate the merger agreement if its board of directors determines in good faith, after consultation with outside legal counsel, that failure to change its recommendation with respect to the mergers (and to terminate the merger agreement) would be inconsistent with the directors' duties under applicable law. If the mergers are not completed, our ongoing businesses could be adversely affected and we will be subject to several risks, including the risks described elsewhere in this "Risk Factors" section.

There may be unexpected delays in the consummation of the mergers, which could impact our ability to timely achieve the benefits associated with the mergers.

The mergers are expected to close during the second quarter of 2013 assuming that all of the conditions in the merger agreement are satisfied or waived. The merger agreement provides that either we or ARCT III may terminate the merger agreement if the mergers have not occurred by May 31, 2013 (subject to our right and the right of ARCT III to extend this date by up to 60 days). Certain events may delay the consummation off the mergers. Some of the events that could delay the consummation of the mergers include difficulties in obtaining the approval of ARCT III or our stockholders or satisfying the other closing conditions to which the mergers are subject.

The mergers are subject to a number of conditions which, it not satisfied or waived, would adversely impact our ability to complete the transactions.

The mergers, which are expected to close during the second quarter of 2013, are subject to certain closing conditions, including, among other things (a) amendment of our management agreement to, among other things (i) eliminate certain acquisition and financing fees payable by us (exclusive of certain pipeline properties), (ii) the internalization of certain accounting, leasing and other management functions and (iii) the reduction of certain asset management fees, (b) the effectiveness of a registration statement on Form S-4 filed by us with the SEC on January 8, 2013 pursuant to which our shares of common stock will be issued, (c) the approval of the merger by at least 50% of all the votes entitled to be cast on the matter by the holders of all of ARCT III' s outstanding shares of common stock, (d) the approval of the issuance of our common stock to the ARCT III stockholders of at least a majority of the votes cast by our stockholders (provided the total number of votes cast constitutes a quorum), (e) the accuracy of the other parties' representations and warranties and compliance with covenants, subject in each case to materiality standards, and (f) delivery of tax opinions. There can be no assurance these conditions will be satisfied or waived, if permitted or the occurrence of any effect, event, development or change will not transpire. Therefore, there can be no assurance with respect to the timing of the closing of the mergers or whether the mergers will be completed at all.

If the proposed credit facility transactions do not close, we will need to replace the funding that will be used to finance a portion of the cash consideration and other merger costs.

We will need additional funding to consummate the mergers. We intend to pay for cash elections by ARCT III stockholders using a combination of (i) ARCT III' s and our available cash on hand and (ii) $1.2 billion of unsecured financing, consisting of a $1.0 billion credit facility (under which ARCT III has obtained a commitment for $650.0 million, and which contains an "accordion" feature to allow ARCT III, under certain circumstances, to increase the commitments thereunder by $350.0 million) and an additional credit facility in the amount of $200.0 million (which amount is committed but subject to reduction to the extent the committing lender participates in the $1.0 billion credit facility). These commitments are subject to customary conditions for these types of financings, including, but not limited to (1) the completion of due diligence review of the assets, liabilities and properties of us and the ARCT III Operating Partnership and their respective subsidiaries, (2) the negotiation and execution of definitive loan documentation, (3) no change, occurrence or development shall have occurred that has had, or could reasonably be expected to result in, a material adverse change in, or a material adverse effect on, the operations, business, assets, properties or liabilities of us and the ARCT III Operating Partnership and their respective subsidiaries, (4) the negotiation, execution and delivery of definitive documentation concerning intercreditor arrangements among the respective credit facility lenders and agents and (5) repayment of our existing senior secured credit facility.

There can be no assurance that we will receive the fundings under the credit facilities described above, that we will finance the mergers as anticipated or will not subsequently enter into alterative financing arrangements, including debt or equity financing or the potential sales of properties to third parties, to fund all or a portion of the cash consideration and other merger costs. If the funding transactions are not consummated, we will need to finance a portion of the cash consideration and other merger costs by other means, which may result in our incurring increased interest costs on replacement financing. The interest rate on replacement financing will depend on prevailing market conditions at the time. If we are unable to obtain adequate funding for the cash consideration and other merger costs, we will be unable to consummate the mergers.

An adverse judgment in a lawsuit challenging the mergers may prevent the mergers from becoming effective or from becoming effective within the expected timeframe.

If any purported stockholders file lawsuits challenging the mergers, we cannot assure you as to the outcome of these lawsuits, including the costs associated with defending these claims or any other liabilities that may be incurred in connection with the litigation or settlement of these claims. If plaintiffs are successful in obtaining an injunction prohibiting the parties from completing the mergers on the agreed-upon terms, such an injunction may prevent the completion of the mergers in the expected time frame, or may prevent them from being completed altogether. Whether or not the plaintiffs' claims are successful, this type of litigation is often expensive and diverts management' s attention and resources, which could adversely affect the operation of our businesses.

Risk Factors Relating to Us Following the Mergers

We expect to incur substantial expenses related to the mergers.

We expect to incur substantial expenses in connection with completing the mergers and integrating the business, operations, networks, systems, technologies, policies and procedures of ARCT III with ours. There are several systems that must be integrated, including accounting and finance and asset management. While we have assumed that a certain level of transaction and integration expenses would be incurred, there are a number of factors beyond our control that could affect the total amount or the timing of our integration expenses. Many of the expenses that will be incurred, by their nature, are difficult to estimate accurately at the present time. As a result, the transaction and integration expenses associated with the mergers could, particularly in the near term, exceed the savings that we expect to achieve from the elimination of duplicative expenses and the realization of economies of scale and cost savings related to the integration of the businesses following the completion of the mergers.

American Realty Capital Advisors III, LLC, or the ARCT III Advisor, will only provide support for a limited period of time under the Second Amended and Restated Advisory Agreement, dated as of November 13, 2012, by and among ARCT III, the ARCT III Advisor and the ARCT III Operating Partnership, or the ARCT III Advisory Agreement.

The ARCT III Advisory Agreement, which requires the ARCT III Advisor to provide certain services to ARCT III, including asset management, advisory services, and other essential services, has been terminated and will expire 60 days following the consummation of the mergers, which we anticipate will occur during the second quarter of 2013. To the extent the employees and infrastructure of the combined company cannot adequately provide any such services to the combined company after the expiration of the advisory agreement, the operations and the market price of the combined company' s common stock would be adversely affected.

Following the mergers, the combined company may be unable to integrate successfully the businesses of us and ARCT III and realize the anticipated benefits of the mergers or do so within the anticipated timeframe.

The mergers involve the combination of two companies which currently operate as independent public companies. Even though the companies are operationally similar, the combined company will be required to devote significant management attention and resources to integrating their business practices and operations. It is possible that the integration process could result in the distraction of the combined company' s management, the disruption of the combined company' s ongoing business or inconsistencies in the combined company' s operations, services, standards, controls, procedures and policies, any of which could adversely affect the ability of the combined company to maintain relationships with customers, vendors and employees or to fully achieve the anticipated benefits of the mergers.

The future results of the combined company will suffer if the combined company does not effectively manage its expanded operations following the mergers.

Following the mergers, the combined company may continue to expand its operations through additional acquisitions and other strategic transactions, some of which may involve complex challenges. The future success of the combined company will depend, in part, upon its ability to manage its expansion opportunities, integrate new operations into its existing business in an efficient and timely manner, successfully monitor its operations, costs, regulatory compliance and service quality, and maintain other necessary internal controls. The combined company cannot assure you that its expansion or acquisition opportunities will be successful, or that the combined company will realize its expected operating efficiencies, cost savings, revenue enhancements, synergies or other benefits.

The market price of our common stock may decline as a result of the merger.

The market price of our common stock may decline as a result of the merger if the combined company does not achieve the perceived benefits of the merger as rapidly or to the extent anticipated by financial or industry analysts, or the effect of the merger on our financial results is not consistent with the expectations of financial or industry analysts.

In addition, following the effective time of the merger, our stockholders and former ARCT III stockholders will own interests in a combined company operating an expanded business with a different mix of properties, risks and liabilities. Current stockholders of us and ARCT III may not wish to continue to invest in the combined company, or for other reasons may wish to dispose of some or all of their shares of our common stock. If, following the effective time of the merger, there is selling pressure on our common stock that exceeds demand at the market price, the price of our common stock could decline.

We cannot assure you that we will be able to continue paying dividends at the current rate.

We plan to continue our current monthly dividend practices following the merger. However, stockholders may not receive the same dividends following the merger for various reasons, including the following:

- as a result of the merger and the issuance of shares of our common stock our connection with the merger, the total amount of cash required for us to pay dividends at the current rate will increase;
- we may not have enough cash to pay such dividends due to changes in our cash requirements, capital spending plans, cash flow or financial position;
- decisions on whether, when and in which amounts to make any future distributions will remain at all times entirely at the discretion of our board of directors, which reserves the right to change our dividend practices at any time and for any reason;
- we may desire to retain cash to maintain or improve our credit ratings; and
- the amount of dividends that our subsidiaries may distribute to us may be subject to restrictions imposed by state law, restrictions that may be imposed by state regulators and restrictions imposed by the terms of any current or future indebtedness that these subsidiaries may incur.

Further, our stockholders have no contractual or other legal right to dividends that have not been declared.

Counterparties to certain significant agreements with us and/or ARCT III may have consent rights in connection with the mergers.

Each of us and ARCT III is party to certain agreements that give the counterparty certain rights, including consent rights, in connection with "change in control" transactions. Under certain of these agreements, the mergers may constitute a "change in control" and, therefore, the counterparty may assert its rights in connection with the mergers. Any such counterparty may request modifications of its agreements as a condition to granting a waiver or consent under those agreements and there can be no assurance that such counterparties will not exercise their rights under the agreements, including termination rights where available. In addition, the failure to obtain consent under one agreement may be a default under agreements and, thereby, trigger rights of the counterparties to such other agreements, including termination rights where available.

We may incur adverse tax consequences if ARCT III has failed or fails to qualify as a REIT for U.S. federal income tax purposes.

If ARCT III has failed or fails to qualify as a REIT for U.S. federal income tax purposes and the mergers completed, we may inherit significant tax liabilities and could lose our REIT status should disqualifying activities continue after the mergers.

Our anticipated level of indebtedness will increase upon completion of the mergers and will increase the related risks we now face.

In connection with the mergers, we will incur additional indebtedness and will assume certain indebtedness of ARCT III and will be subject to increased risks associated with debt financing, including an increased risk that the combined company' s cash flow could be insufficient to meet required payments on its debt. As of January 4, 2013, we had indebtedness of $160.3 million. Taking into account our existing indebtedness, the incurrence of additional indebtedness in connection with the mergers, and the assumption of indebtedness in the mergers, our pro forma consolidated indebtedness as of January 4, 2013, after giving effect to the mergers, would be approximately $1.3 billion.

Our increased indebtedness could have important consequences to holders of our common stock and preferred stock, including:

- increasing our vulnerability to general adverse economic and industry conditions;
- limiting our ability to obtain additional financing to fund future working capital, capital expenditures and other general corporate requirements;
- requiring the use of a substantial portion of our cash flow from operations for the payment of principal and interest on our indebtedness, thereby reducing our ability to use our cash flow to fund working capital, acquisitions, capital expenditures and general corporate operating requirements;
- limiting our flexibility in planning for, or reacting to, changes in our business and our industry; and
- putting us at a disadvantage compared to our competitors with less indebtedness.

If we default under a loan, we may automatically be in default under any other loan that has cross-default provisions, and we may lose the properties securing these loans.

Unaudited Pro Forma Financial Statements

American Realty Capital Properties, Inc.
Unaudited Pro Forma Condensed Consolidated Balance Sheet

The following unaudited pro forma Condensed Consolidated Balance Sheet is presented as if ARCT III and ARCP had merged in a stock exchange transaction as of September 30, 2012.

ARCT III and ARCP are considered to be entities under common control. Both entities' advisors are wholly owned subsidiaries of the entities' sponsor, AR Capital, LLC. The sponsor and its related parties have has significant ownership interests in ARCP through the ownership of shares of common stock and other equity interests. In addition, the advisors of both companies are contractually eligible to charge significant fees for their services to both of the companies including asset management fees, fees for the arrangement of financing and incentive fees and other fees. Due to the significance of these fees, the advisors and ultimately the sponsor is determined to have a significant economic interest in both companies in addition to having the power to direct the activities of the companies through the advisory agreement, which qualifies them as affiliated companies under common control in accordance with U.S. Generally Accepted Accounting Principles, or U.S. GAAP. The acquisition of an entity under common control is accounted for on the carryover basis of accounting whereby the assets and liabilities of the companies are recorded upon the merger on the same basis as they were carried by the companies on the merger date.

This financial statement should be read in conjunction with the unaudited pro forma Consolidated Statement of Operations and the historical financial statements and notes thereto in this Form 8-K. The pro forma Condensed Consolidated Balance Sheet is unaudited and is not necessarily indicative of what the actual financial position would have been had ARCT III and ARCP merged as of September 30, 2012, nor does it purport to present the future financial position of ARCP.

American Realty Capital Properties, Inc.
Unaudited Pro Forma Condensed Consolidated Balance Sheet
September 30, 2012
(In thousands)

	ARCT III Historical(1)	ARCP Historical(2)	Pro Forma Subsequent Acquisition Adjustments(3)	Pro Forma Future Acquisition Adjustments(4)	Pro Forma	Pro Forma Merger Adjustments(5)	ARCP Pro Forma
Assets							
Real estate investments, at cost:							
Land	$ 143,346	$ 28,717	$ 92,497	$ 64,203	$ 328,763	$ –	$ 328,763
Buildings, fixtures and improvements	686,724	182,700	467,383	324,416	1,661,223	–	1,661,223
Acquired intangible lease assets	115,268	24,306	75,032	52,081	266,687	–	266,687
Total real estate investments, at cost	945,338	235,723	634,912	440,700	2,256,673	–	2,256,673
Less: accumulated depreciation and amortization	(16,712)	(20,954)	–	–	(37,666)	–	(37,666)
Total real estate investments, net	928,626	214,769	634,912	440,700	2,219,007	–	2,219,007
Cash and cash equivalents	691,674	3,779	(524,393)	(115,700)	55,360	(2,085)(6)	53,275
Investment securities, at fair value	8,089	–	–	–	8,089	–	8,089
Restricted cash	1,212	–	–	–	1,212	–	1,212
Prepaid expenses and other assets	7,822	3,015	–	–	10,837	2,085(6)	12,922
Receivable for issuance of common stock	4,320	–	–	–	4,320	–	4,320
Deferred costs, net	11,644	4,204	–	–	15,848	–	15,848
Assets held for sale	–	812	–	–	812	–	812
Total assets	$ 1,653,387	$ 226,579	$ 110,519	$ 325,000	$2,315,485	$ –	$2,315,485
Liabilities and Equity							
Mortgage notes payable	$ 156,730	$ 35,760	$ 72,630	$ –	$ 265,120	$ –	$ 265,120
Derivatives, at fair value	4,122	–	–	–	4,122	–	4,122
Senior secured revolving credit facility	–	91,090	33,514	–	124,604	–	124,604
Unsecured credit facility	–	–	–	325,000(7)	325,000	631,263(8)	956,263
Accounts payable and accrued expenses	3,163	1,276	–	–	4,439	–	4,439
Deferred rent	1,998	803	–	–	2,801	–	2,801
Distributions payable	9,251	–	–	–	9,251	–	9,251
Total liabilities	175,264	128,929	106,144	325,000	735,337	631,263	1,366,600
Series A convertible preferred stock	–	5	–	–	5	–	5
Series B convertible preferred stock	–	3	–	–	3	–	3
Preferred stock	–	–	–	–	–	–	–
Common stock	1,753	112	–	–	1,865	(587)(9)	1,278
Additional paid-in capital	1,537,766	101,325	–	–	1,639,091	(700,115)(10)	938,976
Accumulated other comprehensive loss	(4,088)	(13)	–	–	(4,101)	–	(4,101)
Accumulated deficit	(60,308)	(13,295)	–	–	(73,603)	–	(73,603)
Total stockholders' equity	1,475,123	88,137	–	–	1,563,260	(700,702)	862,558
Non-controlling interests	3,000	9,513	4,375	–	16,888	69,439(11)	86,327
Total equity	1,478,123	97,650	4,375	–	1,580,148	(631,263)	948,885
Total liabilities and equity	$ 1,653,387	$ 226,579	$ 110,519	$ 325,000	$2,315,485	$ –	$2,315,485

American Realty Capital Properties, Inc.
Notes to Consolidated Pro Forma Balance Sheet

Pro Forma Consolidated Balance Sheet as of September 30, 2012:

(1) Reflects the historical Balance Sheet of American Realty Capital Trust III, Inc. for the period indicated.

(2) Reflects the historical Balance Sheet of American Realty Capital Properties, Inc. for the period indicated.

(3) Adjustments and pro forma balances represent amounts for properties acquired by ARCP and ARCT III from October 1, 2012 to December 31, 2012 as if they had been acquired as of the beginning of the period with related financing thereon. All properties acquired during this period were net leased properties whereby the tenant is responsible for all operating expenses of the property. Allocations of the purchase price of the property between asset categories is based on allocations of similar types of assets acquired previously by the companies. In accordance with U.S. GAAP, ARCP has one year to finalize the allocation of the purchase price between the various classes of assets.

(4) Adjustments and pro forma balances represent amounts for properties intended to be acquired by ARCP and ARCT III as if they had been acquired as of the beginning of the period with related financing

thereon. All properties probable to be acquired are net leased properties whereby the tenant is responsible for all operating expenses of the property. Allocations of the purchase price of the property between asset categories is based on allocations of similar types of assets acquired previously by the companies.

(5) Adjustments and pro forma balances based on the offering of 0.95 shares of ARCP' s common stock for every share of ARCT III' s common stock in addition to other arrangements made with ARCP' s advisor in conjunction with the merger.

(6) In conjunction with the merger and internalization of certain functions now performed by the advisor, ARCP agreed to acquire certain corporate furniture, fixtures, equipment and other assets for $2.0 million. An additional $3.8 million will be paid for transaction and offering-related costs in conjunction with the merger.

(7) Property acquisitions will be partially financed with proceeds from ARCP' s line of credit. ARCP has obtained commitments for a credit facility of up to $1 billion for the funding of such purchases.

(8) The merger agreement provides for the purchase of up to 30% of the outstanding shares of ARCT III' s common stock at $12.00 per share. Based on the 175.4 million shares outstanding at September 30, 2012, the cost of acquiring 30% of the outstanding shares would be $631.3 million. ARCP has obtained commitments for a credit facility of up to $1 billion for the funding of such share repurchases.

(9) Represents the exchange of 70% of 175.4 million shares of ARCT III shares of common stock at an exchange rate of 0.95 to 116.6 million shares of ARCP common stock. For pro forma financial statement purposes it was assumed that as provided for in the merger agreement, 30% of the outstanding shares of ARCT III shares are exchanged for cash at $12.00 per common share.

(10) Purchase of 30% of outstanding shares for cash at $12.00 per share	$ 631,263
Issuance of OP units to the sponsor of ARCT III[(a)]	69,439
Less: The par value of the exchanged shares of ARCT III common stock net of ARCP shares issued	(587)
	$ 700,115

(a) See note (11) regarding the issuance of OP units to the sponsor of ARCT III.

(11) The sponsor of ARCT III is entitled a fee based on the achievement of certain total return to the ARCT III shareholders. This estimated calculation is based on the number of shares of ARCT III outstanding and the closing common stock price of ARCP shares on January 3, 2012 of $13.42 per share. The actual amount to be paid will not be known until the merger date. The fee will be paid in OP units which represent equity interests in the operations of ARCP.

American Realty Capital Properties, Inc.
Unaudited Pro Forma Condensed Consolidated Statement of Operations
For the Nine Months Ended September 30, 2012

The following unaudited pro forma Consolidated Statements of Operations are presented as if ARCT III and ARCP merged at the beginning of each period presented. These financial statements should be read in conjunction with the unaudited pro forma Condensed Consolidated Balance Sheet and ARCP' s historical financial statements and notes thereto in this Form 8-K and the documents incorporated by reference herein. The pro forma Consolidated Statements of Operations are unaudited and are not necessarily indicative of what the actual operations would have been had ARCP consummated this transaction at the beginning of the periods nor does it purport to present the future operations of ARCP.

American Realty Capital Properties, Inc.
Unaudited Pro Forma Condensed Consolidated Statement Of Operations and Comprehensive Loss
For the nine months ended September 30, 2012
(In thousands except per share data)

	ARCT III Historical[1]	ARCP Historical[2]	Pro Forma Acquisition Adjustments[3]	Pro Forma Subsequent Acquisition Adjustments[4]	Pro Forma Future Acquisition Adjustments[5]	Pro Forma	Pro Forma Other Adjustments[6]	ARCP Pro Forma
Revenues:								
Rental income	$ 24,948	$ 10,997	$ 34,977[7]	$ 37,265[7]	$ 26,062[7]	$ 134,249	–	$ 134,249
Operating expense reimbursements	598	175	–	–	–	773	–	773
Total revenues	25,546	11,172	34,977	37,265	26,062	135,022	–	135,022
Operating expenses:								
Acquisition and transaction related	24,087	3,297	–	–	–	27,384	(16,778)[12]	10,606
Property operating	1,102	555	–	–	–	1,657	–	1,657
Operating fees to affiliates	212	–	–	2,381	1,653	4,246	4,138[13]	8,384
General and administrative	797	1,530	–	–	–	2,327	–[14]	2,327
Depreciation and amortization	16,213	6,092	24,990[8]	25,425[8]	10,714[8]	83,434	–	83,434
Total operating expenses	42,411	11,474	24,990	27,806	12,367	119,048	(12,640)	106,408
Operating income (loss)	(16,865)	(302)	9,987	9,459	13,695	15,974	12,640	28,614
Other income (expenses):								
Interest expense	(4,723)	(2,873)	(868)[9]	(2,547)[9]	(5,972)[9]	(16,983)	(11,599)[15]	(28,582)
Other income, net	273	–	232[10]	–	–	505	–	505
Total other expenses	(4,450)	(2,873)	(636)	(2,547)	(5,972)	(16,478)	(11,599)	(28,077)
Income (loss) from continuing operations	(21,315)	(3,175)	9,351	6,912	7,723	(504)	1,041	537
Net income (loss) from continuing operations attributable to non-controlling interests	–	141	(851)[11]	(629)[11]	(703)[11]	(2,042)	1,993[11]	(49)
Net income (loss) from continuing operations attributable to stockholders	(21,315)	(3,034)	8,500	6,283	7,020	(2,546)	3,034	488
Discontinued operations:								
Income (loss) from operations of held for sale properties	–	(12)	–	–	–	(12)	–	(12)
Loss on held for sale properties	–	(452)	–	–	–	(452)	–	(452)
Net loss from discontinued operations	–	(464)	–	–	–	(464)	–	(464)
Net from discontinued operations attributable to non-controlling interests	–	24	–	–	–	24	–	24
Net from discontinued operations attributable to stockholders	–	(440)	–	–	–	(440)	–	(440)
Net income (loss)	(21,315)	(3,639)	9,351	6,912	7,723	(968)	1,041	73
Net income (loss) attributable to non-controlling interests	–	165	(851)	(629)	(703)	(2,018)	1,993	(25)
Net income (loss) attributable to stockholders	$ (21,315)	$ (3,474)	$ 8,500	$ 6,283	$ 7,020	$ (2,986)	$ 3,034	$ 48
Earnings per share:								
Basic	$ (0.30)	$ (0.43)						$ 0.00
Fully Diluted	$ (0.30)	$ (0.43)						$ 0.00
Weighted average common shares:								
Basic	72,007,149	8,543,365						125,151,702
Fully Diluted	72,024,549	9,508,246						131,290,871

American Realty Capital Properties, Inc.
Unaudited Pro Forma Condensed Consolidated Statement Of Operations and Comprehensive Loss
For the year ended December 31, 2011
(In thousands except per share data)

	ARCT III Historical(1)	ARCP Historical(2)	Pro Forma Acquisition Adjustments(3)	Pro Forma	Pro Forma Other Adjustments(6)	ARCP Pro Forma
Revenues:						
Rental income	$ 740	$ 3,022	12,622(7)	$ 16,384	$ –	$ 16,384
Operating expense reimbursements	55	153	–	208	–	208
Total revenues	795	3,175	12,622	16,592	–	16,592
Operating expenses:						
Acquisition and transaction related	2,023	1,875	–	3,898	(1,692)(12)	2,206
Property operating	67	153	–	220	–	220
Operating fees to affiliates	–	–	–	–	1,047(13)	1,047
General and administrative	295	440	–	735	–(14)	735
Depreciation and amortization	499	1,612	2,343(9)	4,454	–	4,454
Total operating expenses	2,884	4,080	2,343	9,307	(645)	8,662
Operating income (loss)	(2,089)	(905)	10,279	7,285	645	7,930
Other income (expenses):						
Interest expense	(36)	(924)	(1,986)(7)	(2,946)	(156)(15)	(3,102)
Other income, net	1	1	–	2		2
Total other expenses	(35)	(923)	(1,986)	(2,944)	(156)	(3,100)
Income (loss) from continuing operations	(2,124)	(1,828)	8,293	4,341	489	4,830
Net income (loss) from continuing operations attributable to non-controlling interests	–	69	(754)(11)	(685)	(44)(11)	(729)
Net income (loss) from continuing operations attributable to stockholders	(2,124)	(1,759)	7,539	3,656	445	4,101
Discontinued operations:						
Income (loss) from operations of held for sale properties	–	(37)	–	(37)	–	(37)
Loss on held for sale properties	–	(815)	–	(815)	–	(815)
Net loss from discontinued operations	–	(852)	–	(852)	–	(852)
Net from discontinued operations attributable to non-controlling interests	–	36	–	36	–	36
Net from discontinued operations attributable to stockholders	–	(816)	–	(816)	–	(816)
Net income (loss)	(2,124)	(2,680)	8,293	3,489	489	3,978
Net income (loss) attributable to non-controlling interests	–	105	(754)	(649)	(44)	(693)
Net income (loss) attributable to stockholders	$ (2,124)	$ (2,575)	$ 9,047	$ 2,840	$ 445	$ 3,285
Earnings per share:						
Basic	$ (1.20)	$ (1.26)				$ 1.02
Fully Diluted	$ (1.20)	$ (1.26)				$ 1.02
Weighted average common shares:						
Basic	1,763,190	2,045,320				3,217,842
Fully Diluted	1,769,190	2,531,720				3,756,355

American Realty Capital Properties, Inc.
Notes to Consolidated Pro Forma Statements of Operations

(1) Reflects the historical Statement of Operations of ARCT III for the period indicated.

(2) Reflects the historical Statement of Operations of ARCP for the period indicated.

(3) Adjustments reflect the annualization of certain income and expense items for property acquisitions made in 2011 and up to October 31, 2012 as if they were made at the beginning of each period.

(4) Adjustments and pro forma balances reflect income and expenses related to properties acquired by ARCP and ARCT III from October 1, 2012 to December 31, 2012 as if they had been acquired as of the beginning of the period with related financing

thereon. All properties acquired during this period were net leased properties whereby the tenant is responsible for all operating expenses of the property.

(5) Adjustments and pro forma balances reflect income and expenses related to properties intended to be acquired by ARCP and ARCT III as if they had been acquired as of the beginning of the period with

related financing thereon. All properties probable to be acquired are net leased properties whereby the tenant is responsible for all operating expenses of the property.

(6) Adjustments and pro forma balances based on the offering of 0.95 shares of ARCP' s common stock for every share of ARCT III' s common stock in addition to other arrangements made with ARCP' s advisor in conjunction with the merger.

(7) Rental income, operating expense reimbursements and property operating expense adjustments reflect income and expenses for properties as if all properties were acquired during the periods by ARCP and ARCT III were acquired at the beginning of each period.

(8) Depreciation and amortization expense adjustment reflects the expense that would have been recorded if all properties acquired by ARCP and ARCT III during each period had been acquired as of the beginning of each period.

(9) Interest expense adjustment reflects the expense that would have been recognized had the properties for which the funding was used been acquired by ARCP and ARCT III during each period had been acquired as of the beginning of each period. Amounts were calculated based on ending period debt balances and average interest rates for lines of credit and mortgage loans.

(10) Adjustment reflects the annualization of income related to certain marketable securities made mid-period as if they had been purchased at the beginning of the period.

(11) Non-controlling interest adjustment reflects interests of operating partnership unit holders including those issued to the sponsor of ARCT III in conjunction with the merger.

(12) Acquisition and transaction related adjustment relates to contractual charges from the advisor for property acquisitions which will no longer be charged in accordance with the revised advisor agreement. Adjustment does not include approximately $69.4 million of estimated fees to be paid in OP Units to the sponsor in conjunction with the merger and $27.0 million of estimated merger related costs mainly related to investment banker, legal and accounting fees.

(13) Operating fees to affiliate adjustment relates to all asset management fees incurred under the arrangement regardless of whether such fees were previously waived. The contractual asset management fee is based on 0.50% (annualized) of real estate investments, at cost, up to $3.0 billion. The fee decreases to 0.40% (annualized) of real estate investments above $3.0 billion.

(14) General and administrative expenses exclude certain costs such as salary and benefits for certain property acquisition, accounting and property management personnel which will be borne by ARCP after the merger as well as certain additional costs that may be incurred to manage a larger public company such as legal, accounting, insurance and other costs. Total general and administrative expenses are expected to increase approximately $1.0 million annually.

(15) Interest expense adjustment reflects interest on an additional $631.3 million borrowing on ARCP' s committed line of credit at the expected interest rate of 2.45%. The estimate reflects the expected repurchase of up to 30% of the outstanding shares of ARCT III' s common stock at $12.00 per share as provided for in the merger agreement. ARCP has obtained commitments for a credit facility of up to $1 billion for the funding of such share purchases.

American Realty Capital Properties, Inc.
Unaudited Pro Forma Funds From Operations and Adjusted Funds From Operations
For the nine months ended September 30, 2012
(In thousands except per share data)

	ARCT III Historical	ARCP Historical	Combined Historical	ARCP Pro Forma
Net loss attributable to stockholders (in accordance with GAAP)	$ (21,315)	$ (3,474)	$(24,789)	$ 73
Loss on held for sale properties	–	428	428	428
Depreciation and amortization	16,212	5,717	21,929	83,434
Total funds from operations (FFO)	(5,103)	2,671	(2,432)	83,935
Adjustments:				
Acquisition and transaction related costs	24,087	3,060	27,147	10,606
Amortization of above-market lease asset	–	52	52	152
Amortization of deferred financing costs	696	495	1,191	1,191
Straight-line rent	(592)	(555)	(1,147)	(5,698)
Mark-to-market adjustments	91	–	91	91
Non-cash equity compensation expense	45	792	837	837
Total adjusted funds from operations (AFFO)	$ 19,224	$ 6,515	$ 25,739	$ 91,114
Weighted average common shares:				
Basic	72,007,149	8,543,365		125,151,702
Diluted	72,024,549	9,508,246		131,290,871
FFO per share:				
Basic	$ (0.07)	$ 0.31		$ 0.67
Diluted	$ (0.07)	$ 0.28		$ 0.64(1)
AFFO per share:				
Basic	$ 0.27	$ 0.76		$ 0.73
Diluted	$ 0.27	$ 0.69		$ 0.69

(1) Previously issued guidance of annualized FFO of $0.91 to $0.95 per share, fully diluted) was based on run-rate statement of operations balances and excluded acquisition and transaction costs from net income as they are not expected to continue at the current rate in future periods. Excluding acquisition and transaction costs from net income, FFO would be $0.72 per share, fully diluted, for the nine month period or $0.96 on an annualized basis.

Summary Financial Statements of FedEx Corporation

Set forth below are summary financial statements of the parent of the lessee of the FedEx properties included in the portfolio of American Realty Capital Properties, Inc. and American Realty Capital Trust III, Inc. on a pro forma basis. FedEx Corporation currently files its financial statements in reports filed with the U.S. Securities and Exchange Commission, and the following summary financial data regarding FedEx Corporation are taken from such filings:

(Amounts in Millions)	Six Months Ended November 30, 2012 (Unaudited)	Year Ended May 31, 2012 (Audited)	Year Ended May 31, 2011 (Audited)	Year Ended May 31, 2010 (Audited)
Statements of Operations Data				
Revenues	$ 21,899	$ 42,680	$ 39,304	$ 34,734
Operating income	1,460	3,186	2,378	1,998
Net income	897	2,032	1,452	1,894

(Amounts in Millions)	November 30, 2012 (Unaudited)	May 31, 2012 (Audited)	May 31, 2011 (Audited)	May 31, 2010 (Audited)
Consolidated Condensed Balance Sheets				
Total assets	$ 31,312	$ 29,903	$ 27,385	$ 24,902
Long-term debt	2,241	1,250	1,667	1,668
Total common stockholders' investment	15,543	14,727	15,220	13,811

Summary Financial Statements of Dollar General Corporation

Set forth below are summary financial statements of the parent guarantor of the properties included in the portfolio of American Realty Capital Properties, Inc. and American Realty Capital Trust III, Inc. on a pro forma basis. Dollar General Corporation currently files its financial statements in reports filed with the U.S. Securities and Exchange Commission, and the following summary financial data regarding Dollar General Corporation are taken from such filings:

(Amounts in Thousands)	For the 39 Weeks Ended November 2, 2012 (Unaudited)	Fiscal Year Ended February 3, 2012 (Audited)	Fiscal Year Ended January 28, 2011 (Audited)	Fiscal Year Ended January 29, 2010 (Audited)
Consolidated Condensed Statements of Income				
Net sales	$ 11,814,507	$ 14,807,188	$ 13,035,000	$ 11,796,380
Operating profit	1,132,927	1,490,804	1,274,065	953,258
Net income	635,240	766,685	627,857	339,442
(Amounts in Thousands)	**November 2, 2012 (Unaudited)**	**February 3, 2012 (Audited)**	**January 28, 2011 (Audited)**	**January 29, 2010 (Audited)**
Consolidated Condensed Balance Sheets				
Total assets	$ 10,273,677	$ 9,688,520	$ 9,546,222	$ 8,863,519
Long-term obligations	3,023,367	2,617,891	3,287,070	3,399,715
Total liabilities	5,538,815	5,020,025	5,491,743	5,473,221
Total shareholders' equity	4,734,862	4,668,495	4,054,479	3,390,298

Summary Financial Statements of RBS Citizens, N.A.

Set forth below are summary financial statements of the parent of the lessee of the Citizens Bank properties included in the portfolio of American Realty Capital Properties, Inc. and American Realty Capital Trust III, Inc. on a pro forma basis. RBS Citizens, N.A. currently makes its financial statements available on the Federal Deposit Insurance Corporation website, and the following summary financial data regarding RBS Citizens, N.A. are taken from such filings:

(Amounts in millions)	Nine Months Ended September 30, 2012 (Unaudited)	Fiscal Year Ended December 31, 2011 (Audited)	Fiscal Year Ended December 31, 2010 (Audited)	Fiscal Year Ended December 31, 2009 (Audited)
Consolidated Condensed Statements of Income				
Total interest income	$ 4,873	$ 3,484	$ 4,008	$ 4,868
Net interest income after provision for credit losses	3,523	1,230	1,289	494
Net income (loss)	843	345	(39)	(600)
(Amounts in millions)	**September 30, 2012 (Unaudited)**	**December 31, 2011 (Audited)**	**December 31, 2010 (Audited)**	**December 31, 2009 (Audited)**
Consolidated Condensed Balance Sheets				
Total assets	$ 107,214	$ 106,941	$ 107,836	$ 116,921
Total liabilities	88,455	88,830	90,920	100,321
Total shareholders' equity	18,759	18,111	16,916	16,600