

FCPT

Supplemental Financial & Operating Information

Three Months Ended – March 31, 2017

Four Corners Property Trust, Inc. (“FCPT” or the “Company”, NYSE: FCPT) is primarily engaged in the acquisition and leasing of restaurant properties. FCPT seeks to grow its portfolio by acquiring additional real estate to lease, on a triple net basis, for use in the restaurant and related food services industry. As of March 31, 2017, FCPT’s leased portfolio consists of 484 restaurant properties located in 44 states. The properties are 100% occupied under predominantly long-term, triple net leases with a weighted average remaining lease term of approximately 13.5 years and an estimated portfolio weighted average EBITDAR to lease rent coverage of 4.2x.





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Non-GAAP Definitions and Cautionary Note Regarding Forward-Looking Statements:

This document includes certain non-GAAP financial measures that management believes are helpful in understanding our business, as further described below. Our definition and calculation of non-GAAP financial measures may differ from those of other REITs and therefore may not be comparable. The non-GAAP measures should not be considered an alternative to net income as an indicator of our performance and should be considered only a supplement to net income, and to cash flows from operating, investing or financing activities as a measure of profitability and/or liquidity, computed in accordance with GAAP.

Funds From Operations (“FFO”) is a supplemental measure of our performance which should be considered along with, but not as an alternative to, net income and cash provided by operating activities as a measure of operating performance and liquidity. We calculate 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 property and undepreciated land and impairment write-downs of depreciable real estate, plus real estate related depreciation and amortization (excluding amortization of deferred financing costs) and after adjustments for unconsolidated partnerships and joint ventures. We also omit the tax impact of non-FFO producing activities from FFO determined in accordance with the NAREIT definition.

Our management uses FFO as a supplemental performance measure because, in excluding real estate related depreciation and amortization and gains and losses from property dispositions, it provides a performance measure that, when compared year over year, captures trends in occupancy rates, rental rates and operating costs. We offer this measure because we recognize that FFO will be used by investors as a basis to compare our operating performance with that of other REITs. However, because FFO excludes depreciation and amortization and captures neither the changes in the value of our properties that result from use or market conditions, nor the level of capital expenditures and capitalized leasing commissions necessary to maintain the operating performance of our properties, all of which have real economic effect and could materially impact our financial condition and results from operations, the utility of FFO as a measure of our performance is limited. FFO is a non-GAAP measure and should not be considered a measure of liquidity including our ability to pay dividends or make distributions. In addition, our calculations of FFO are not necessarily comparable to FFO as calculated by other REITs that do not use the same definition or implementation guidelines or interpret the standards differently from us. Investors in our securities should not rely on these measures as a substitute for any GAAP measure, including net income.

Adjusted Funds From Operations “AFFO” is a non-GAAP measure that is used as a supplemental operating measure specifically for comparing year over year ability to fund dividend distribution from operating activities. AFFO is used by us as a basis to address our ability to fund our dividend payments. We calculate adjusted funds from operations by adding to or subtracting from FFO:

1. Transaction costs incurred in connection with the acquisition of real estate investments
2. Non-cash stock-based compensation expense
3. Amortization of deferred financing costs
4. Other non-cash interest expense
5. Non-real estate depreciation
6. Merger, restructuring and other related costs
7. Impairment charges
8. Amortization of capitalized leasing costs
9. Straight-line rent revenue adjustment
10. Amortization of above and below market leases



11. Debt extinguishment gains and losses
12. Recurring capital expenditures and tenant improvements

AFFO is not intended to represent cash flow from operations for the period, and is only intended to provide an additional measure of performance by adjusting the effect of certain items noted above included in FFO. AFFO is a widely-reported measure by other REITs; however, other REITs may use different methodologies for calculating AFFO and, accordingly, our AFFO may not be comparable to other REITs.

EBITDAR represents earnings before interest, taxes, depreciation, amortization and rent. Calculated as EBITDA plus rental expense.

EBITDAR to Lease Rent coverage is calculated by dividing our reporting tenants' trailing 12-month EBITDAR by annual contractual rent.

Cautionary Note Regarding Forward-Looking Statements:

This press release contains forward-looking statements within the meaning of the federal securities laws. Forward-looking statements include all statements that are not historical statements of fact and those regarding the Company's intent, belief or expectations, including, but not limited to, statements regarding: operating and financial performance; and expectations regarding the making of distributions and the payment of dividends. Words such as "anticipate(s)," "expect(s)," "intend(s)," "plan(s)," "believe(s)," "may," "will," "would," "could," "should," "seek(s)" and similar expressions, or the negative of these terms, are intended to identify such forward-looking statements. Forward-looking statements speak only as of the date on which such statements are made and, except in the normal course of the Company's public disclosure obligations, the Company expressly disclaims any obligation to publicly release any updates or revisions to any forward-looking statements to reflect any change in the Company's expectations or any change in events, conditions or circumstances on which any statement is based. Forward-looking statements are based on management's current expectations and beliefs and the Company can give no assurance that its expectations or the events described will occur as described. Forward-looking statements are subject to a number of risks and uncertainties that could cause actual results to differ materially from those set forth in or implied by such forward-looking statements.

Factors that could have a material adverse effect on the Company's operations and future prospects or that could cause actual results to differ materially from the Company's expectations are included in the sections entitled "Business," "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" of the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 27, 2017.



Consolidating Balance Sheet

March 31, 2017

(Unaudited)
(In thousands)

	Real Estate Operations	Restaurant Operations	Elimination	Consolidated FCPT
ASSETS				
Real estate investments:				
Land	\$ 422,340	\$ 3,061	\$ -	\$ 425,401
Buildings, equipment and improvements	1,051,652	13,560	-	1,065,212
Total real estate investments	1,473,992	16,621	-	1,490,613
Less: accumulated depreciation	(580,416)	(6,070)	-	(586,486)
Total real estate investments, net	893,576	10,551	-	904,127
Real estate held for sale	1,710	-	-	1,710
Cash and cash equivalents	15,281	2,789	-	18,070
Deferred rent	13,967	-	-	13,967
Other assets	5,480	544	-	6,024
Investment in subsidiary	10,953	-	(10,953)	-
Intercompany receivable	1,192	-	(1,192)	-
Total Assets	\$ 942,159	\$ 13,884	\$ (12,145)	\$ 943,898
LIABILITIES AND EQUITY				
Liabilities:				
Notes payable, net of deferred financing costs	\$ 439,293	\$ -	\$ -	\$ 439,293
Deferred rental revenue	7,972	-	-	7,972
Deferred tax liability	175	-	-	175
Dividends payable	14,536	-	-	14,536
Other liabilities	2,176	2,199	-	4,375
Intercompany payable	-	1,192	(1,192)	-
Total liabilities	464,152	3,391	(1,192)	466,351
Equity:				
Preferred stock	-	-	-	-
Common stock	6	-	-	6
Additional paid-in capital	440,342	10,953	(10,953)	440,342
Accumulated other comprehensive income	1,482	-	-	1,482
Noncontrolling interest	8,794	-	-	8,794
Retained earnings	27,383	(460)	-	26,923
Total equity	478,007	10,493	(10,953)	477,547
Total Liabilities and Equity	\$ 942,159	\$ 13,884	\$ (12,145)	\$ 943,898



Consolidated and Combined Statements of Operations

Three Months Ended March 31, 2017 and 2016

(Unaudited)

(In thousands, except shares and per share data)

	Three Months Ended March 31,	
	2017	2016
Revenues:		
Rental revenue	\$ 27,764	\$ 26,192
Restaurant revenue	4,943	4,859
Total revenues	32,707	31,051
Operating expenses:		
General and administrative	2,863	3,317
Depreciation and amortization	5,409	5,187
Restaurant expenses	4,668	4,698
Interest expense	4,094	4,182
Total operating expenses	17,034	17,384
Other income	5	60
Realized gain on sale, net	-	-
Income before provision for income taxes	15,678	13,727
(Provision for) benefit from income taxes	(45)	80,556
Net Income	\$ 15,633	\$ 94,283
Net income attributable to noncontrolling interest	(117)	-
Net Income Available to Common Shareholders	\$ 15,516	\$ 94,283
Basic net income per share	\$ 0.26	\$ 1.95
Diluted net income per share	\$ 0.26	\$ 1.61
Weighted-average shares outstanding:		
Basic	59,929,276	48,374,846
Diluted	59,995,930	58,737,283
Regular dividends declared per share	\$ 0.2425	\$ 0.2425



FFO and AFFO Statement
Three Months Ended March 31, 2017 and 2016
(Unaudited)
(In thousands, except shares and per share data)

	Three Months Ended March 31,	
	2017	2016
Funds from operations (FFO):		
Net income	\$ 15,633	\$ 94,283
Depreciation and amortization	5,409	5,187
Deferred tax benefit from REIT election	-	(80,409)
Realized gain on sales of real estate	-	-
FFO (as defined by NAREIT)	\$ 21,042	\$ 19,061
Non-cash stock-based compensation	494	317
Non-cash amortization of deferred financing costs	398	398
Other non-cash interest expense	52	380
Straight-line rent	(2,373)	(2,595)
Adjusted funds from operations (AFFO)	\$ 19,613	\$ 17,561
Fully diluted shares outstanding ⁽¹⁾	60,423,913	58,737,283
FFO per diluted share	\$ 0.35	\$ 0.32
AFFO per diluted share	\$ 0.32	\$ 0.30

(1) Assumes the issuance of common shares for OP units held by non-controlling partners.



Leased Portfolio Summary
Three Months Ended March 31, 2017

First Quarter 2017	Properties	Number of Four Corners Properties	Total Square Feet (000s)	Annual Cash Base Rent - 2017 (\$000s)	Percentage of Total Annualized Base Rent (2017)	Avg. Rent Per Square Foot (\$)	EBITDAR Coverage ⁽¹⁾	Lease Term Before Renewals (Yrs) ⁽²⁾
Existing properties								
	Olive Garden	299	2,556	\$ 70,926	69.5%	\$28	4.4x	13.6
	LongHorn Steakhouse	104	579	19,229	18.8%	33	3.9x	12.4
	Other Brands - Darden	13	126	4,688	4.6%	37	3.7x	11.9
	Other Brands - non-Darden	59	184	6,130	6.0%	33	2.9x	16.7
Properties acquired in Q1 2017⁽³⁾								
	3 Transactions	9	30	1,139	1.1%	38	2.2x	13.5
Properties sold								
	No sales in Q1 2017							
Lease terminations								
	No terminations in Q1 2017	-	-	-	-	-	-	-
Total/Weighted Avg.		484	3,475	\$ 102,112	100.0%	\$29	4.2x	13.5

(1) EBITDAR Coverage is calculated by dividing our tenants estimated trailing 12-month EBITDAR by annual contractual cash rent paid to FCPT. EBITDAR is defined as earnings before interest, income taxes, depreciation, amortization, and rent. EBITDAR is derived from the most recent data from tenants who disclose this information, representing approximately 98% of our run-rate rental income. FCPT does not independently verify financial information provided by its tenants.

(2) Lease term weighted by cash base rent.

(3) FCPT acquired 9 properties in Q1 2017 consisting of the following brands: McAlister's Deli (4), Burger King (2), Taco Bell (2), Steak n' Shake (1).



Leased Portfolio Diversification by State

As of March 31, 2017

State	# of Properties	% of Annual Base Rent
FL	45	11.7%
TX	47	11.2%
GA	44	8.3%
OH	33	6.4%
MI	25	4.0%
IN	25	3.4%
TN	19	3.4%
NC	17	3.2%
CA	10	3.1%
PA	13	3.0%
IL	17	2.7%
VA	14	2.6%
WI	16	2.4%
NY	10	2.3%
MD	10	2.2%
AL	12	2.0%
SC	9	2.0%
KY	10	2.0%
IA	10	1.9%
AZ	8	1.8%
NV	6	1.8%
MN	8	1.7%
OK	7	1.5%
CO	7	1.5%
MS	7	1.4%
AR	7	1.3%
KS	5	1.3%
LA	6	1.3%
WV	5	1.2%
MO	6	1.1%
14 States	26	6.2%
Total	484	100.0%



Lease Expirations
As of March 31, 2017

Leases Expiring In	Number of Properties	Expiring 2017 Base Rent (\$ in thousands)	Total Square Footage (in thousands)	Percent of Total Expiring Annual Rent
2017	2	112	5	0.1%
2018	-	-	-	0.0%
2019	-	-	-	0.0%
2020	1	59	4	0.1%
2021	1	86	2	0.1%
2022	-	-	-	0.0%
2023	2	207	5	0.2%
2024	-	-	-	0.0%
2025	1	117	4	0.1%
2026	2	234	7	0.2%
2027	71	15,920	520	15.6%
2028	74	16,741	539	16.4%
2029	69	15,261	523	14.9%
2030	67	14,667	518	14.4%
2031	60	13,500	480	13.2%
2032	47	10,680	372	10.5%
2033	42	10,002	365	9.8%
2034	4	510	13	0.5%
2035	1	173	3	0.2%
2036	40	3,843	115	3.8%
Vacant	-	-	-	0.0%
Total	484	\$ 102,112	3,475	100.0%